



# 2025 COMMERCIAL CONSTRUCTION TRENDS FOR MWCOCG REGION

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## Analysis of CoStar data

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Regional Planner  
Department of Community Planning and Services

Cooperative Forecasting and Data Subcommittee  
May 12, 2026

# About the Commercial Construction Report

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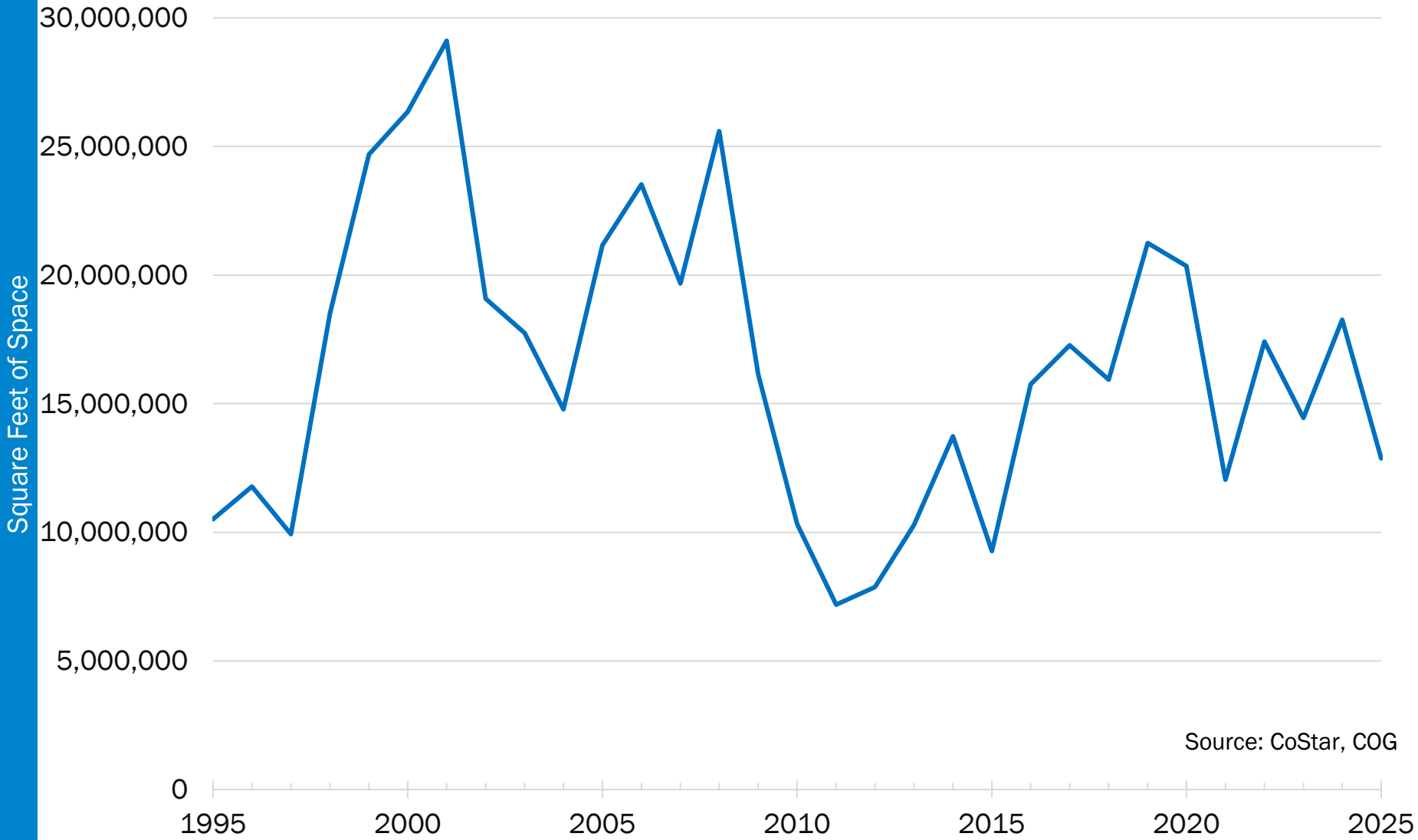
- Annual analysis of completed regional commercial real estate projects using data from CoStar's database of properties.
  - Includes office, retail, industrial, flex, healthcare, hospitality, sports and entertainment and specialty buildings
  - Generally, government buildings—including courts, administrative buildings and public schools—are omitted from the database

# Presentation Focus

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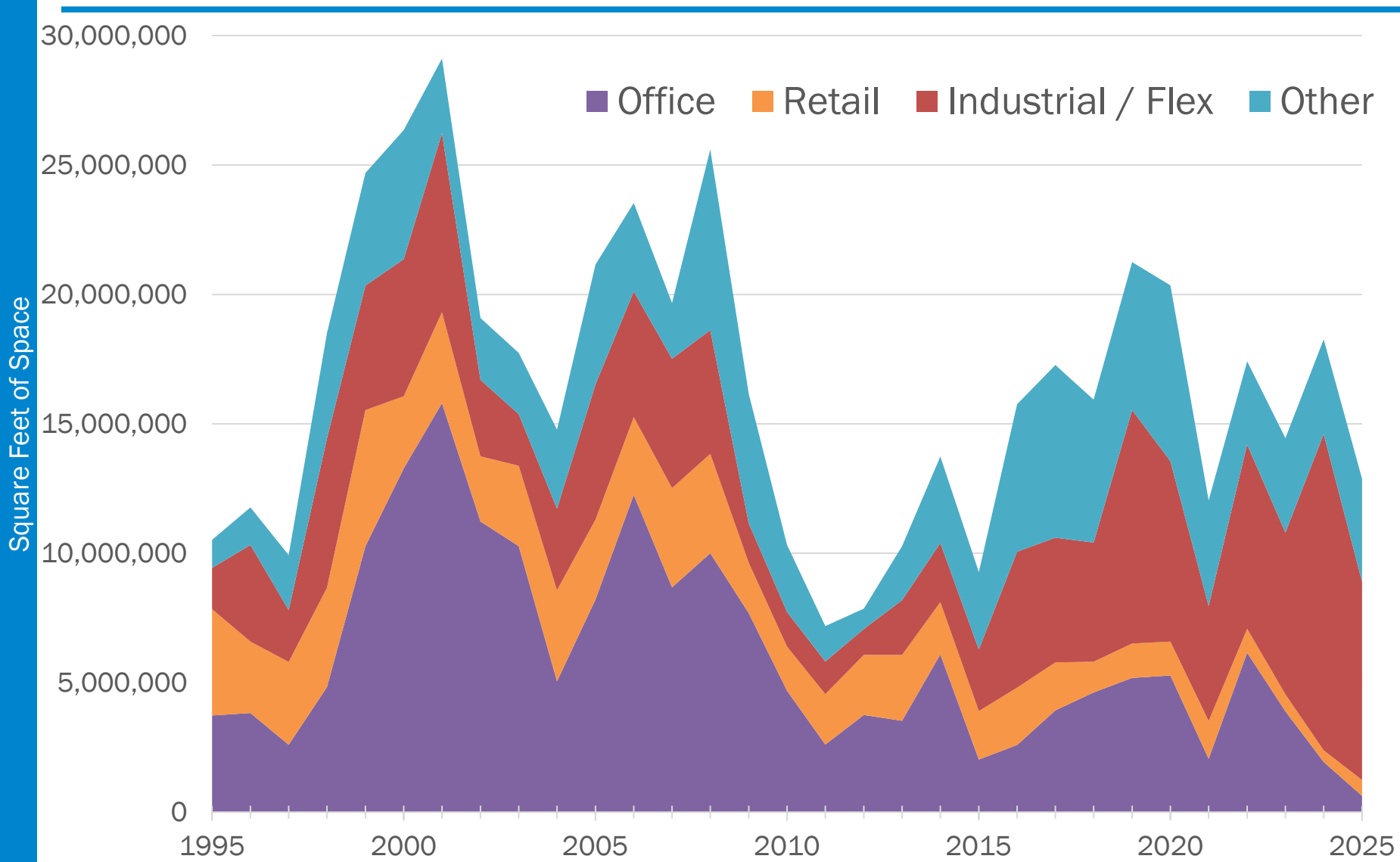
- Present 2025 construction totals by building type and location
- Review vacancy rate trends in the region
- Highlight the domination of industrial and flex uses in recent construction

