

# 2024 COMMERCIAL CONSTRUCTION TRENDS FOR MWCOG REGION

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## Analysis of CoStar data

John Kent  
Regional Planner  
Department of Community Planning and Services

Planning Directors Technical Advisory Committee  
November 21, 2025



# About the Commercial Construction Report

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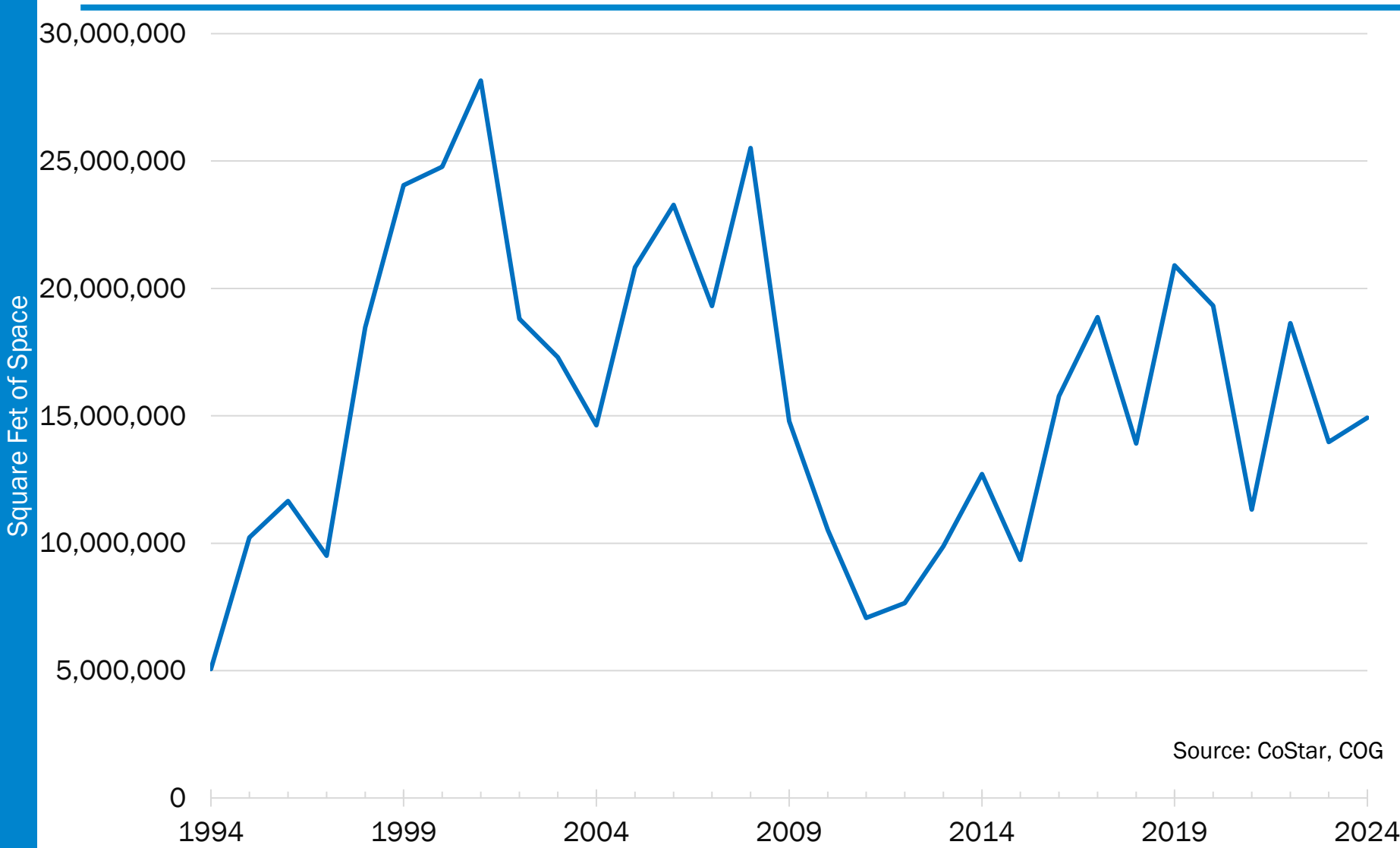
- Annual analysis of completed regional commercial real estate projects using data from CoStar's database of properties.
  - Includes office, retail, industrial, flex, healthcare, hospitality, sports and entertainment and specialty buildings
  - Generally, government buildings—including courts, administrative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

# Presentation Focus

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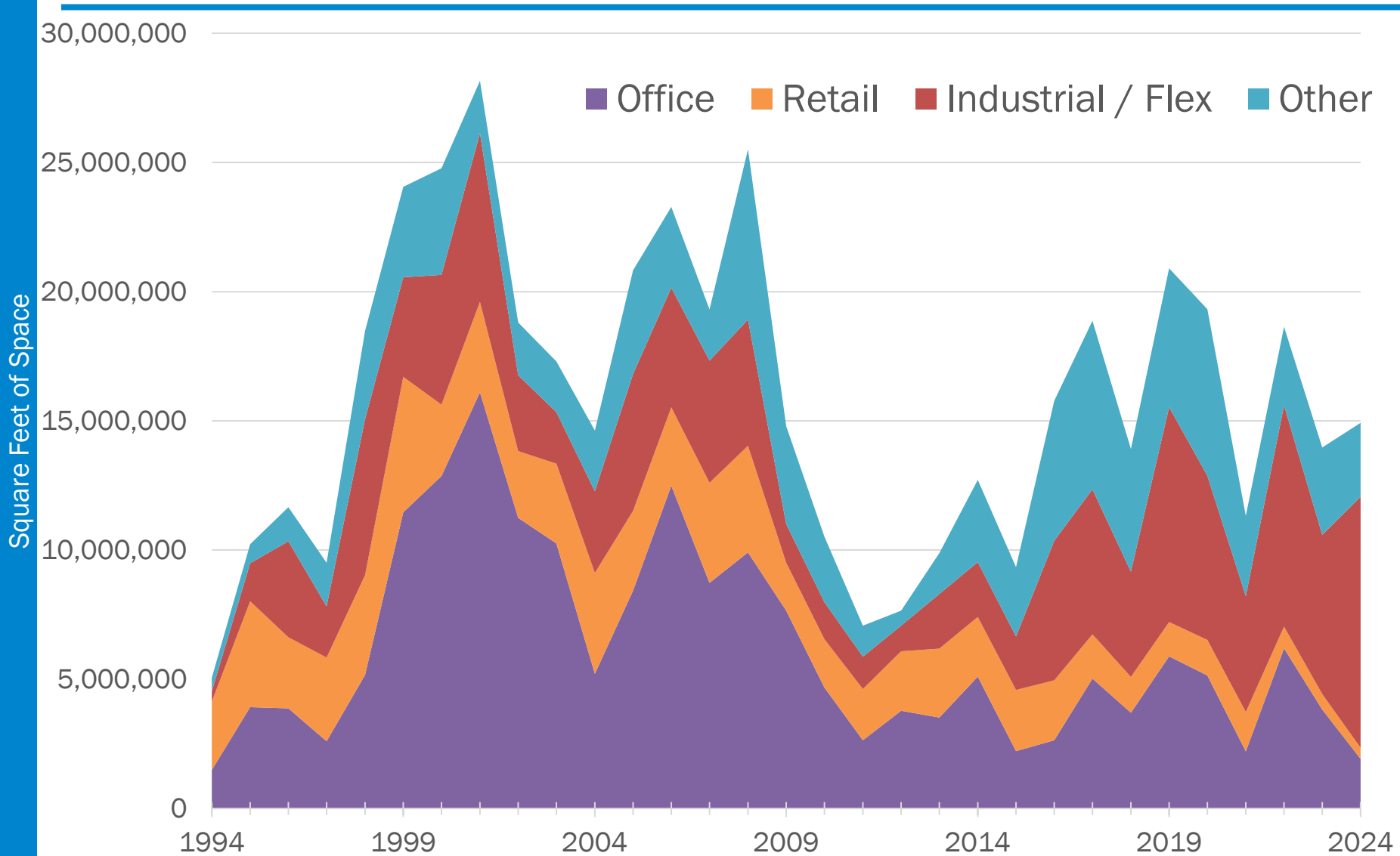
- Present 2024 construction totals by building type and location
- Review vacancy rate trends in the region
- Detail diverging trajectories of the strong industrial/flex sector compared with the weak office and retail sectors

# Square Footage of Completed Commercial Construction, 1994 - 2024

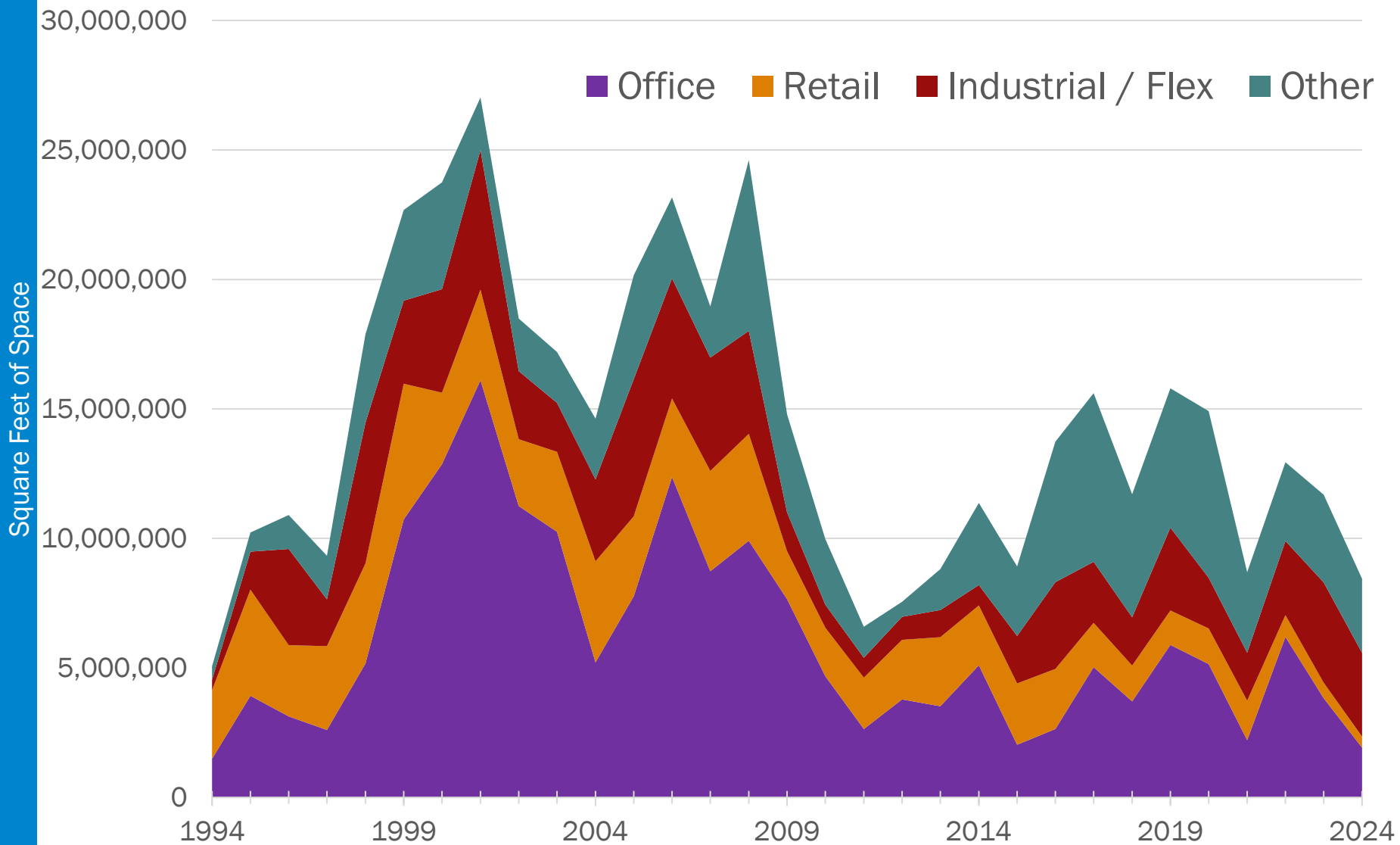


Source: CoStar, COG

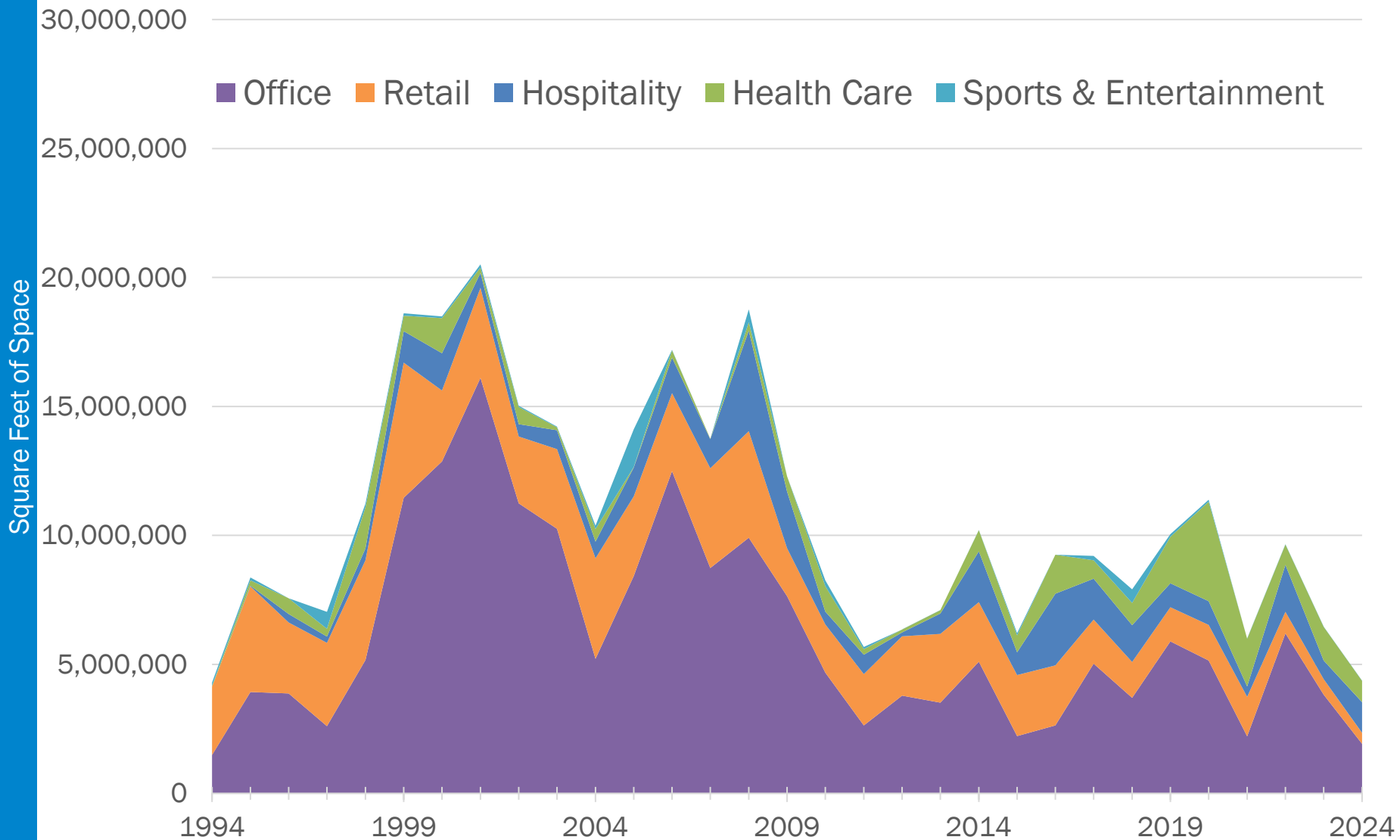
# Square Footage of Completed Commercial Construction by Structure Type, 1994 - 2024



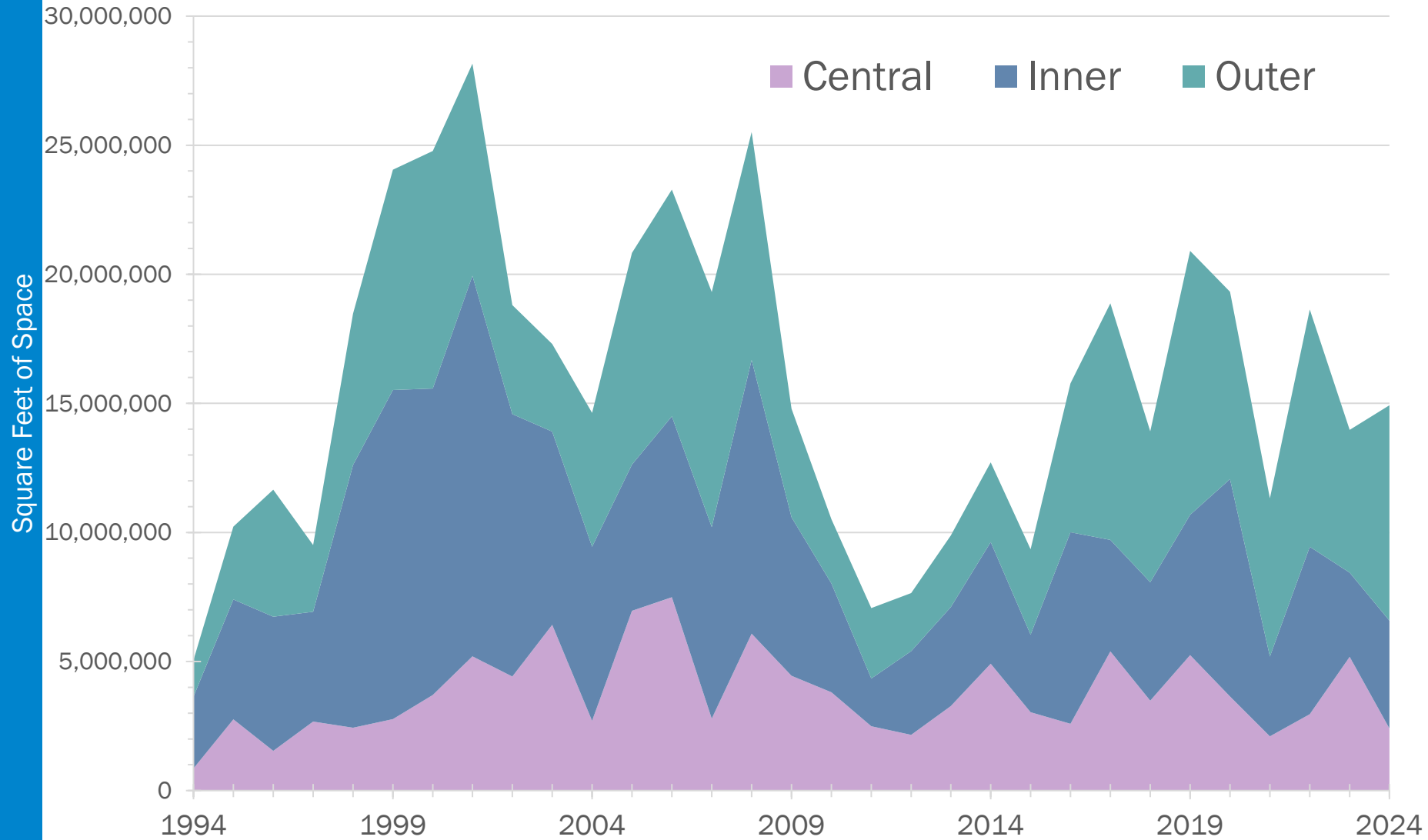
## Completed Commercial Construction Excluding Data Centers, 1994 - 2024