# Square Footage of Completed Commercial Construction, 1995 - 2025

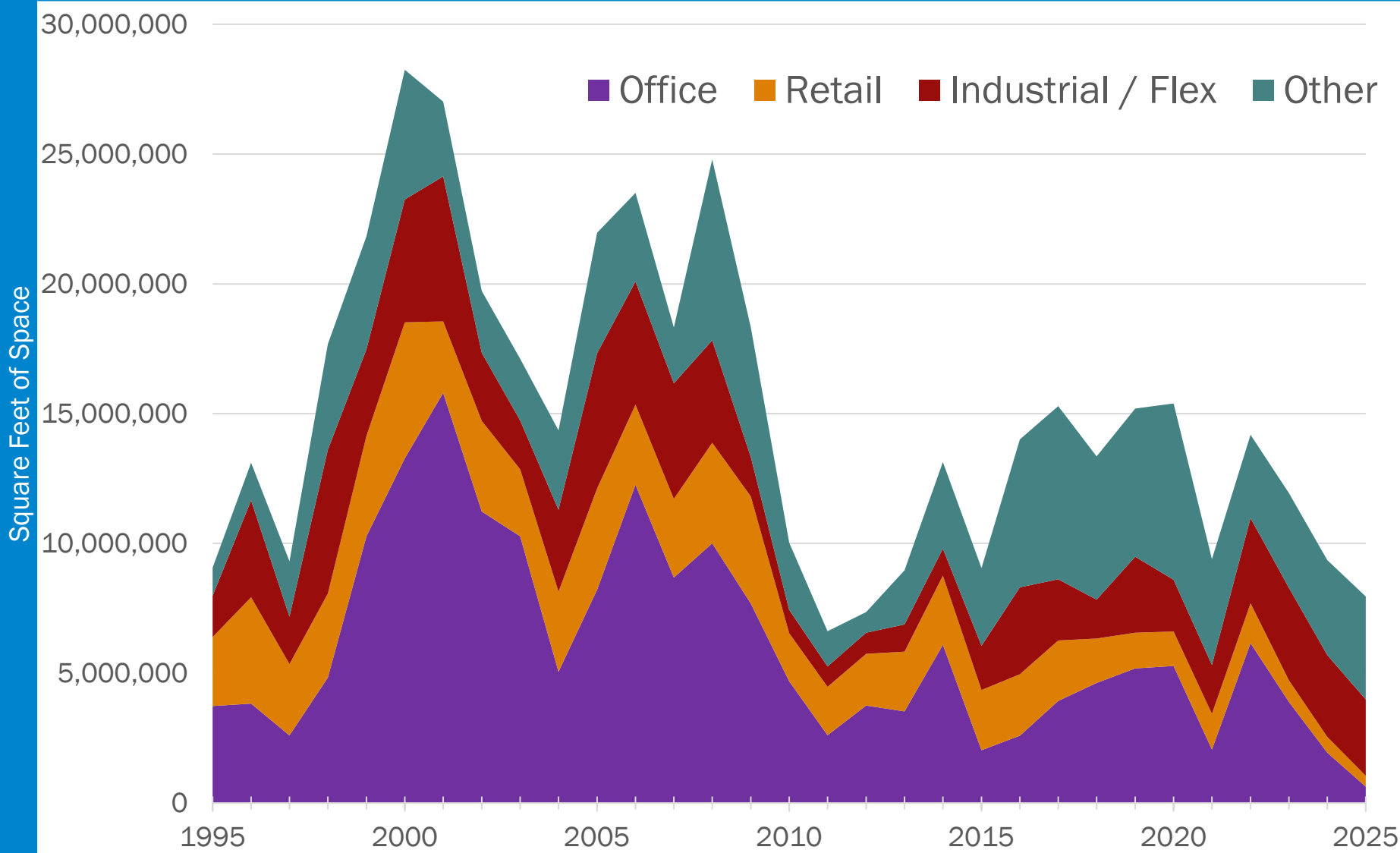


Source: CoStar, COG

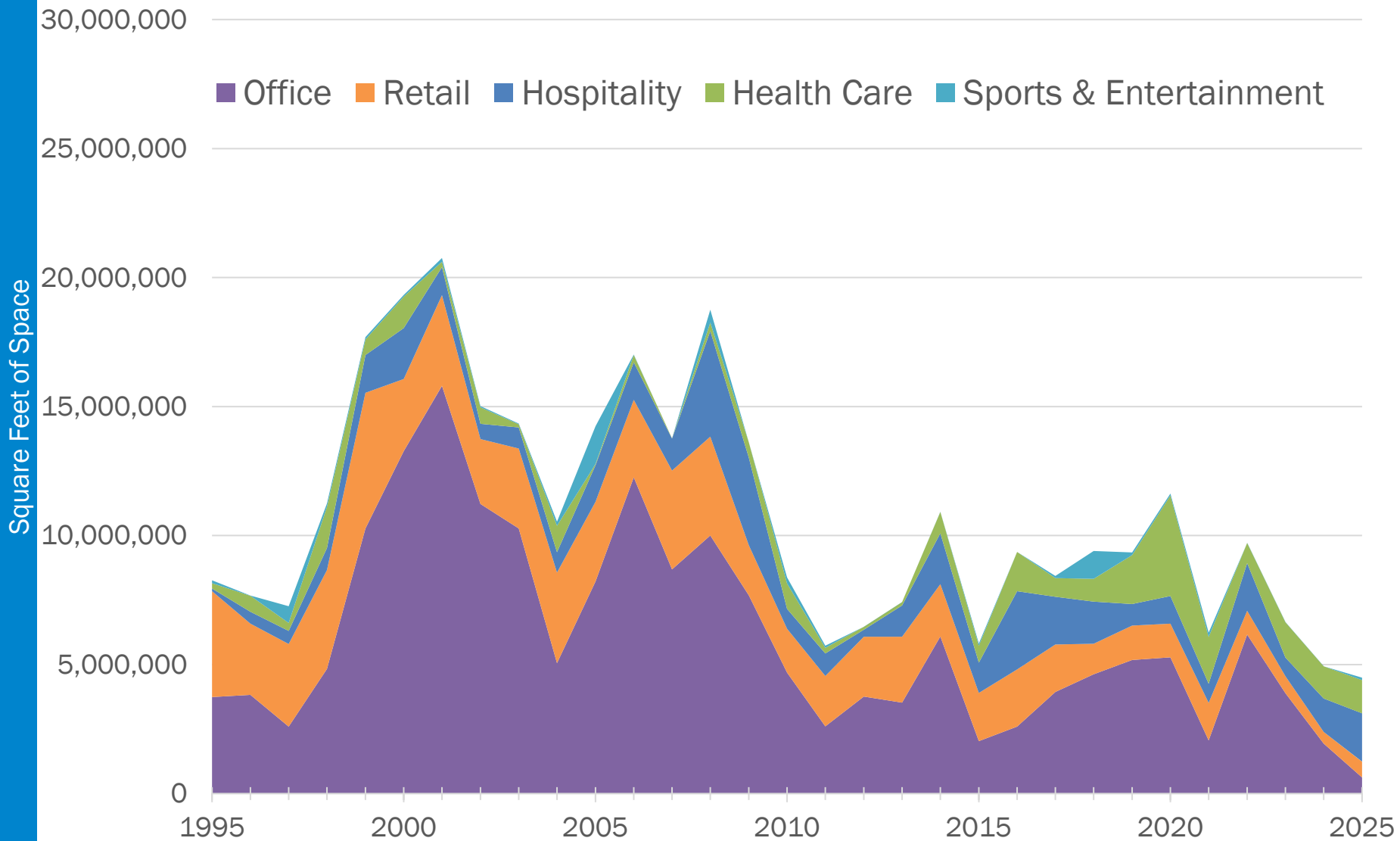
# Square Footage of Completed Commercial Construction by Structure Type, 1995 - 2025



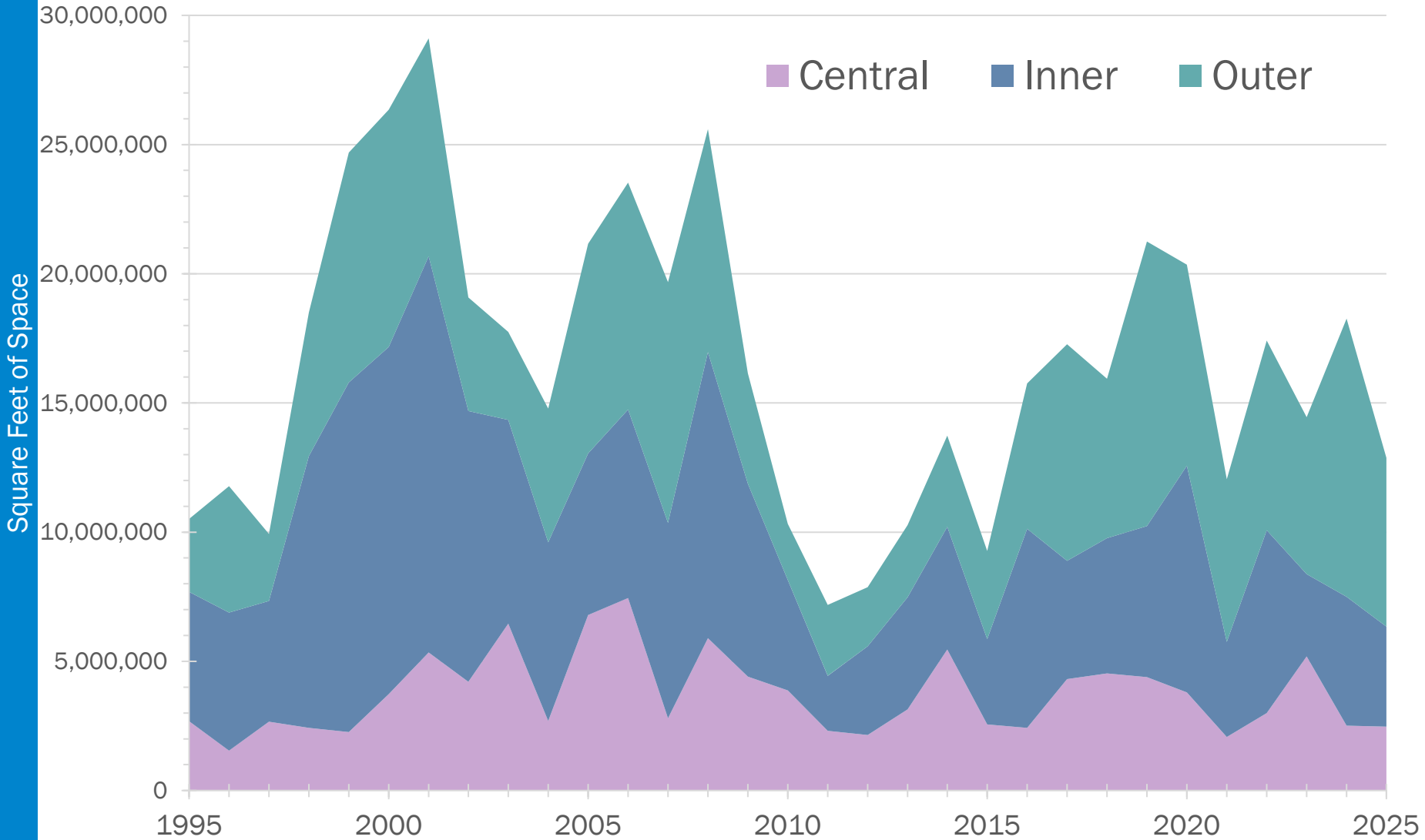
# Completed Commercial Construction Excluding Data Centers, 1995 - 2025