# Completed Commercial Construction Except Industrial, Flex or Specialty, 1994 - 2024



# 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

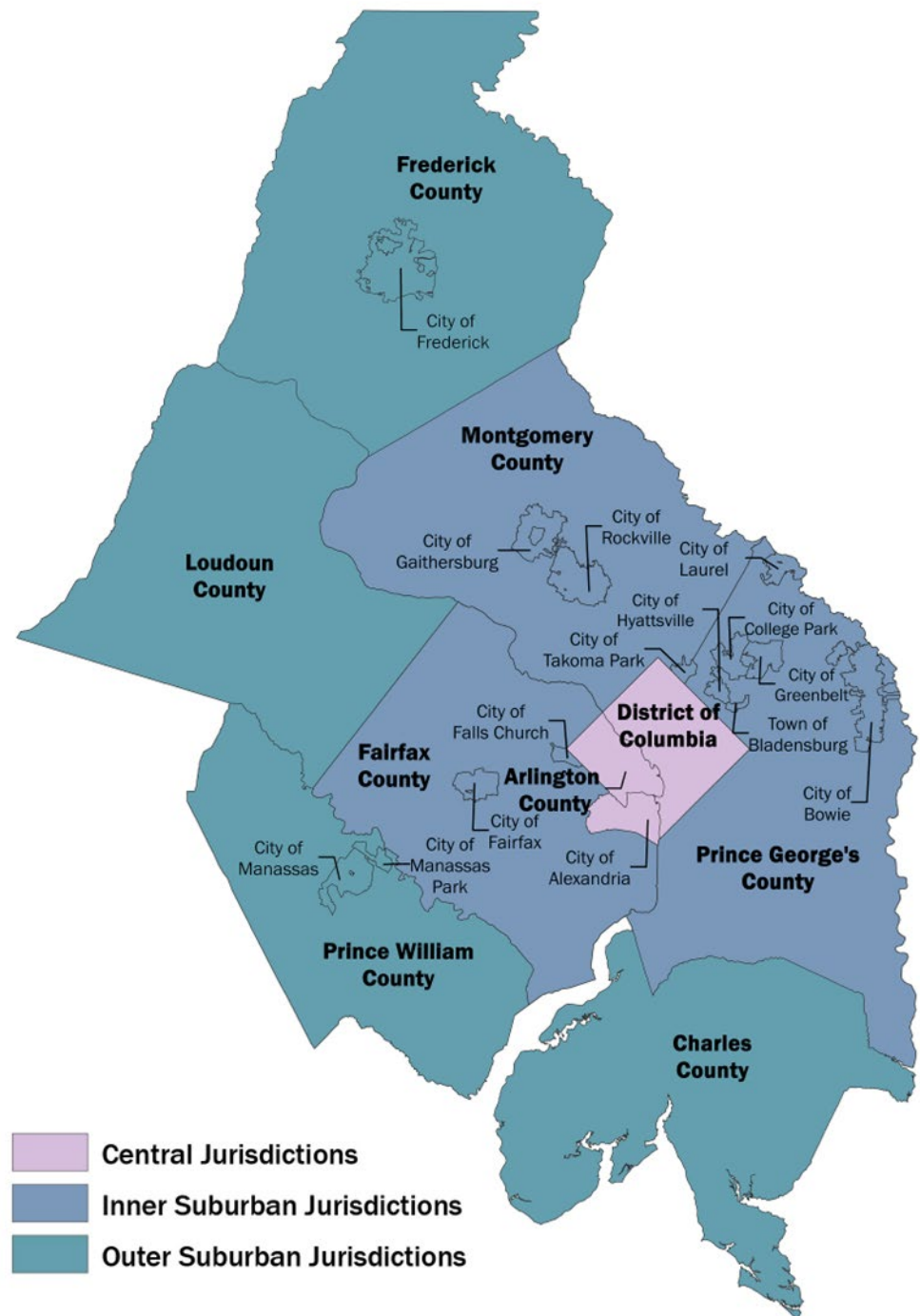
Frederick County

Loudoun County

Prince William County

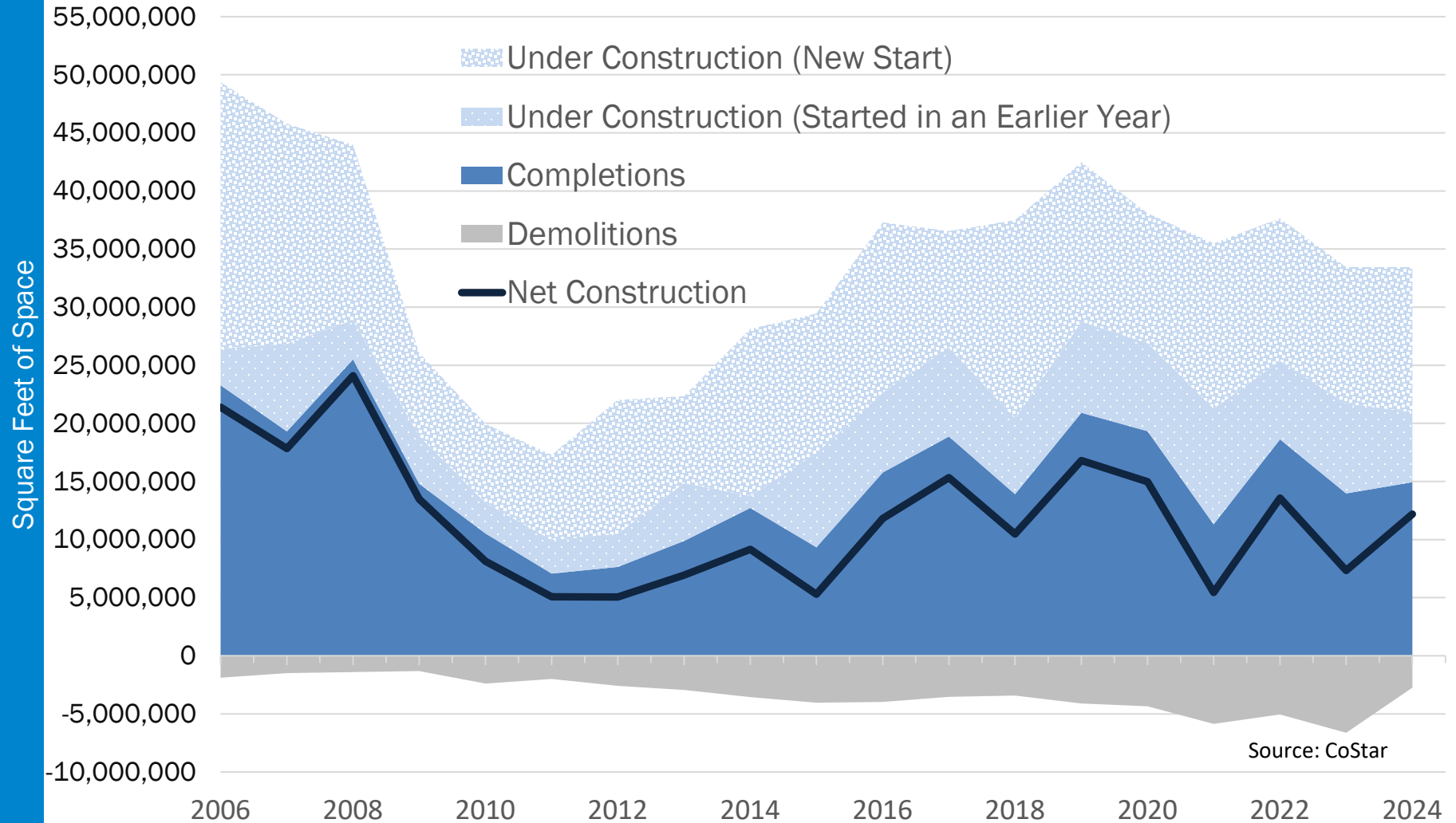
City of Manassas

City of Manassas Park

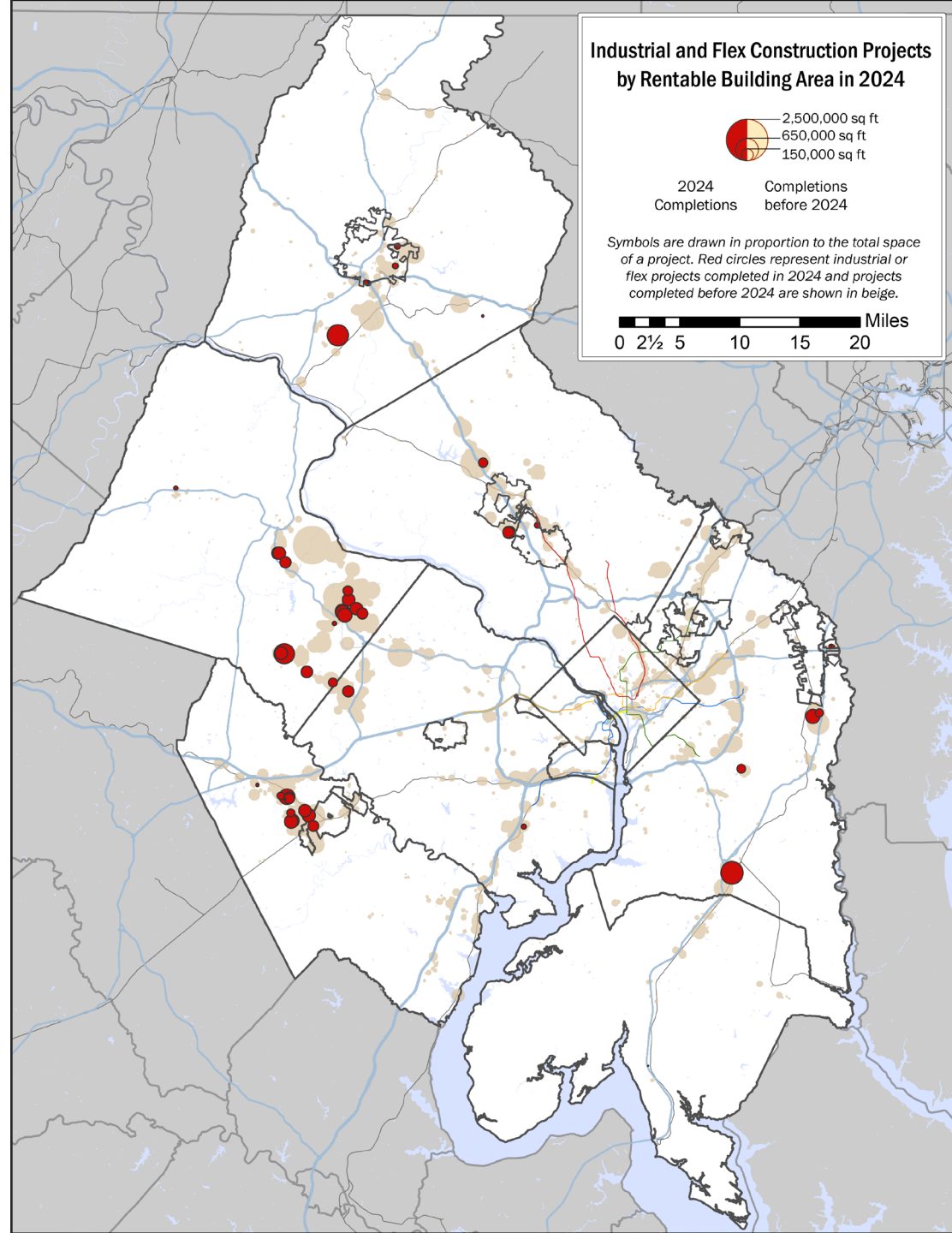


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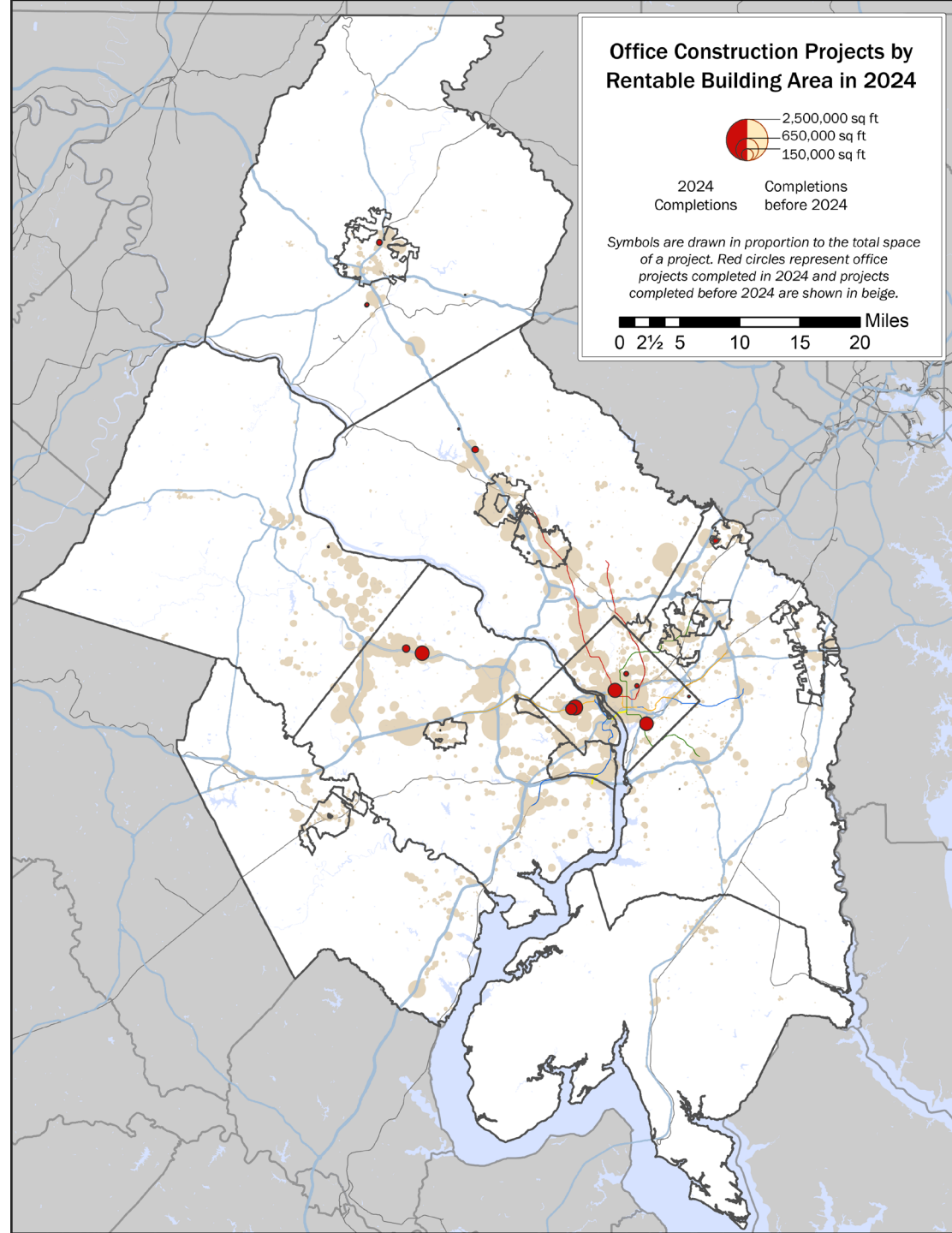
# Commercial Construction Starts and Demolitions 2006 - 2024



- All major COG jurisdiction added commercial space in 2024.
- The industrial/flex sector held the greatest share of commercial construction, led by data center construction in Loudoun County.

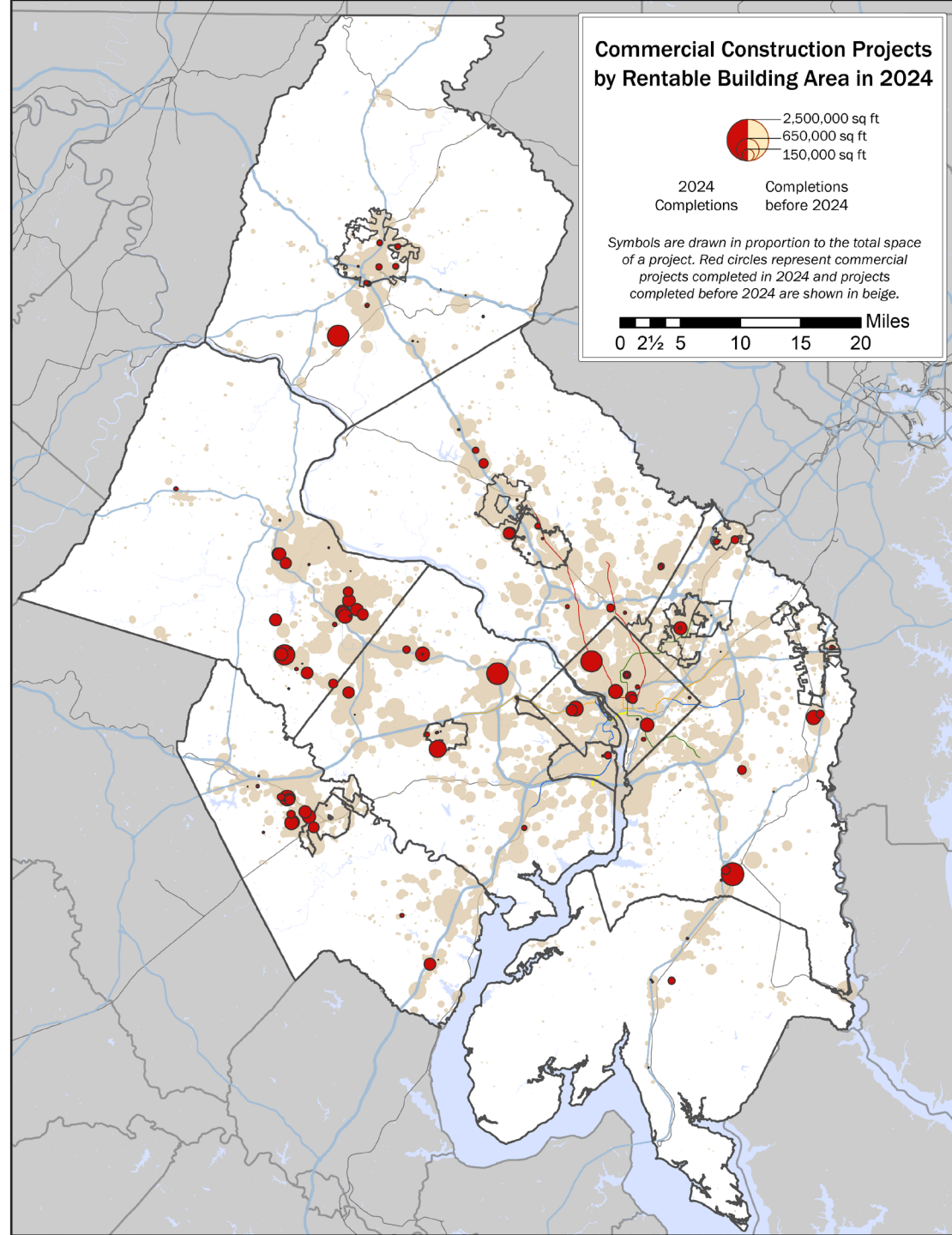


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- Office construction was the second largest sector added the lowest square footage of new space since 1994.