# Completed Commercial Construction Except Industrial, Flex or Specialty, 1995 - 2025



# Commercial Construction by Jurisdictional Group



## Central Jurisdictions

District of Columbia

Arlington County

City of Alexandria

## Inner Jurisdictions

Fairfax County

Montgomery County

Prince George's County

City of Falls Church

City of Fairfax

## Outer Jurisdictions

Charles County

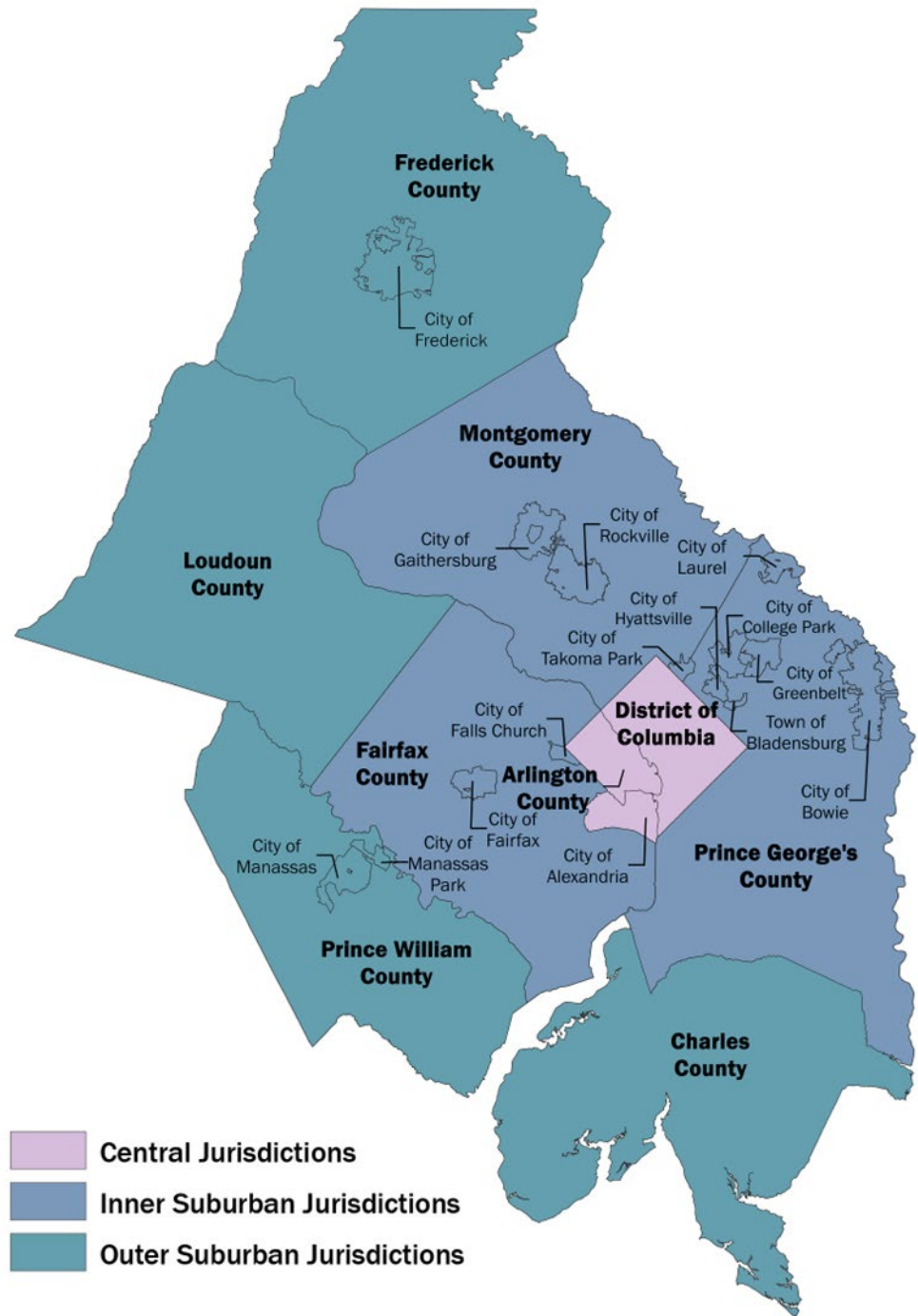
Frederick County

Loudoun County

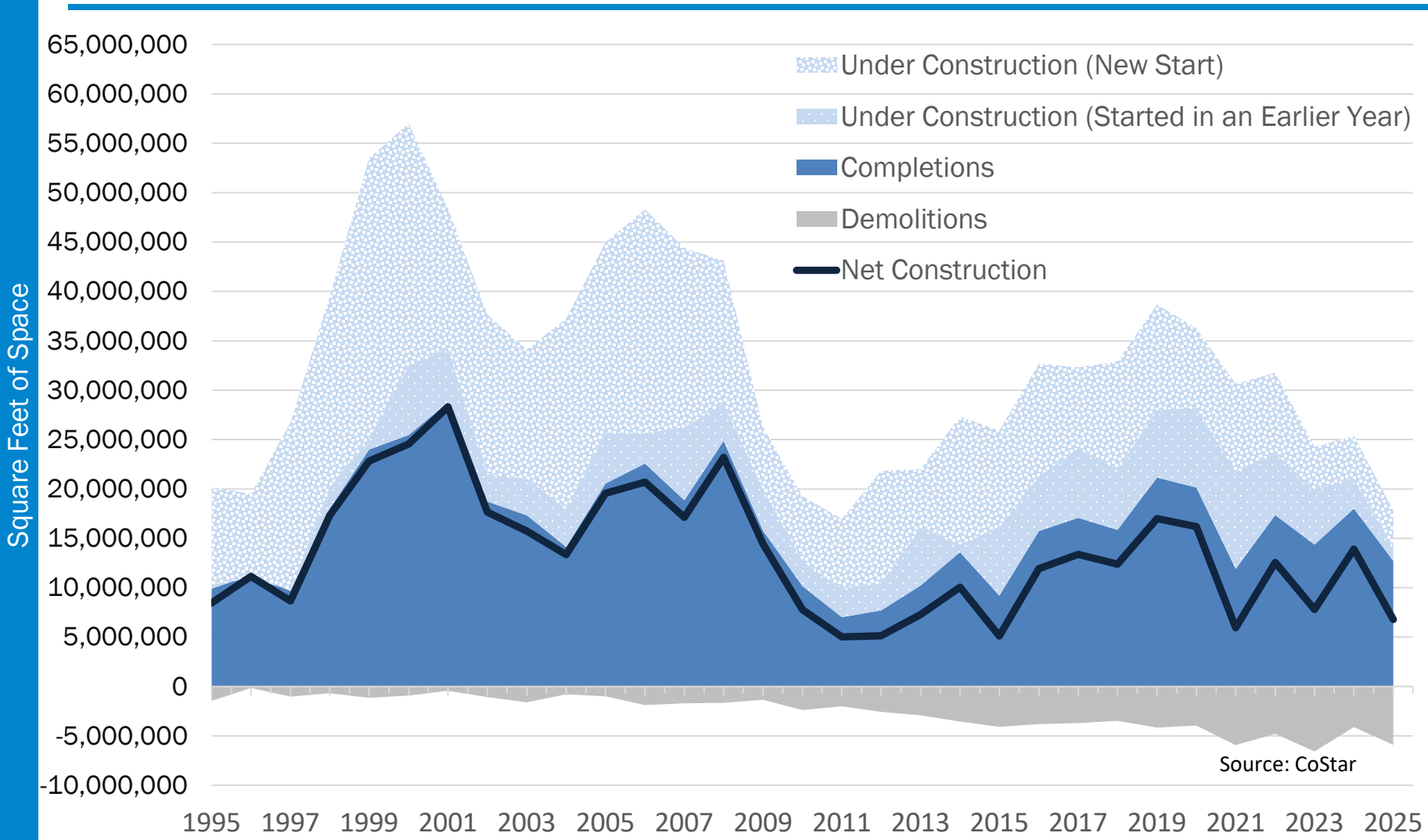
Prince William County

City of Manassas

City of Manassas Park