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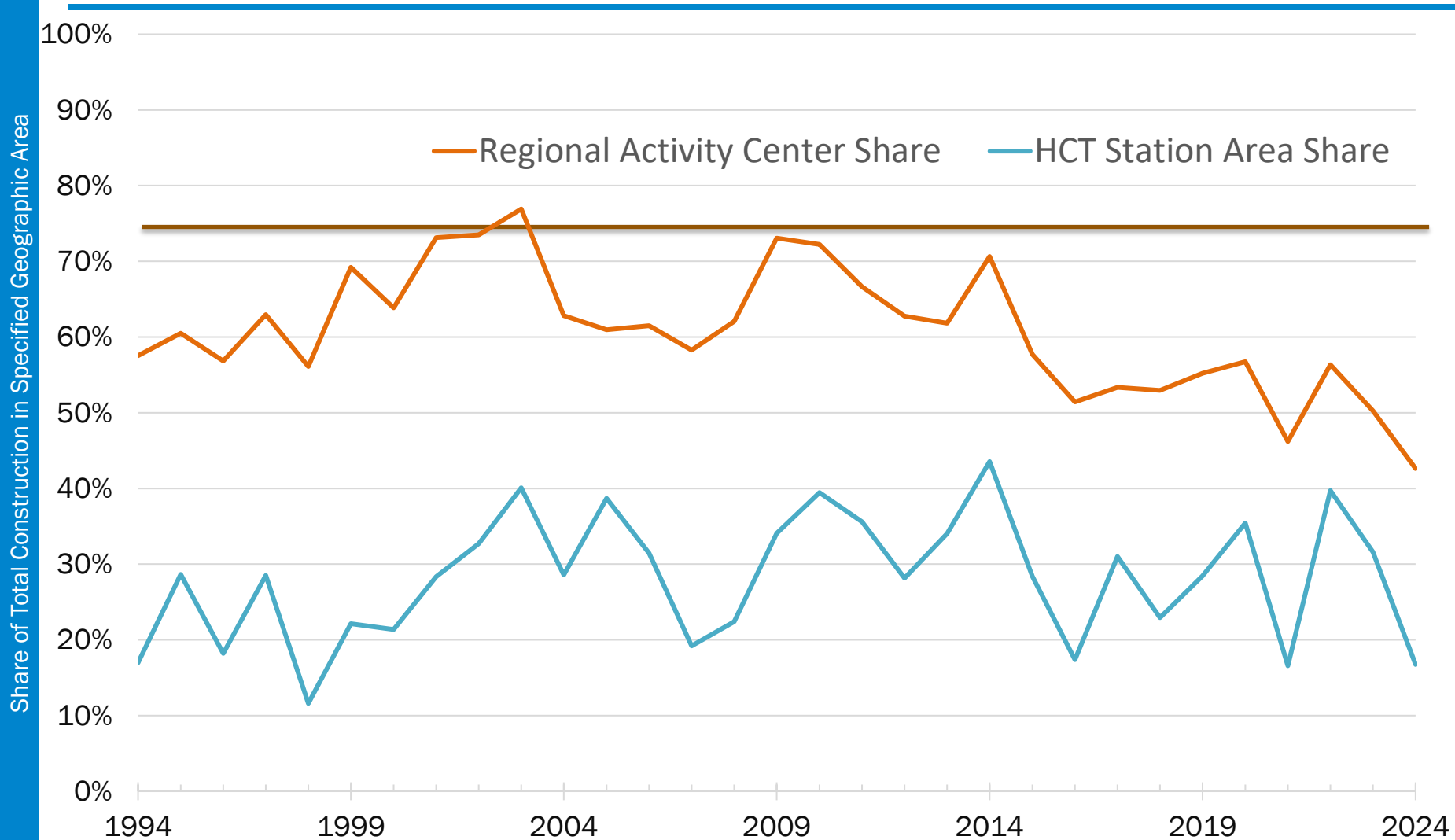


# Largest Projects in 2024

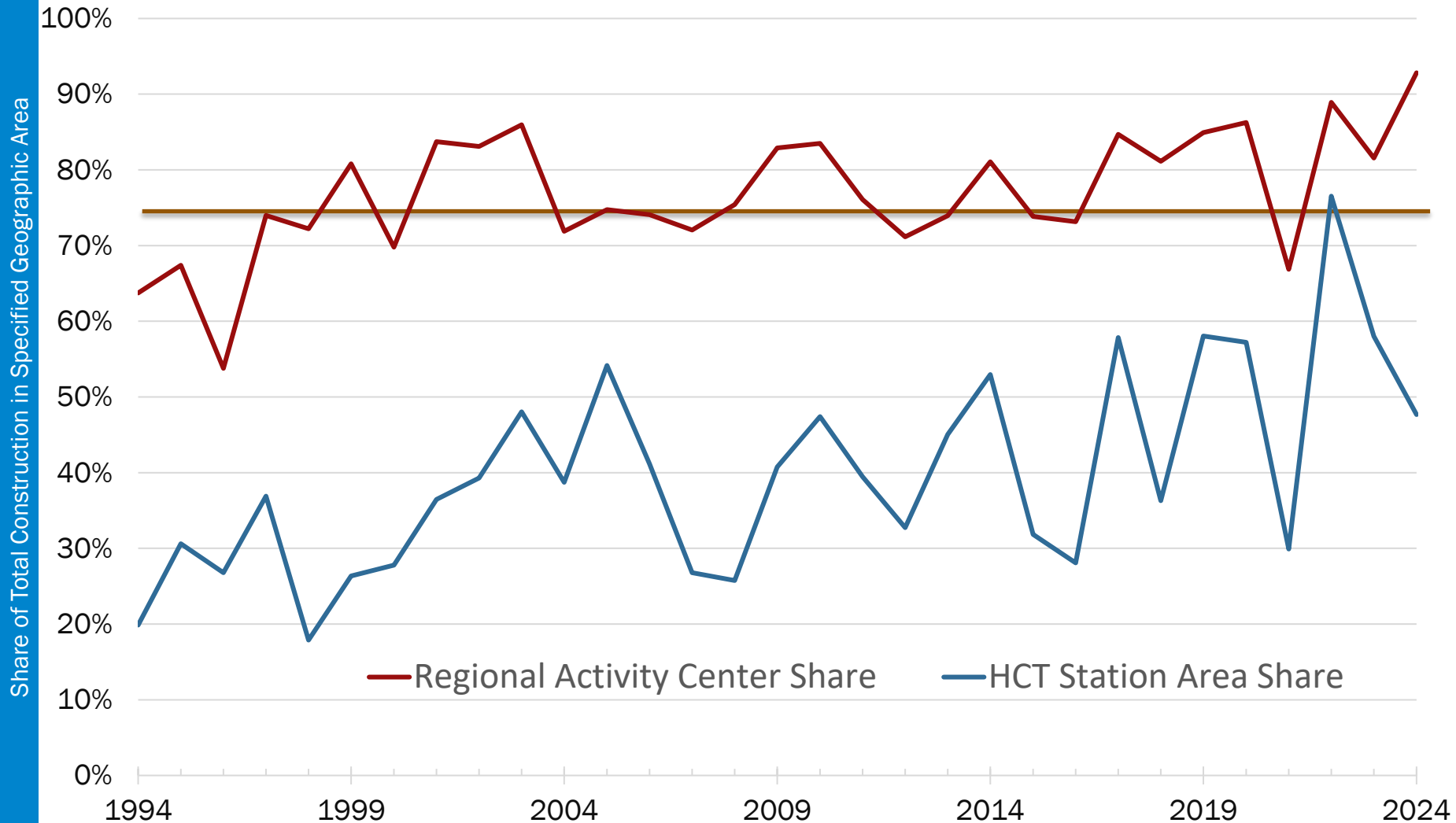
Project Name	Land Use	Street Address	Jurisdiction	Stories	RBA
ELP DC Building 1 at Elion Logistics Park	Industrial (Warehouse)	14900 Elion Way, Brandywine, MD	Prince George's County	1	801,610
The Mather at Arbor Row	Health Care (Congregate Senior Housing)	7929 Westpark Dr, McLean, VA	Fairfax County	27	729,473
Placemakr Cathedral Heights	Hospitality	4000 Wisconsin Ave NW, Washington, DC	District of Columbia	6	697,573
5601 Manor Woods Rd	Industrial (Data Center)	5601 Manor Woods Rd, Frederick, MD	Frederick County	1	694,016
Yondr NOV1 Data Center	Industrial (Data Center)	24397 Racefield Ln, Aldie, VA	Loudoun County	2	669,358
Iron Mountain Virginia, Data Center 3	Industrial (Data Center)	11640 Hayden Rd, Manassas, VA	Prince William County	2	390,000
Fuse at Mason Square	Office	3401 Fairfax Dr, Arlington, VA	Arlington County	10	345,000
17xM	Office	1700 M St NW, Washington, DC	District of Columbia	11	334,000
NVA04C Data Center	Industrial (Data Center)	22295 Lockridge Rd, Sterling, VA	Loudoun County	3	333,333
NVA04B Data Center	Industrial (Data Center)	22285 Lockridge Rd, Dulles, VA	Loudoun County	3	333,333

- The ten largest projects represent 36% of the region's 14.9 million square feet of new commercial space.
- The largest single project was an 801,610 square foot warehouse in Brandywine, Prince George's County.

# Share of Construction in Regional Activity Centers and High-Capacity Transit Station Areas

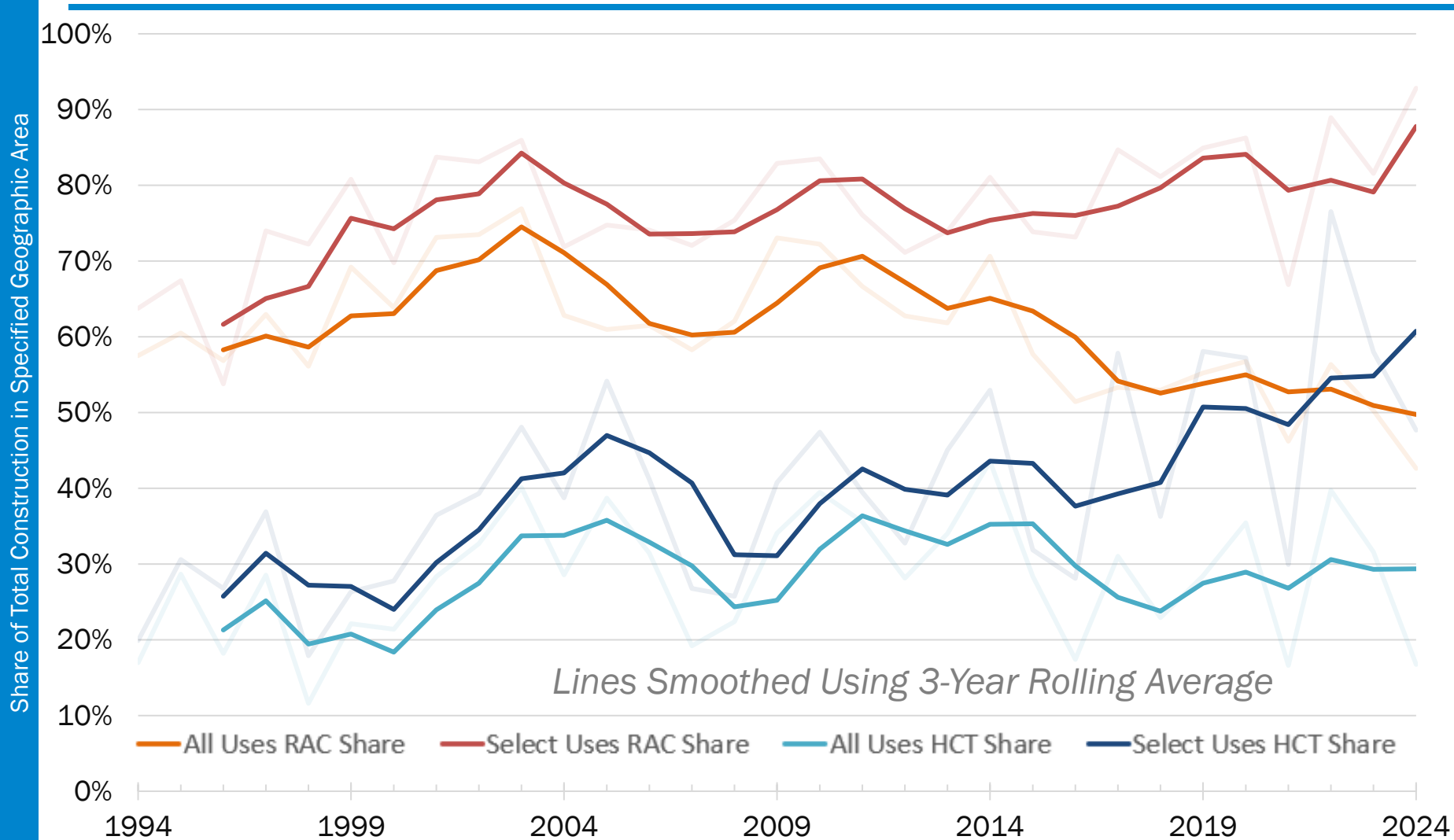


# Share of Construction in RACs and HCT Station Areas Excluding Industrial, Flex and Specialty Uses

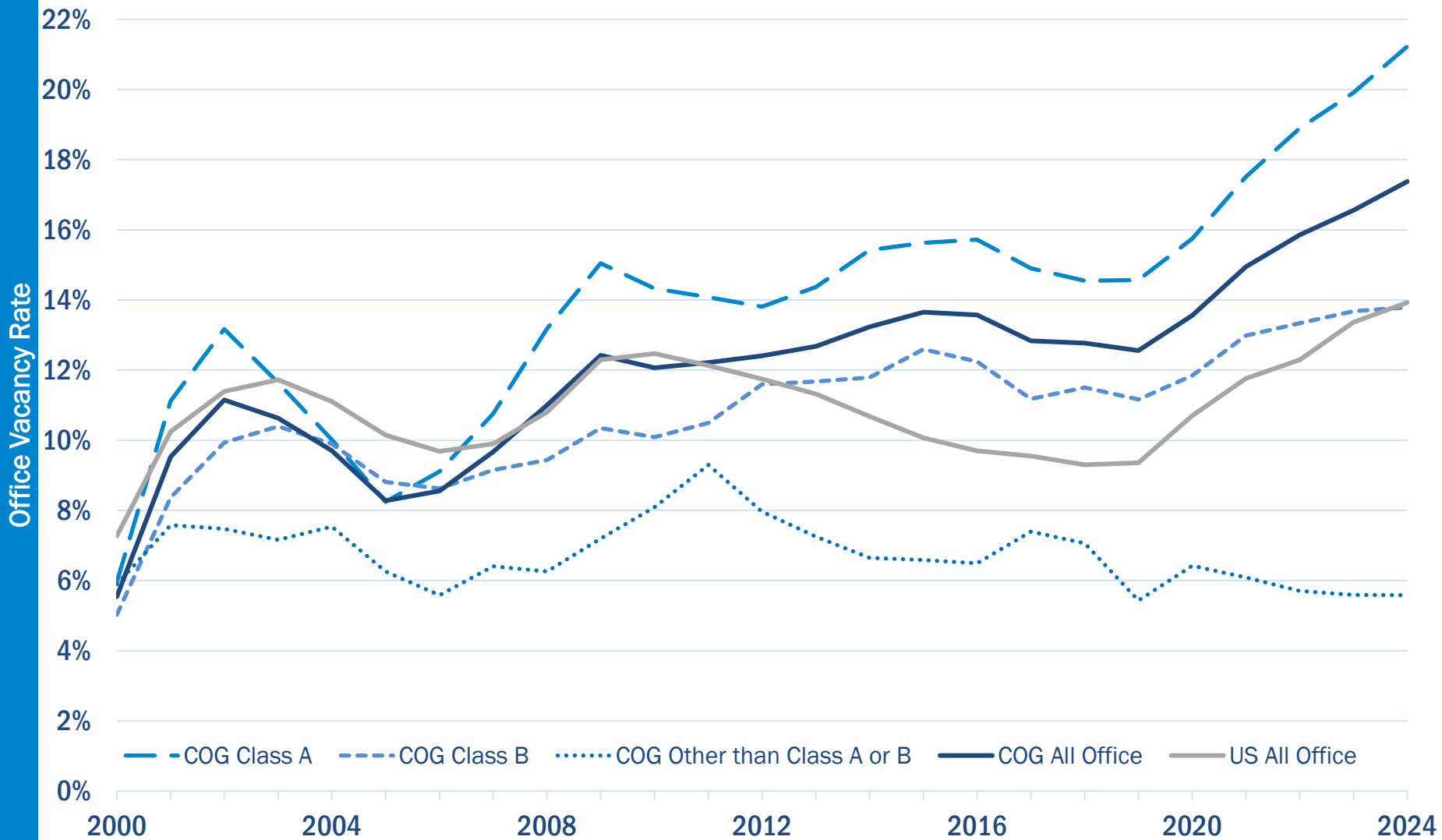




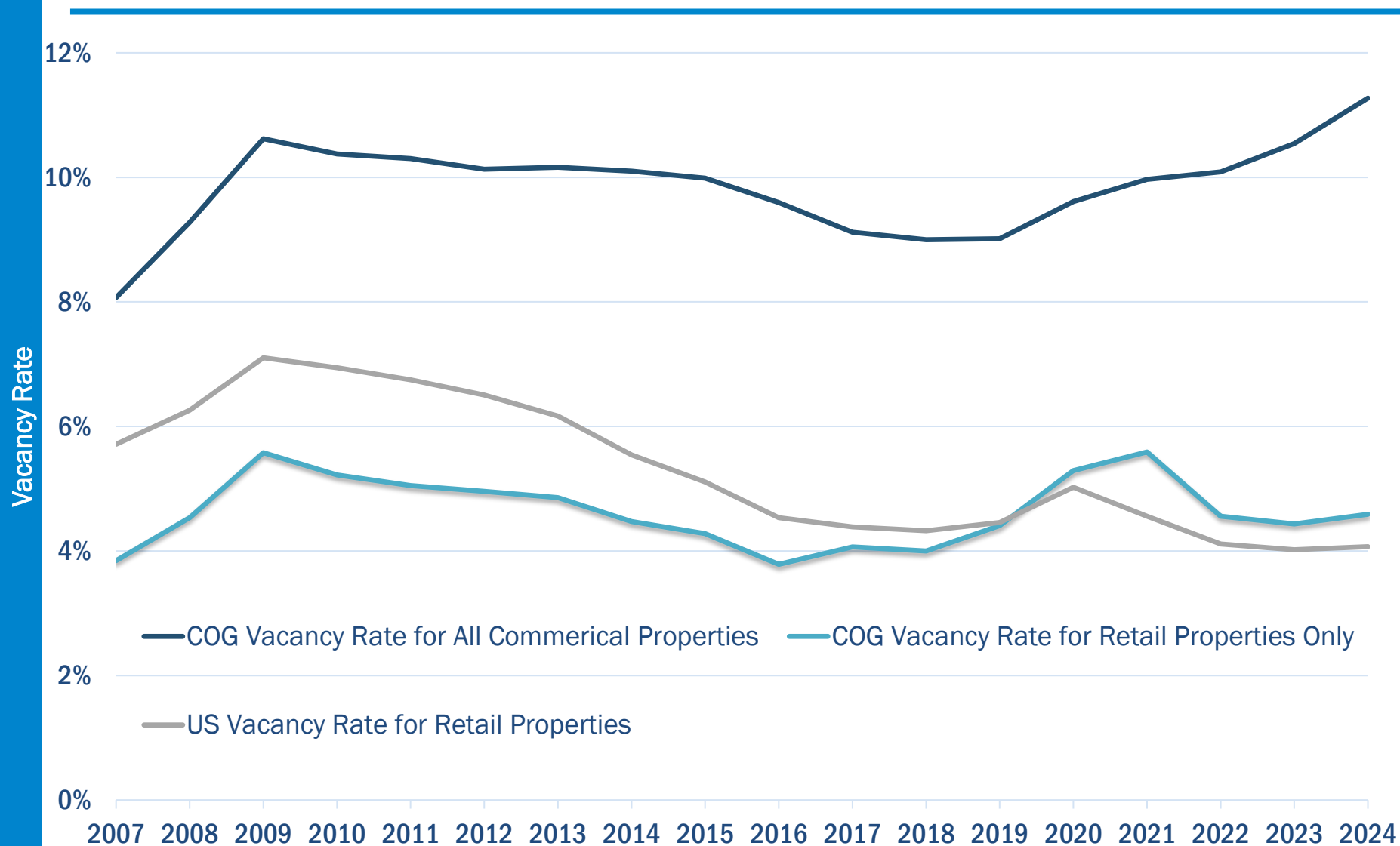
# Comparing Share of Construction in RACs and HCT Station Areas by Uses Category