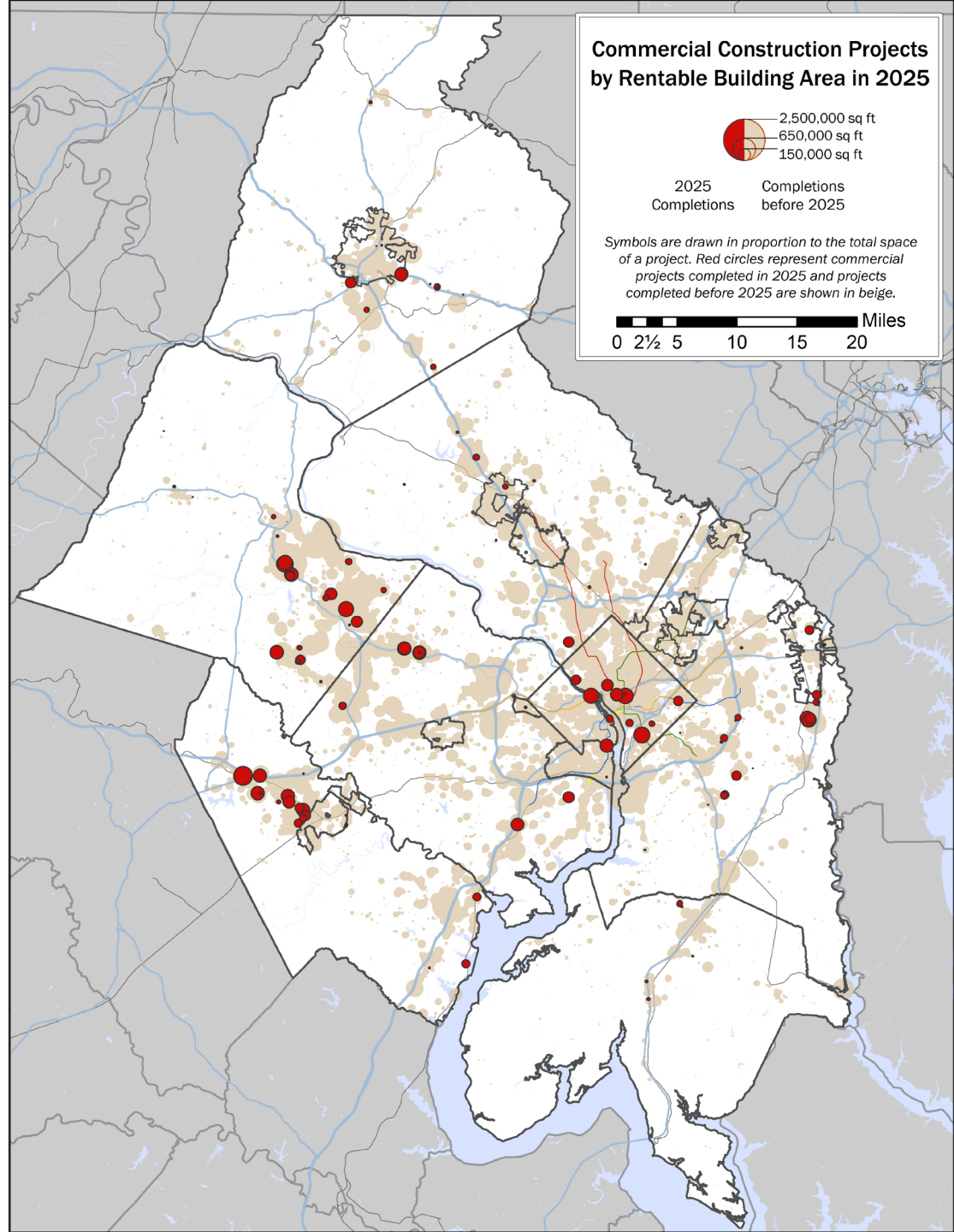


# Commercial Construction Starts and Demolitions 1997 - 2025

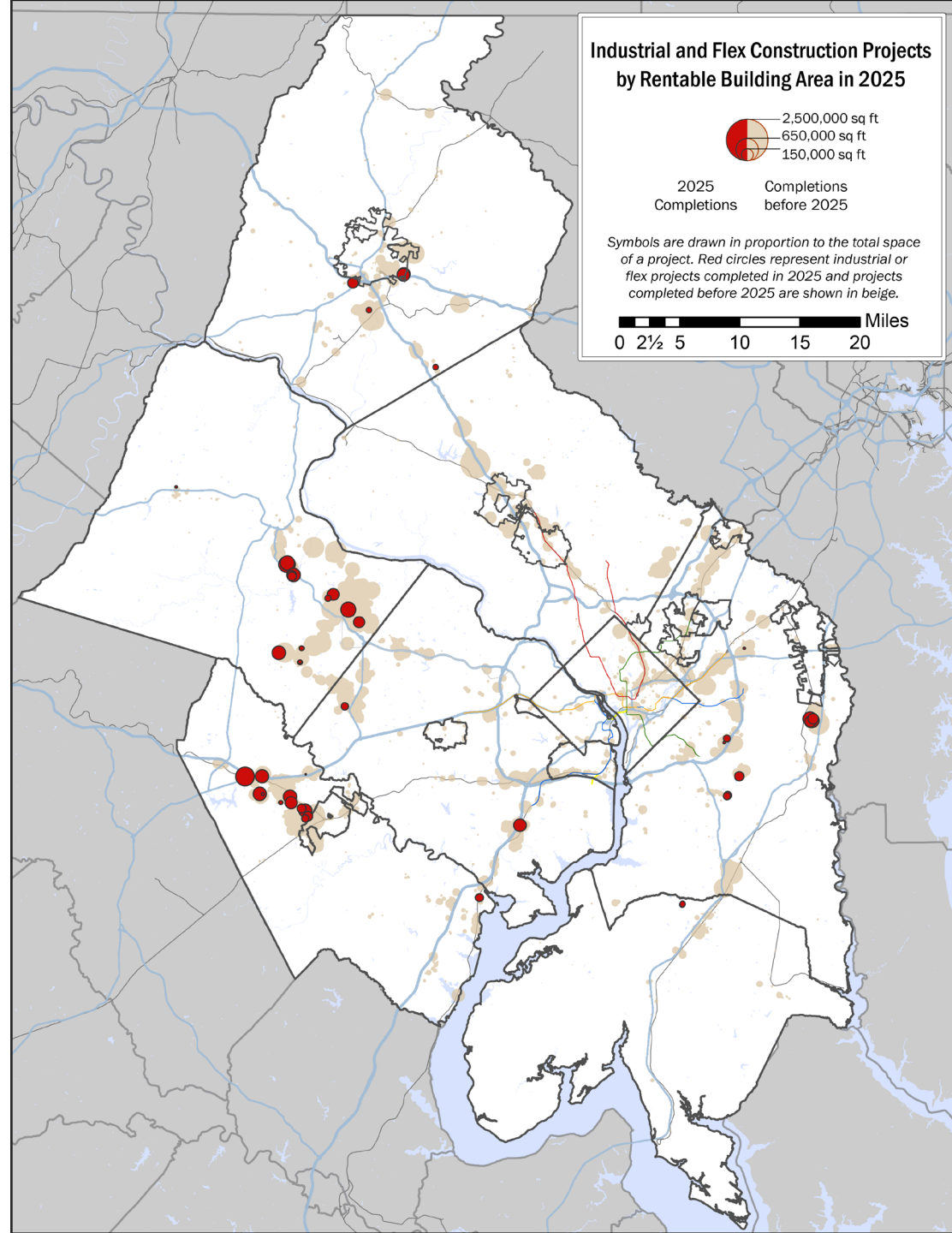


Source: CoStar

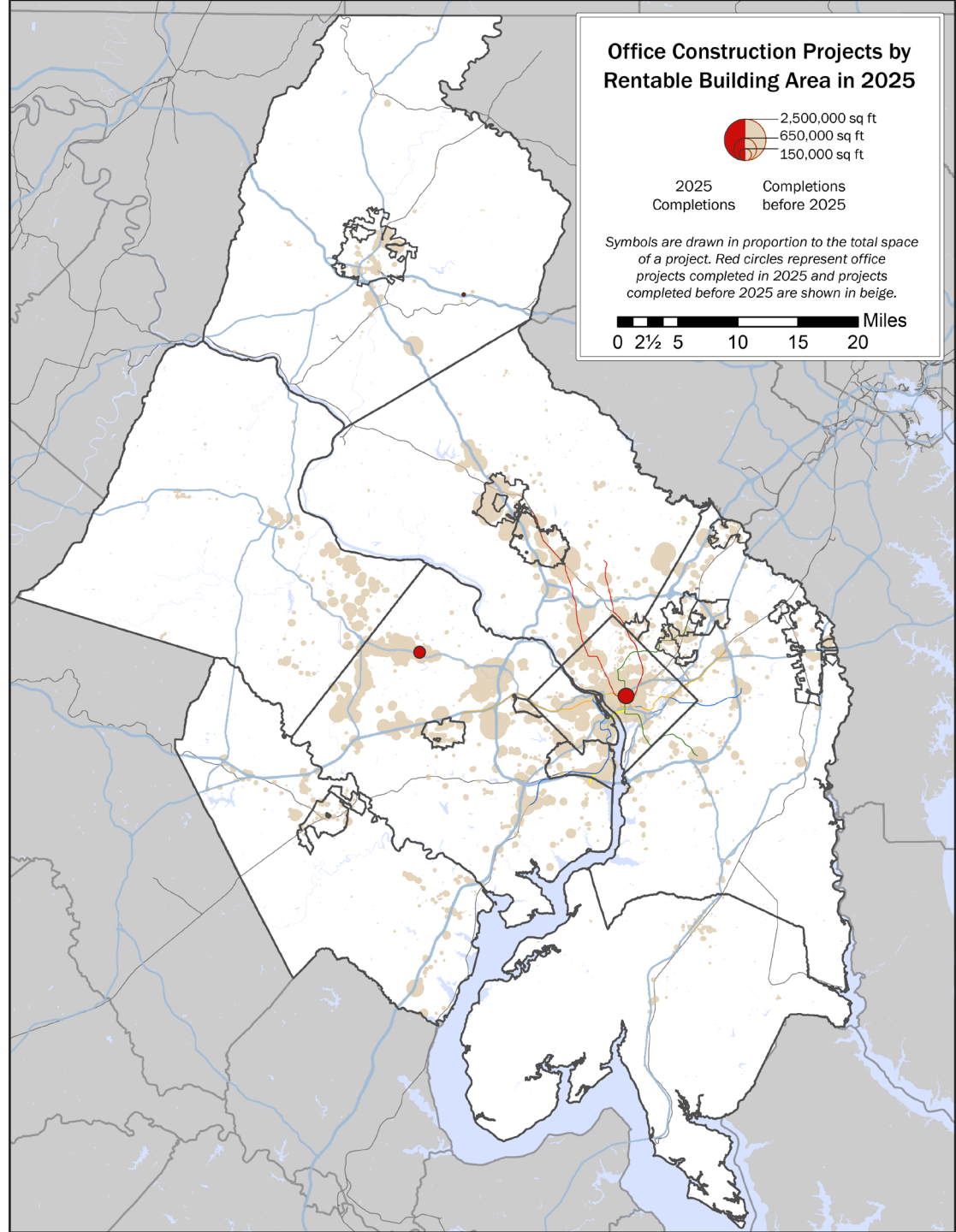
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- The industrial/flex sector accounted for about a third of new space, led by data center construction in Loudoun County.
- Only three office buildings were completed in 2025. The 626,160 square feet is the lowest total since 1953. Factoring in conversions and demolitions, the region's office footprint is shrinking.