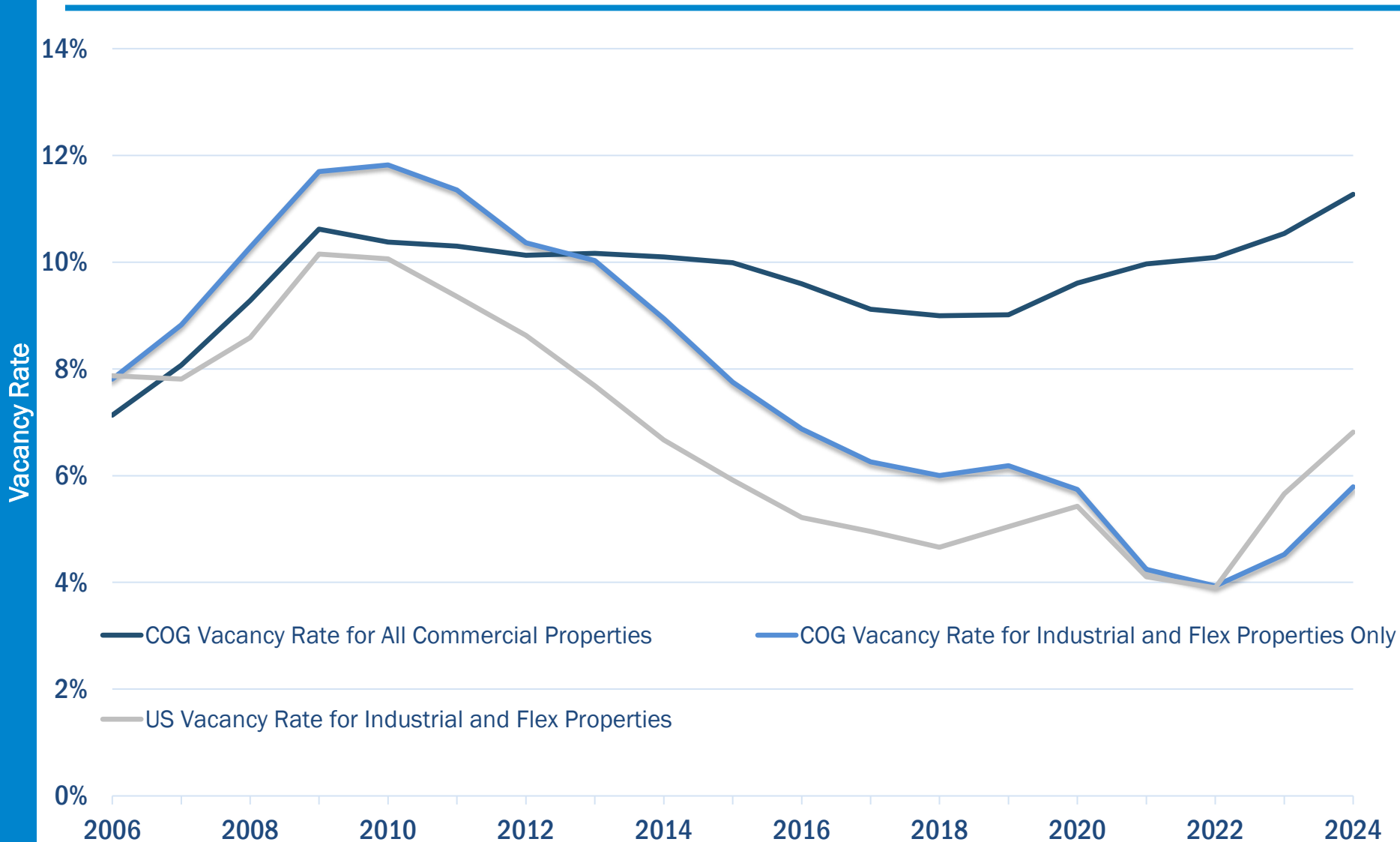
# Vacancy Rate for Office Space, 2000 – 2024



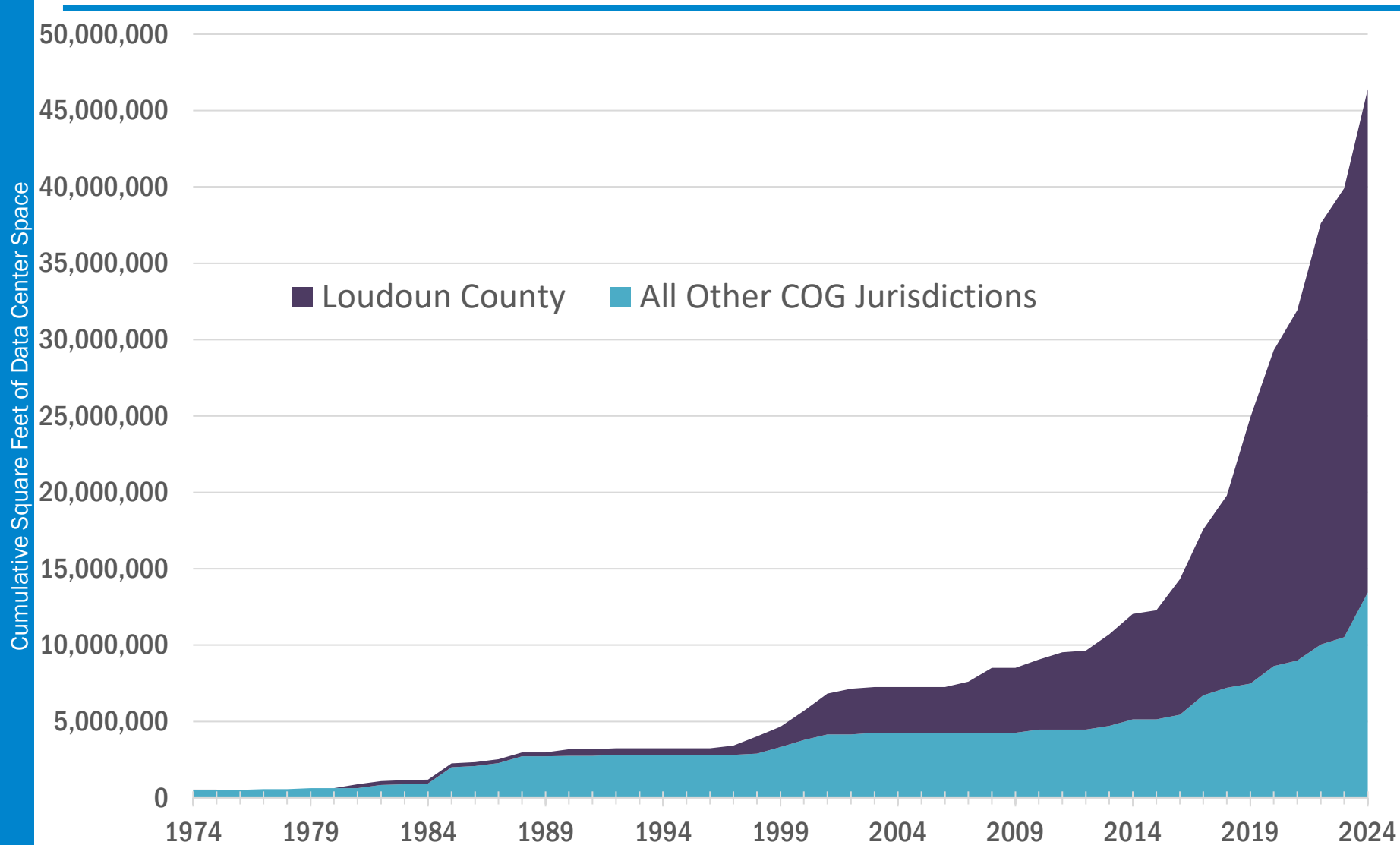
# Vacancy Rate for Retail Space, 2007 – 2024