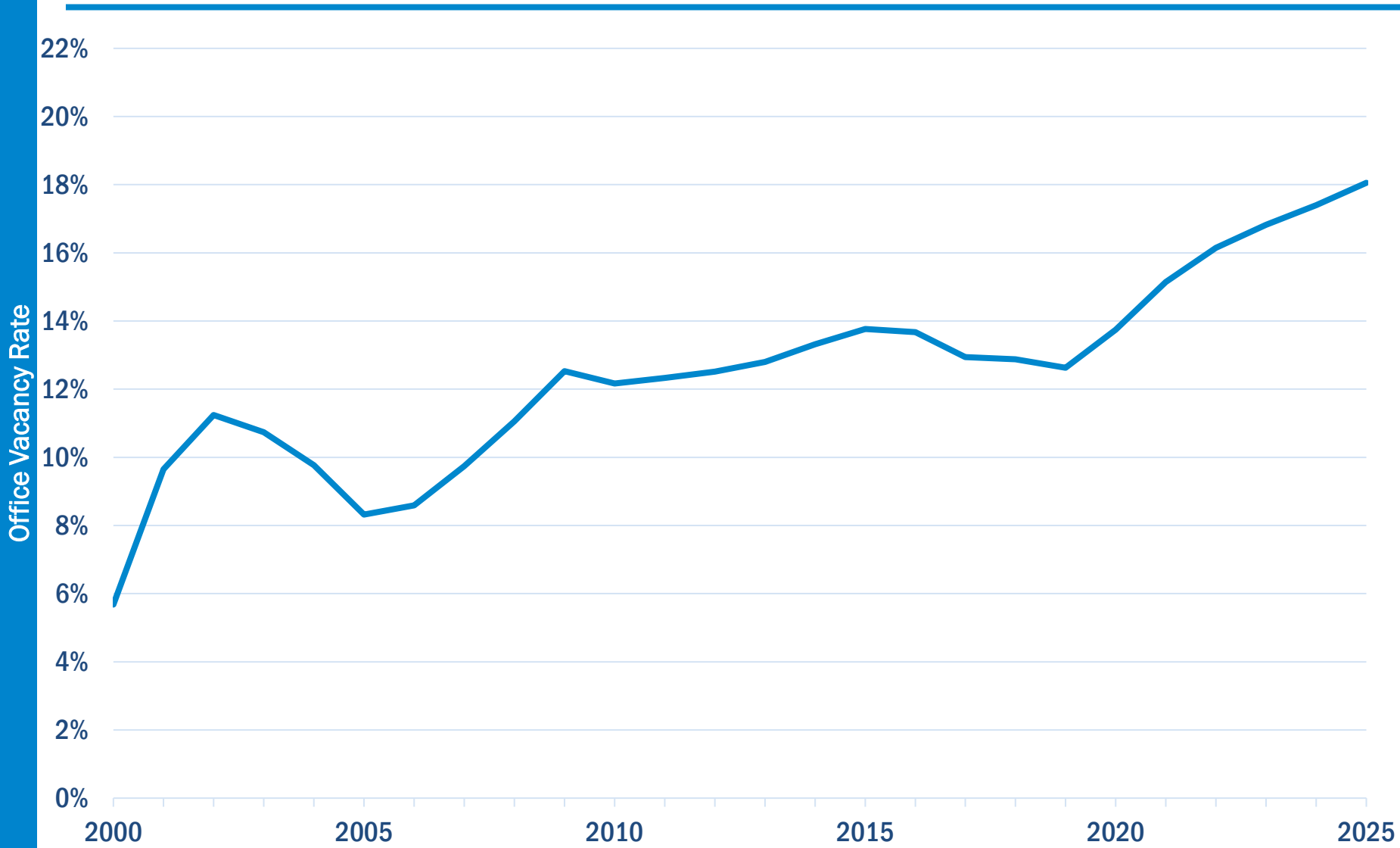


# Largest Projects in 2025

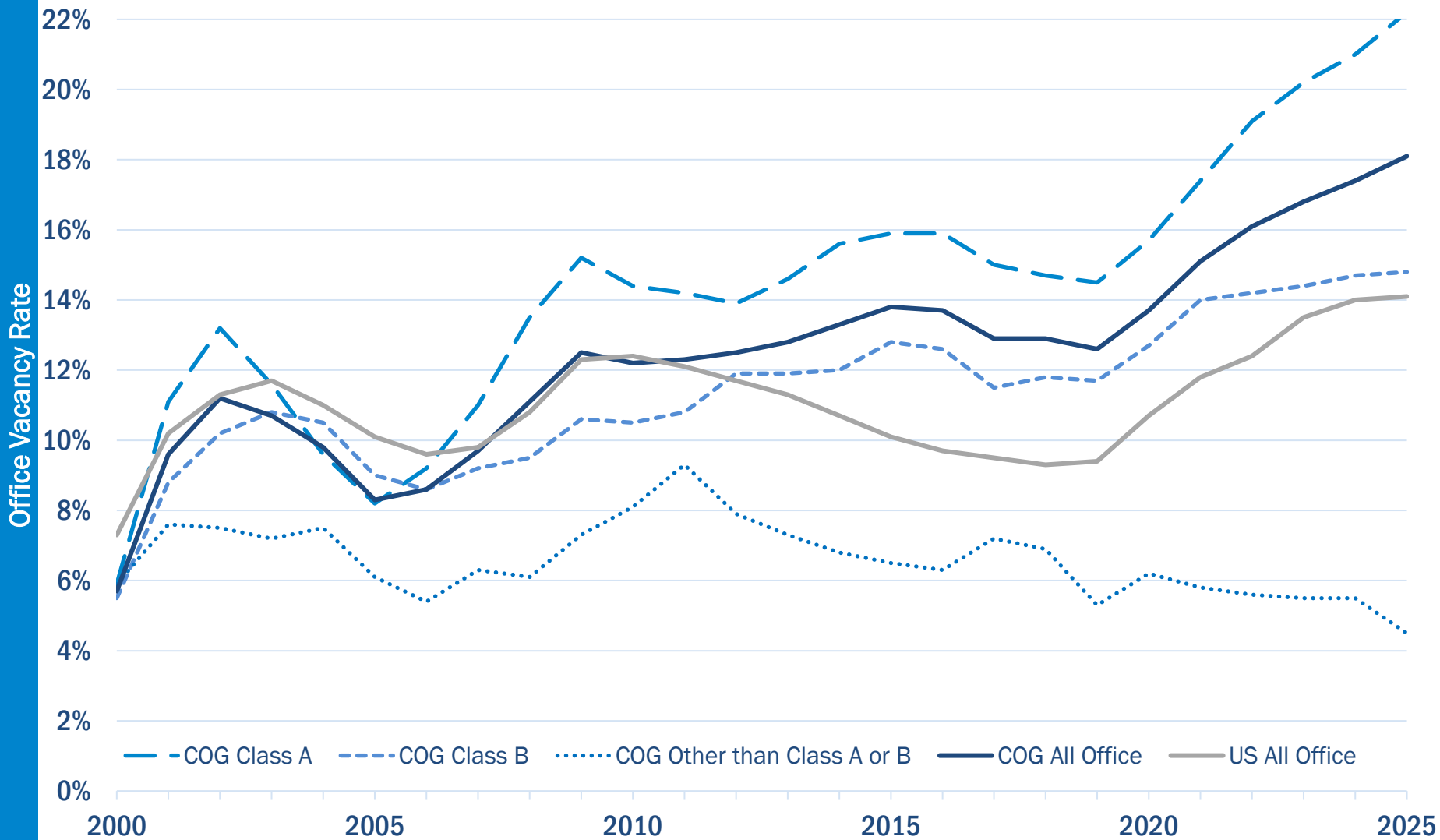
Project Name	Land Use	Street Address	Jurisdiction	Stories	RBA
VA10 Data Center	Industrial (Data Center)	7253 Grove Hill Blvd, Gainesville, VA	Prince William	2	550,000
20335 Celtic Park Dr, Building 2	Industrial (Data Center)	20335 Celtic Park Dr, Leesburg, VA	Loudoun	3	433,895
Cedar Hill Regional Medical Center, GW Health at St. Elizabeth's East	Health Care (Hospital)	1200 Pecan St SE, Washington, DC	District of Columbia	6	406,000
600 Fifth	Office	600 5th St NW, Washington, DC	District of Columbia	12	400,000
IAD43 Data Center	Industrial (Data Center)	44820 Prentice Dr, Sterling, VA	Loudoun	2	367,954
15801 Queens Ct, National Capital Business Park, Phase I	Industrial (Warehouse)	15801 Queens Ct, Upper Marlboro, MD	Prince George's	1	358,400
Hilton Arlington Rosslyn The Key	Hospitality	1900 Fort Myer Dr, Arlington, VA	Arlington	36	350,914
1601 Logistics Ln, National Capital Business Park, Phase I	Industrial (Warehouse)	1601 Logistics Ln, Upper Marlboro, MD	Prince George's	1	311,040
20575 Celtic Park Dr. Building 1	Industrial (Data Center)	20575 Celtic Park Dr, Leesburg, VA	Loudoun	3	310,694
Academic Building One at Virginia Tech Innovation Campus	School	3625 Potomac Ave, Alexandria, VA	Alexandria	11	300,000

- The ten largest projects represent 29% of the region's 12.9 million square feet of new commercial space.
- The largest single project was the 550,000 square foot VA10 Data Center in Gainesville, Prince William County.

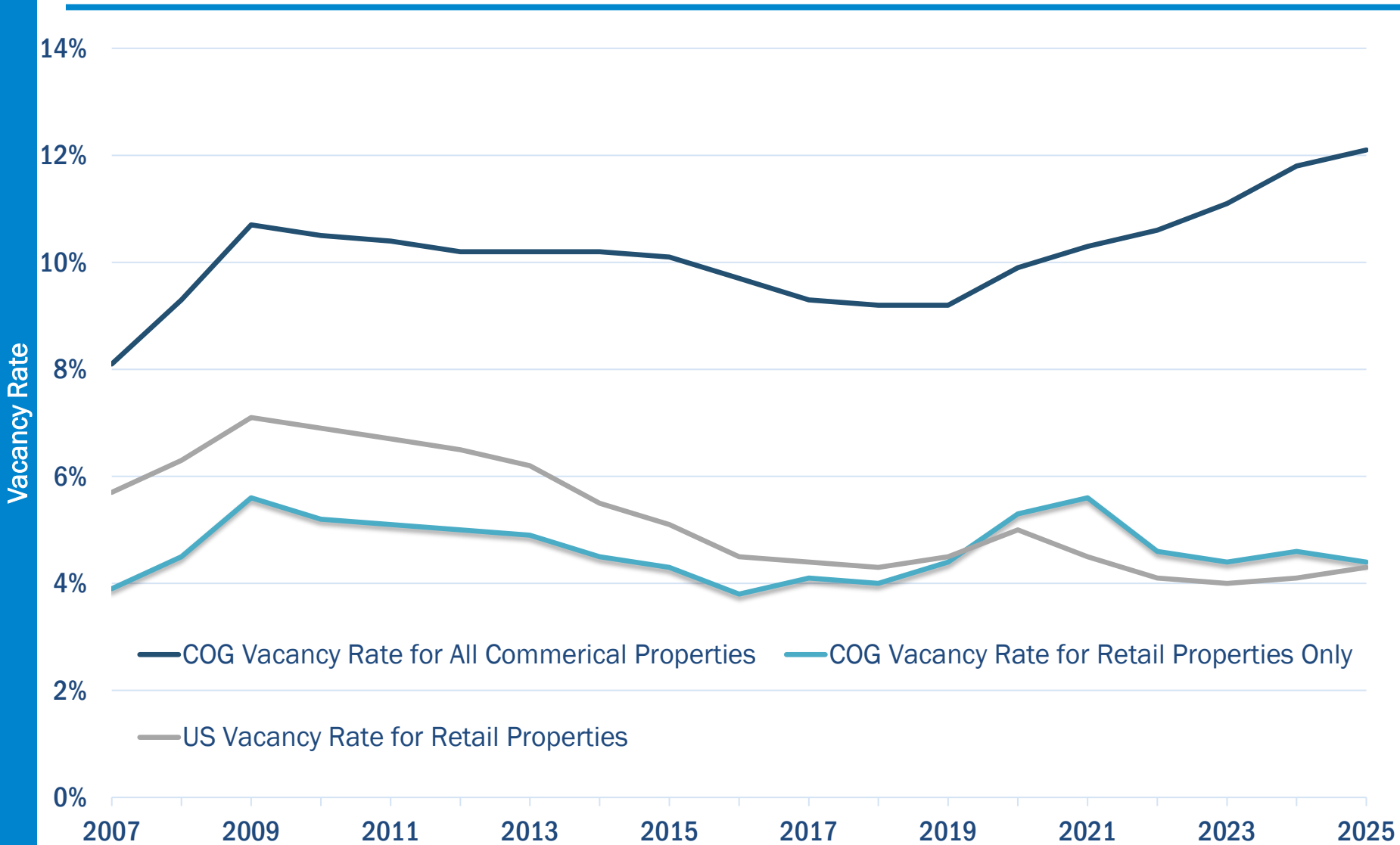
# Vacancy Rate for Office Space, 2000 – 2025



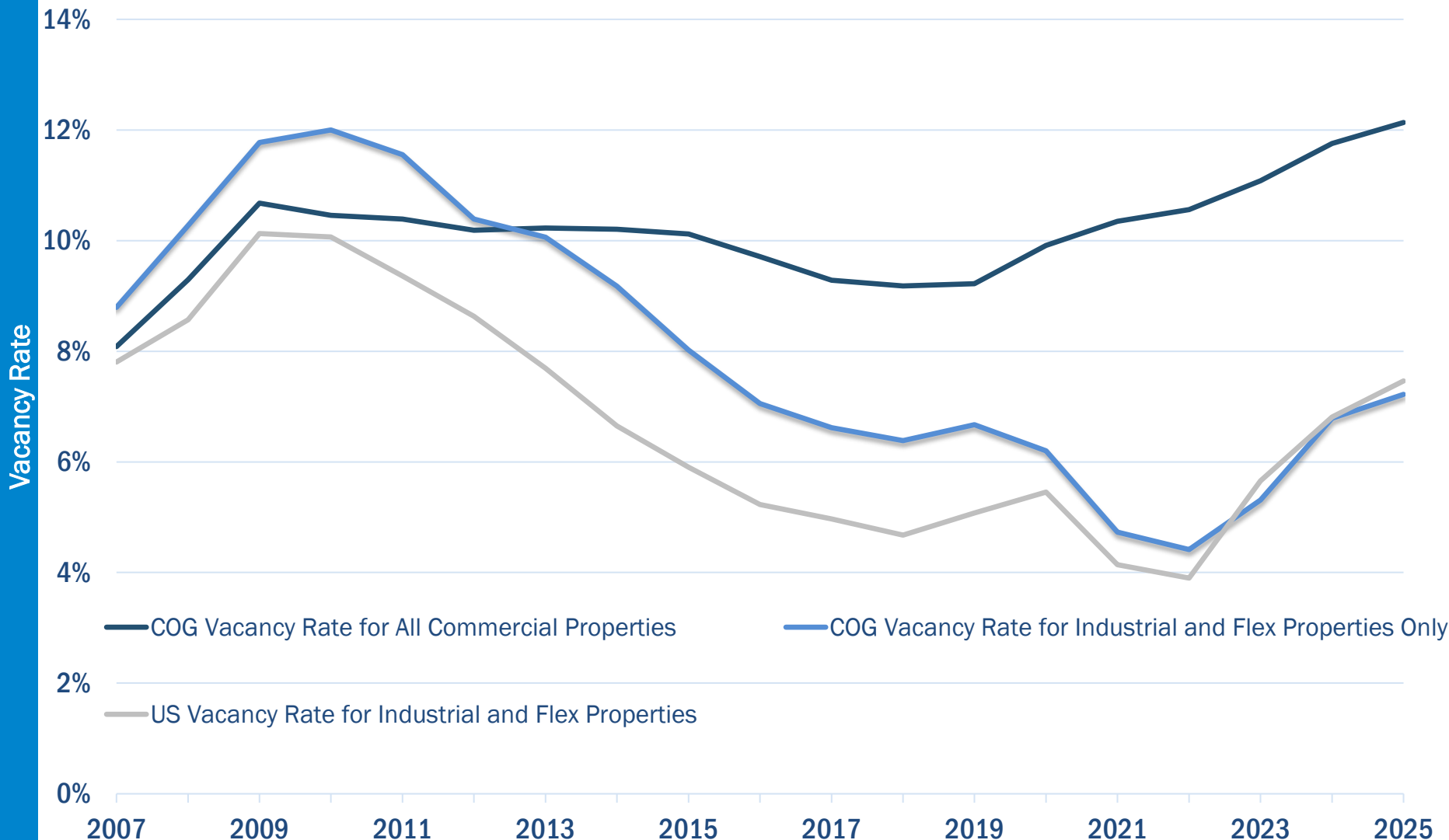
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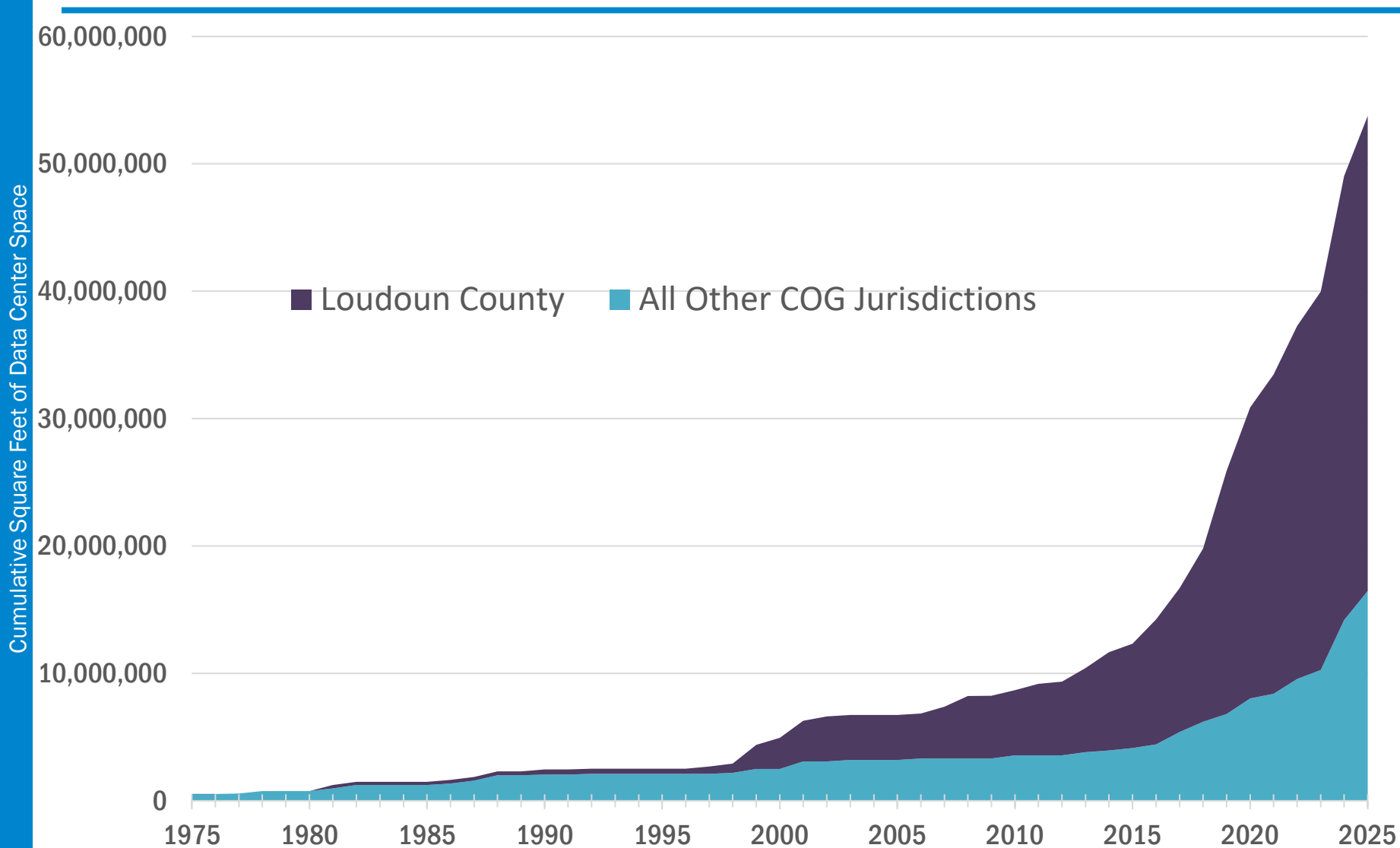
# Vacancy Rate for Retail Space, 2007 – 2025



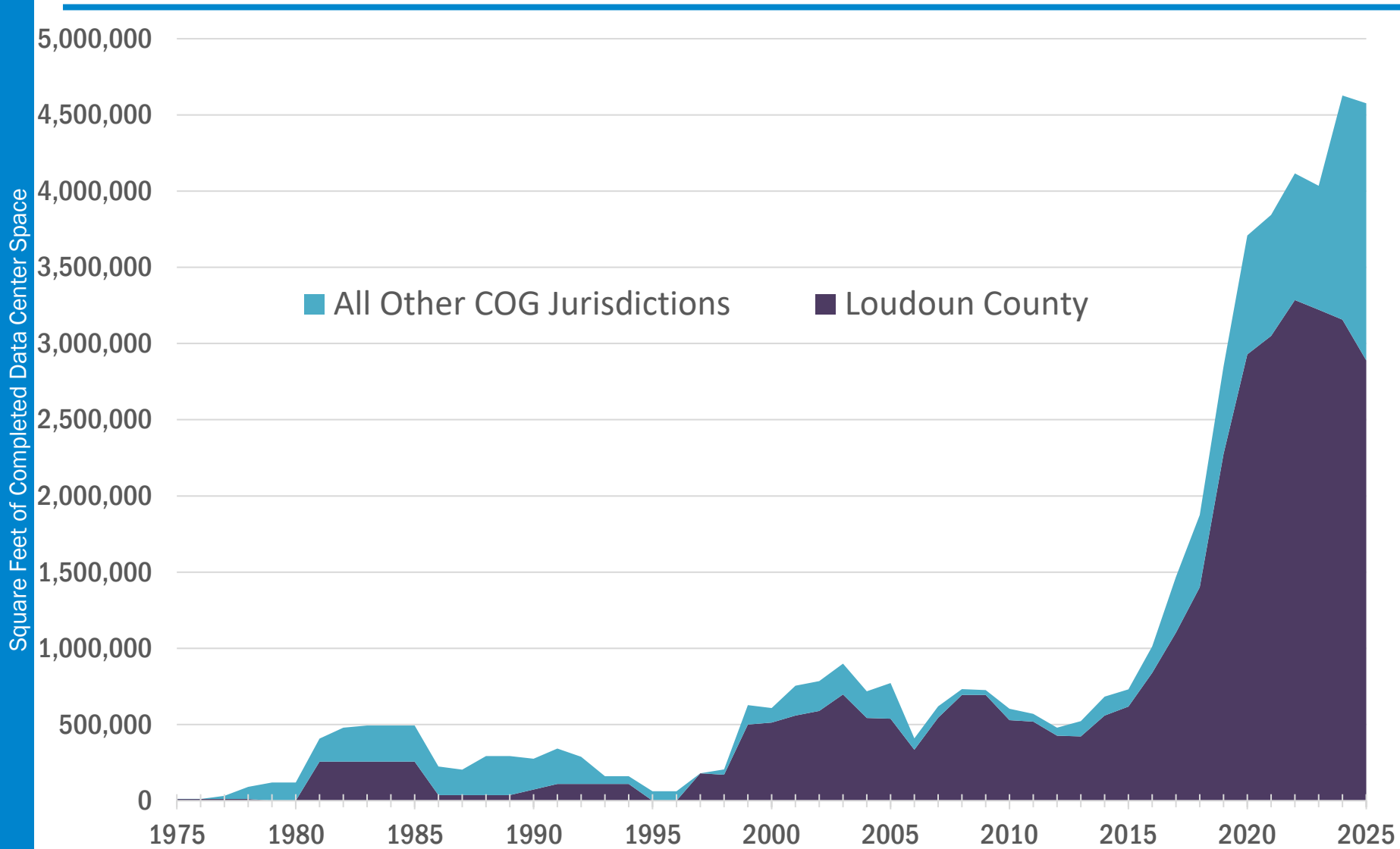
# Vacancy Rate for Industrial/Flex Space, 2007 - 2025



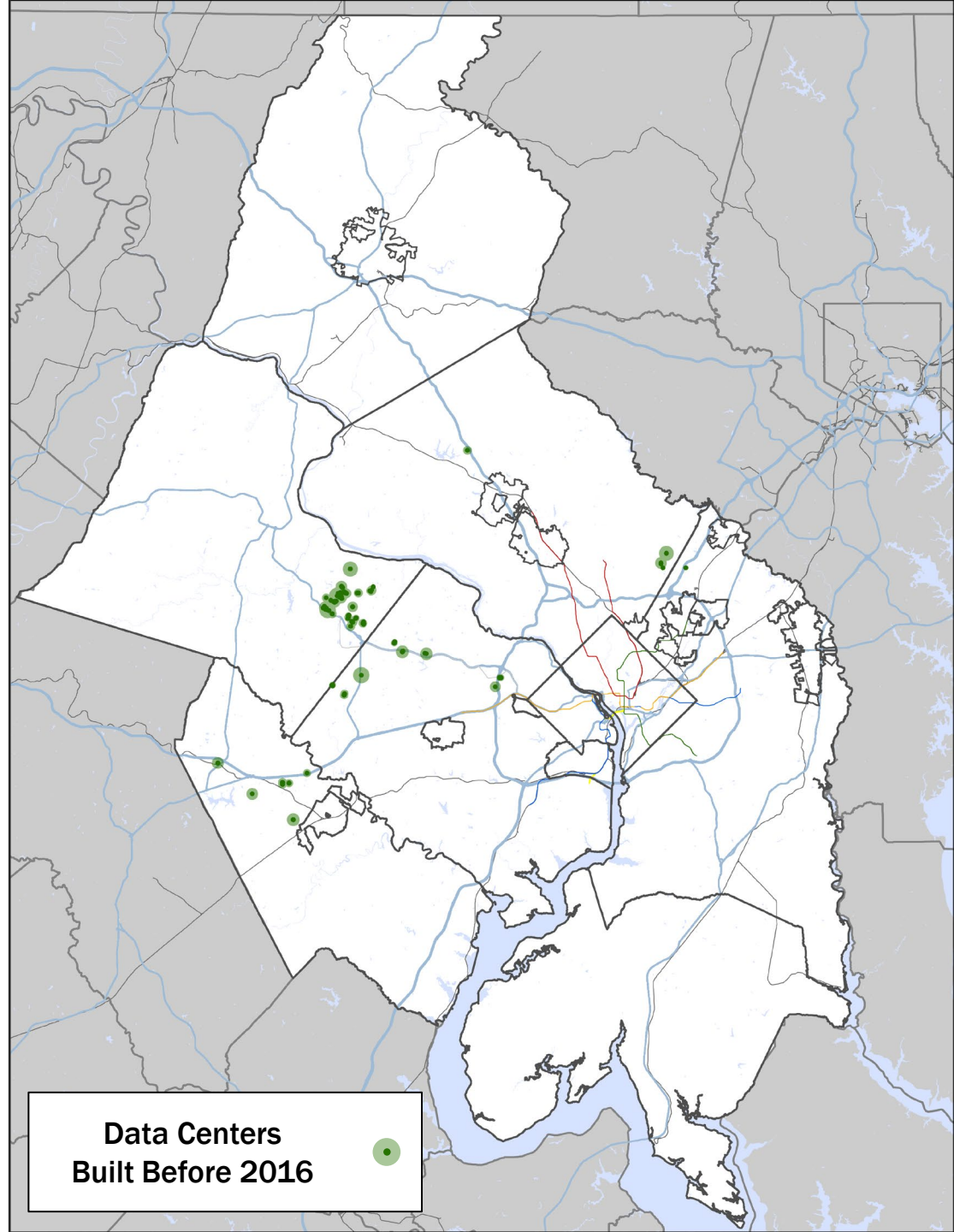
# Total Data Center Space in COG Region, 1975 - 2025



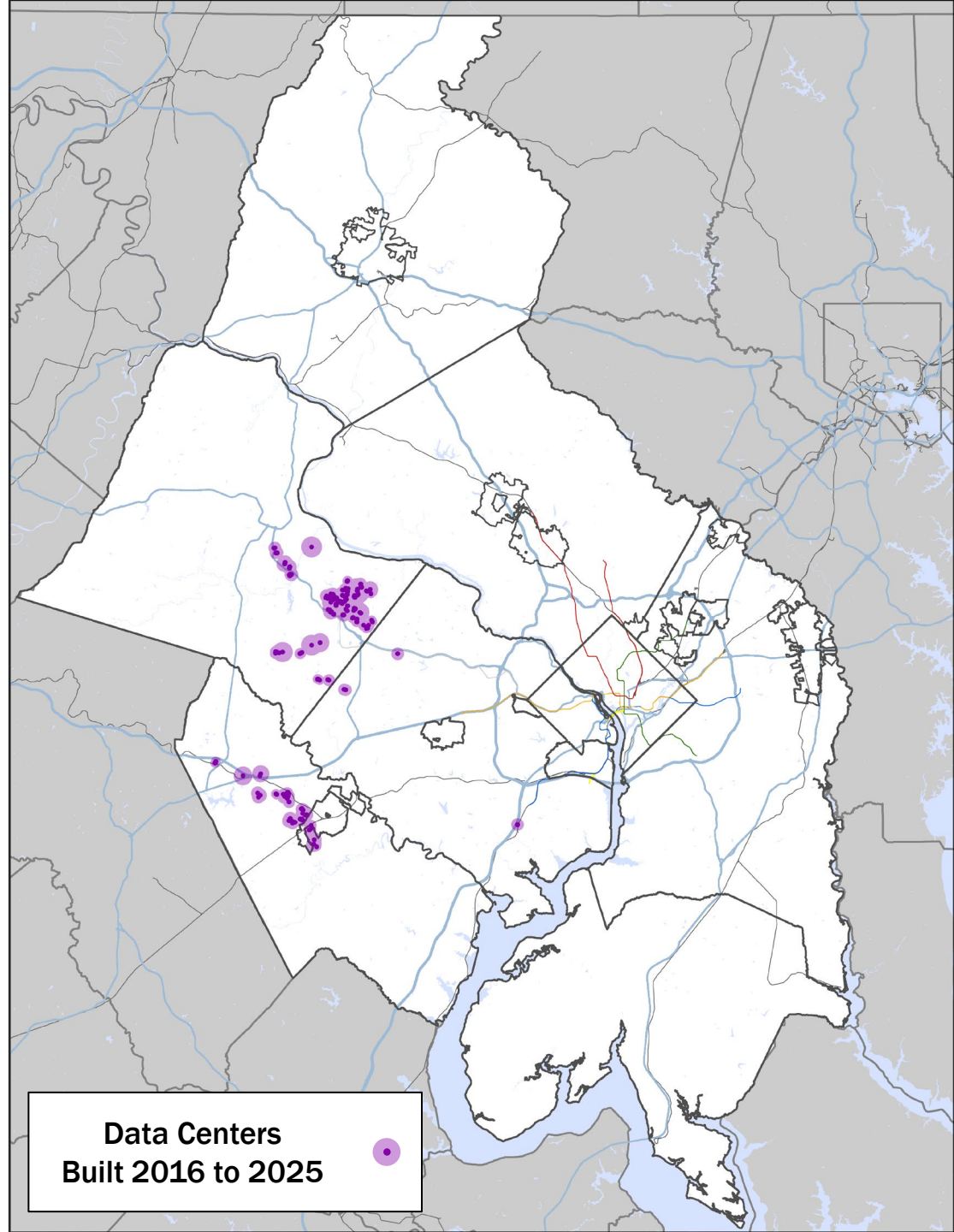
# Annual Construction of Data Center Space, 1975 - 2025



- In 2015, our region—primarily Loudoun County—had firmly established itself as the “Data Center Capital of the World”, with roughly 10 to 25 percent of total global data center capacity.

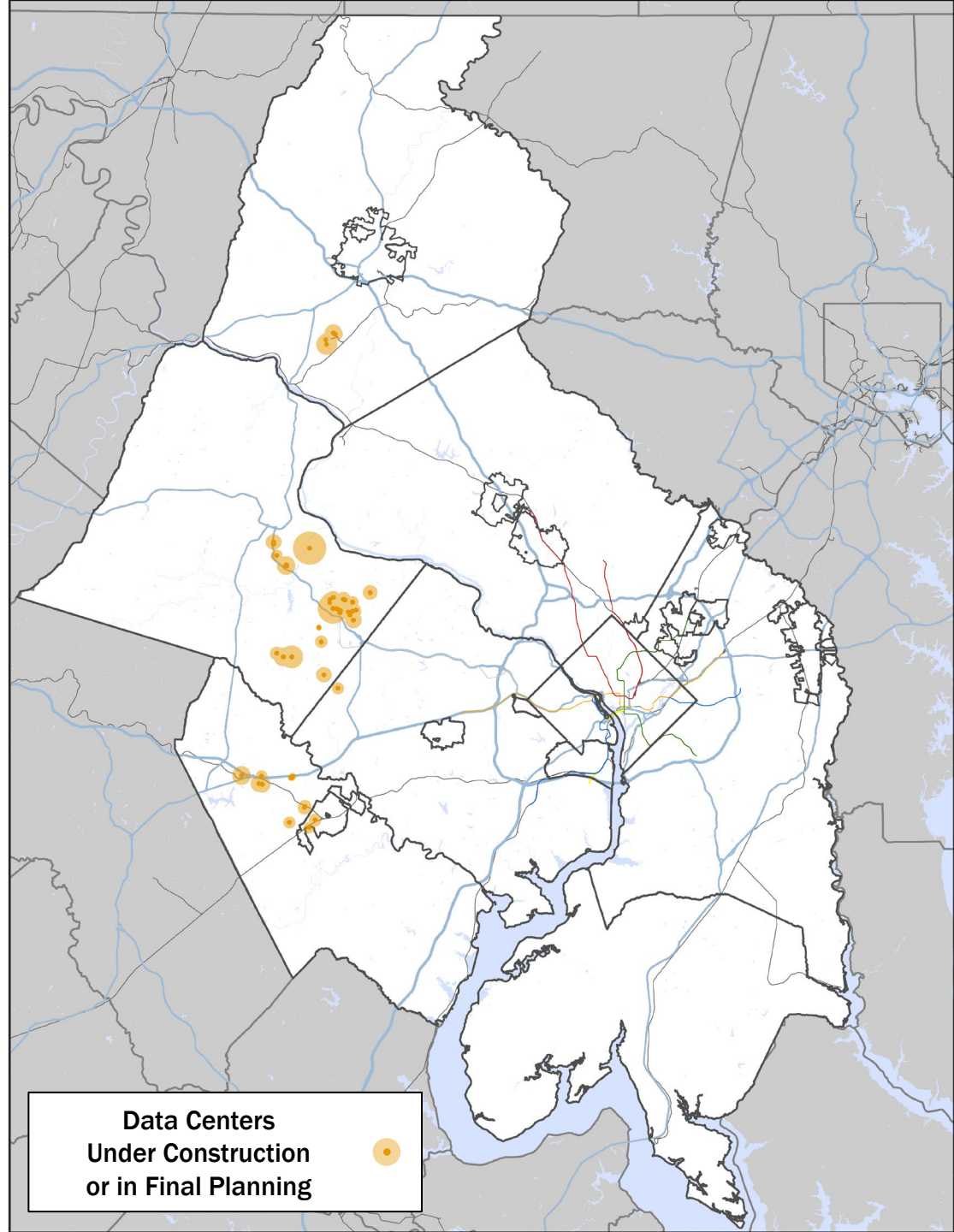


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- Construction accelerated over the past 10 years, with Prince William becoming part of “Data Center Alley.”



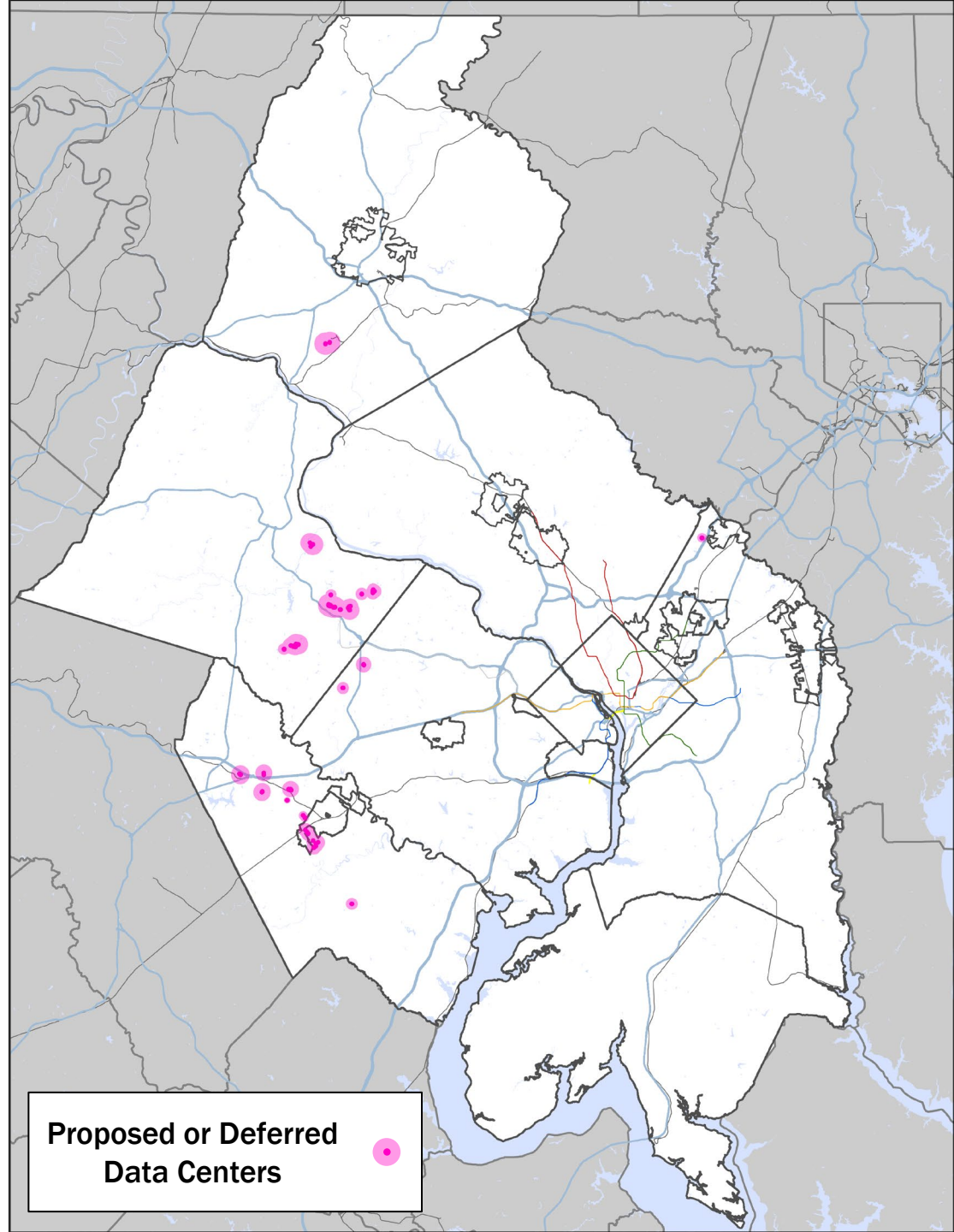
**Data Centers  
Built 2016 to 2025** ●

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- Future construction likely to continue recent trends with south-western Frederick County also becoming a data center locale.

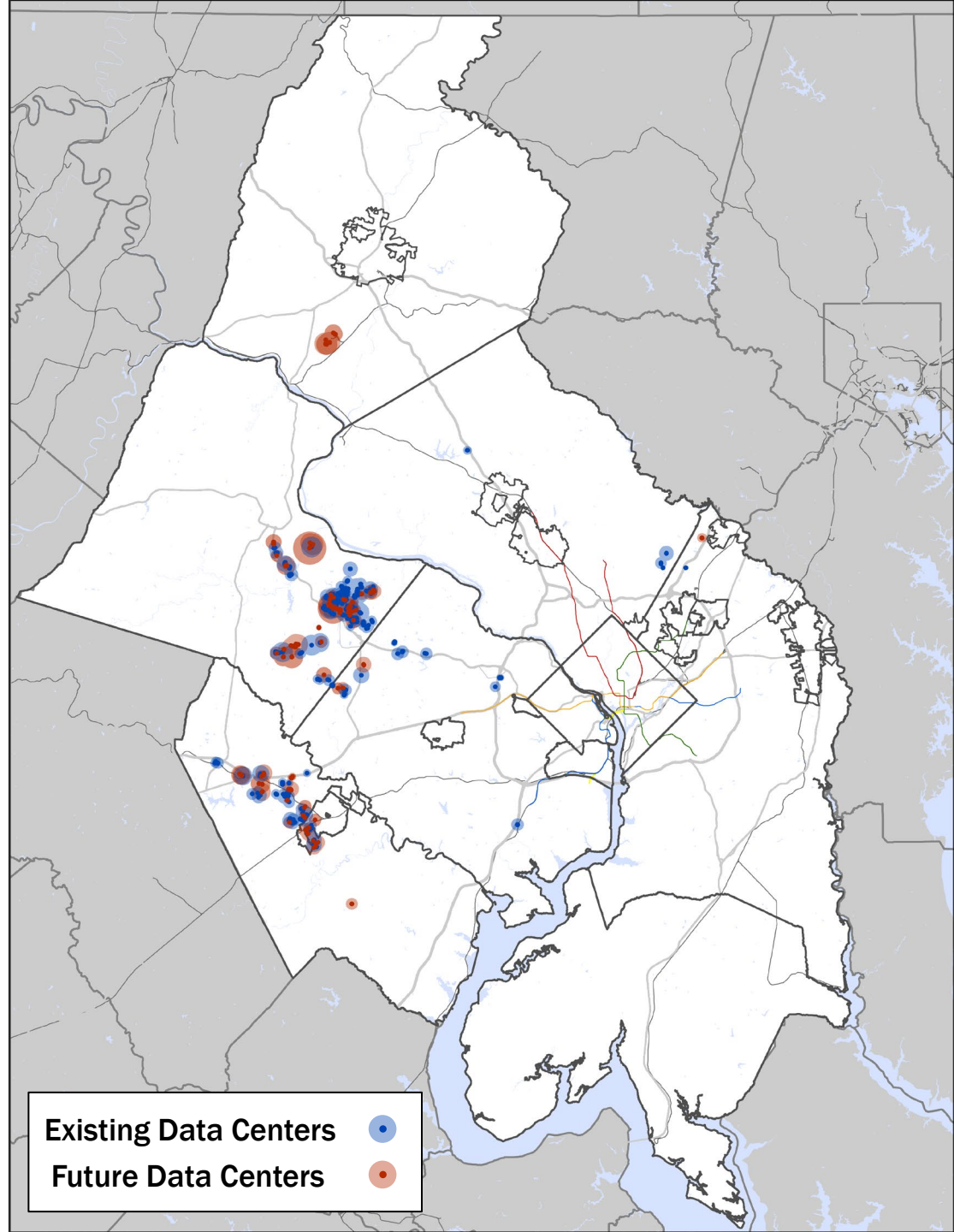


**Data Centers  
Under Construction  
or in Final Planning** ●

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# Conclusions

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- Region's struggling commercial construction sector is propped up by demand for data centers and warehousing space.
- Office and retail construction is at an all-time low and high office vacancy rates suggest that the office sector is unlikely to rebound in the near term.
- Planned data center construction will continue to locate in Loudoun and Prince William Counties, with Frederick County hosting planned data centers, as well.