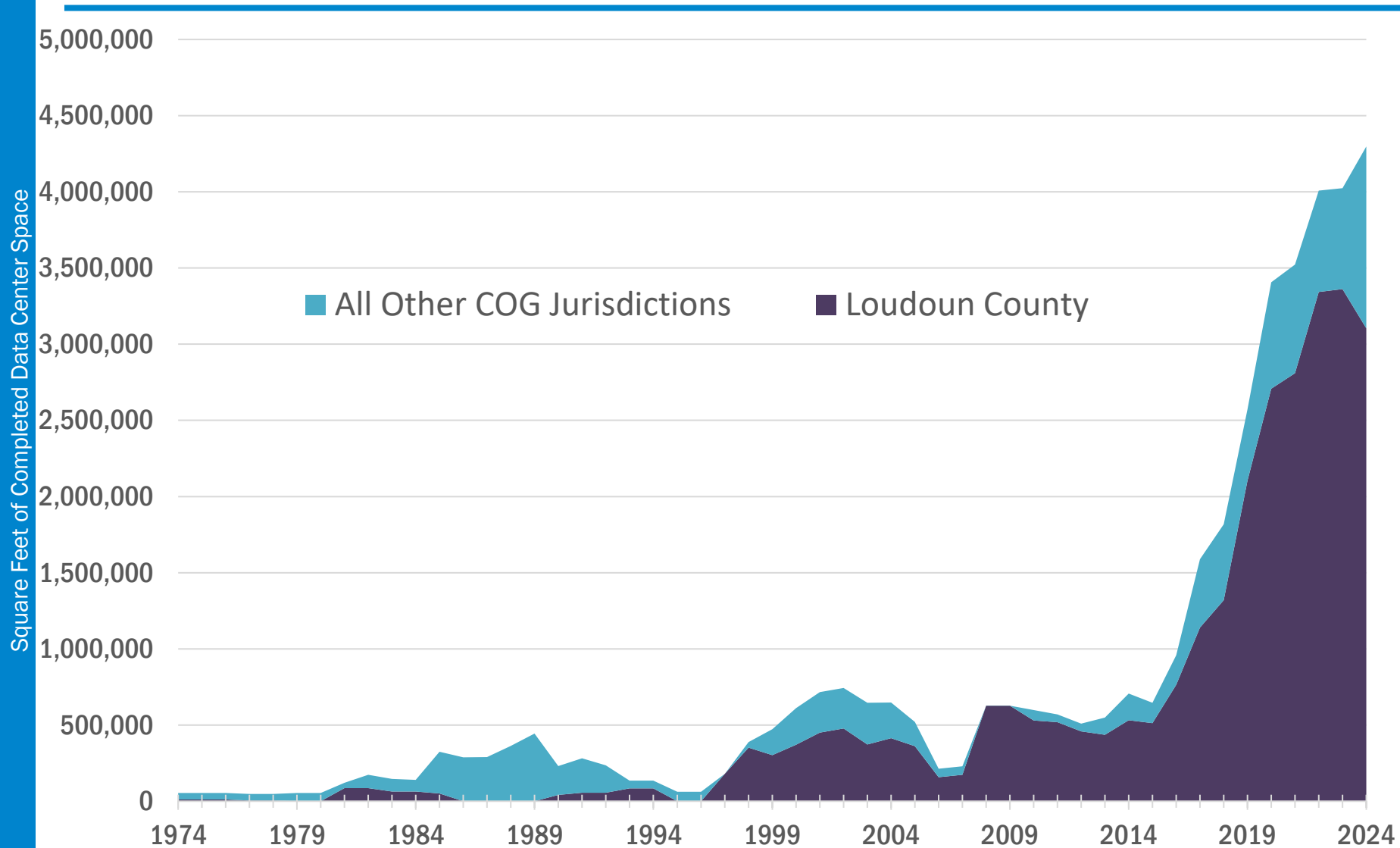
# Vacancy Rate for Industrial/Flex Space, 2006 – 2024



# Total Data Center Space in COG Region, 1974 – 2024

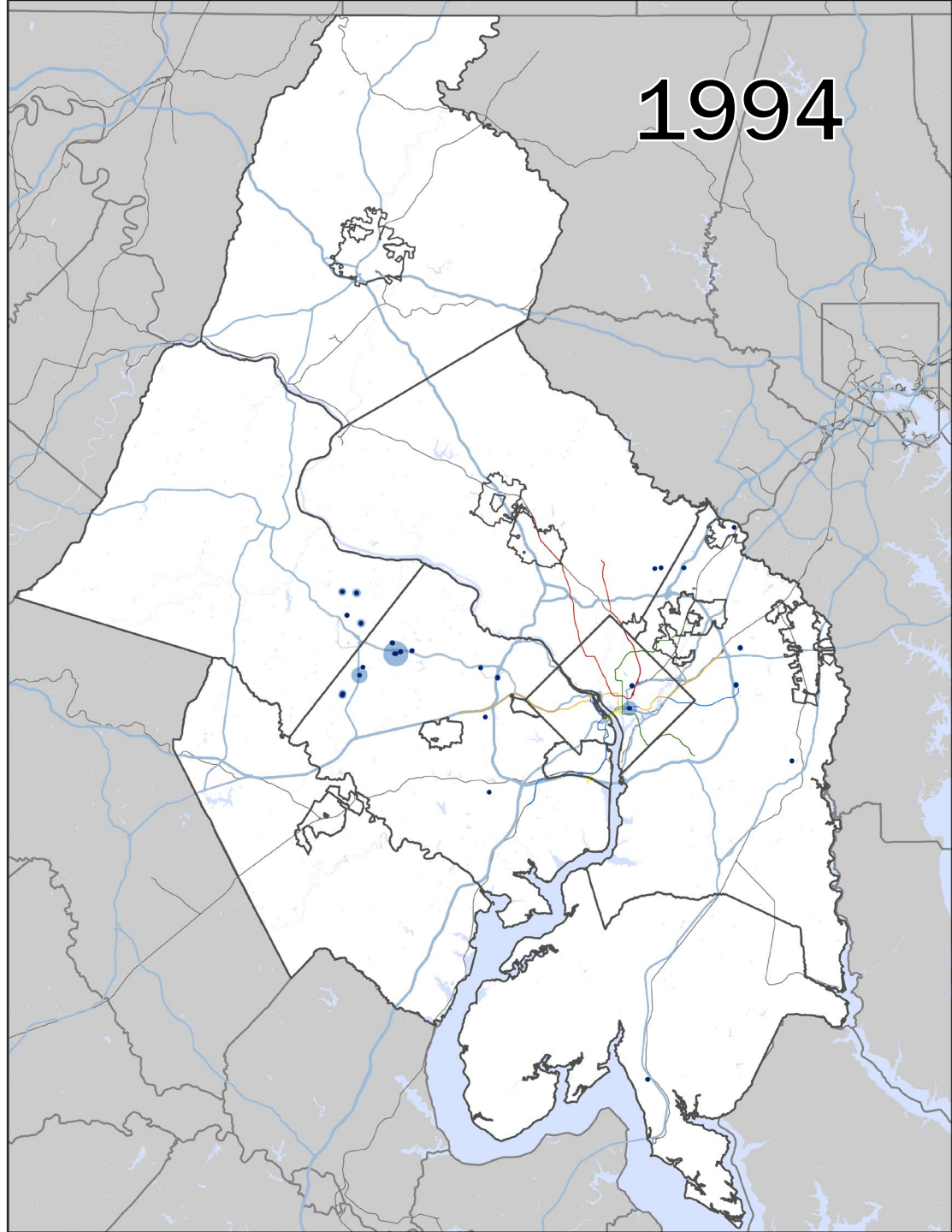


# Annual Construction of Data Center Space, 1974 – 2024



- In 1994, the COG region had 3.2 million square feet of Data Center space, relatively evenly placed among jurisdictions

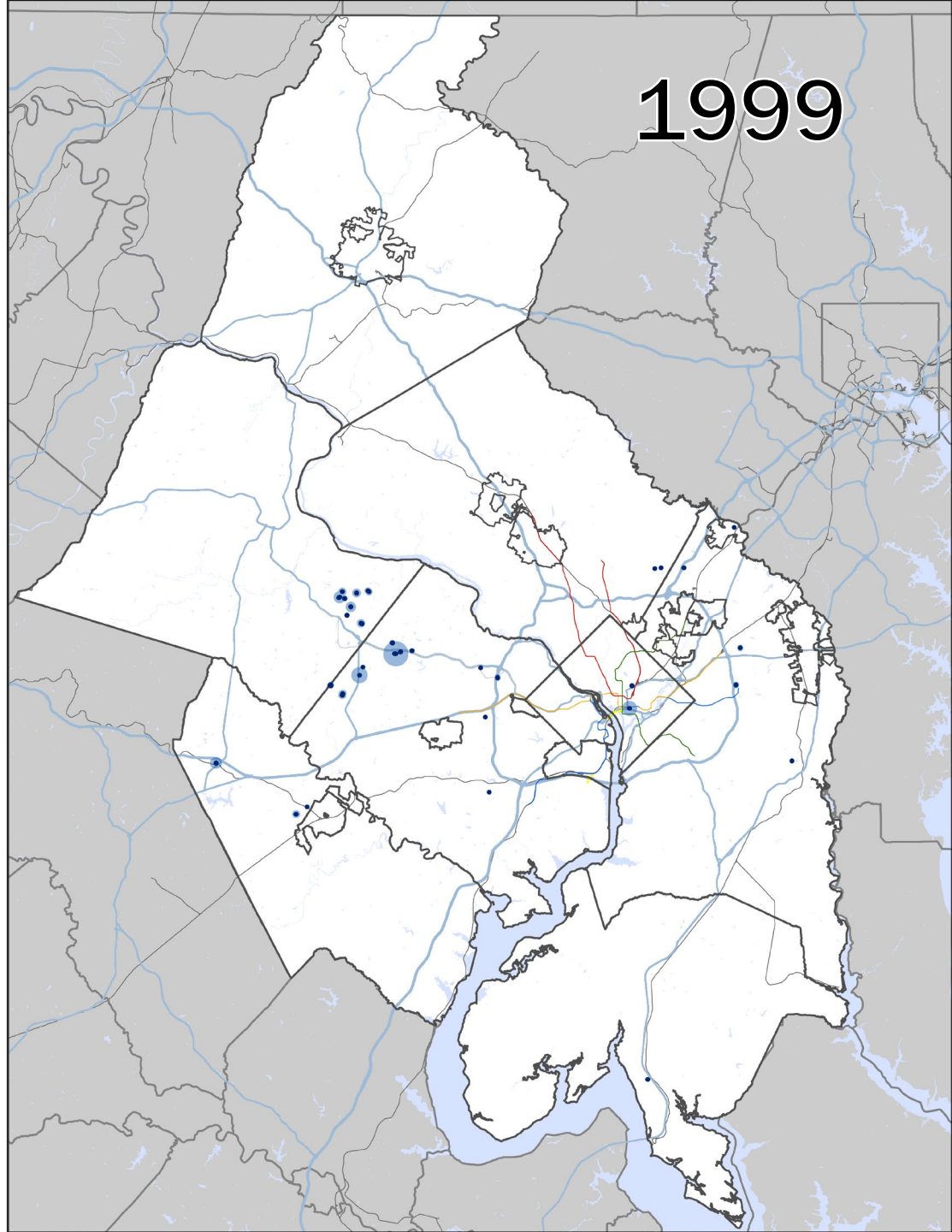
1994



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- By 1999, Data Center space increased by 144%, mostly in Loudoun County

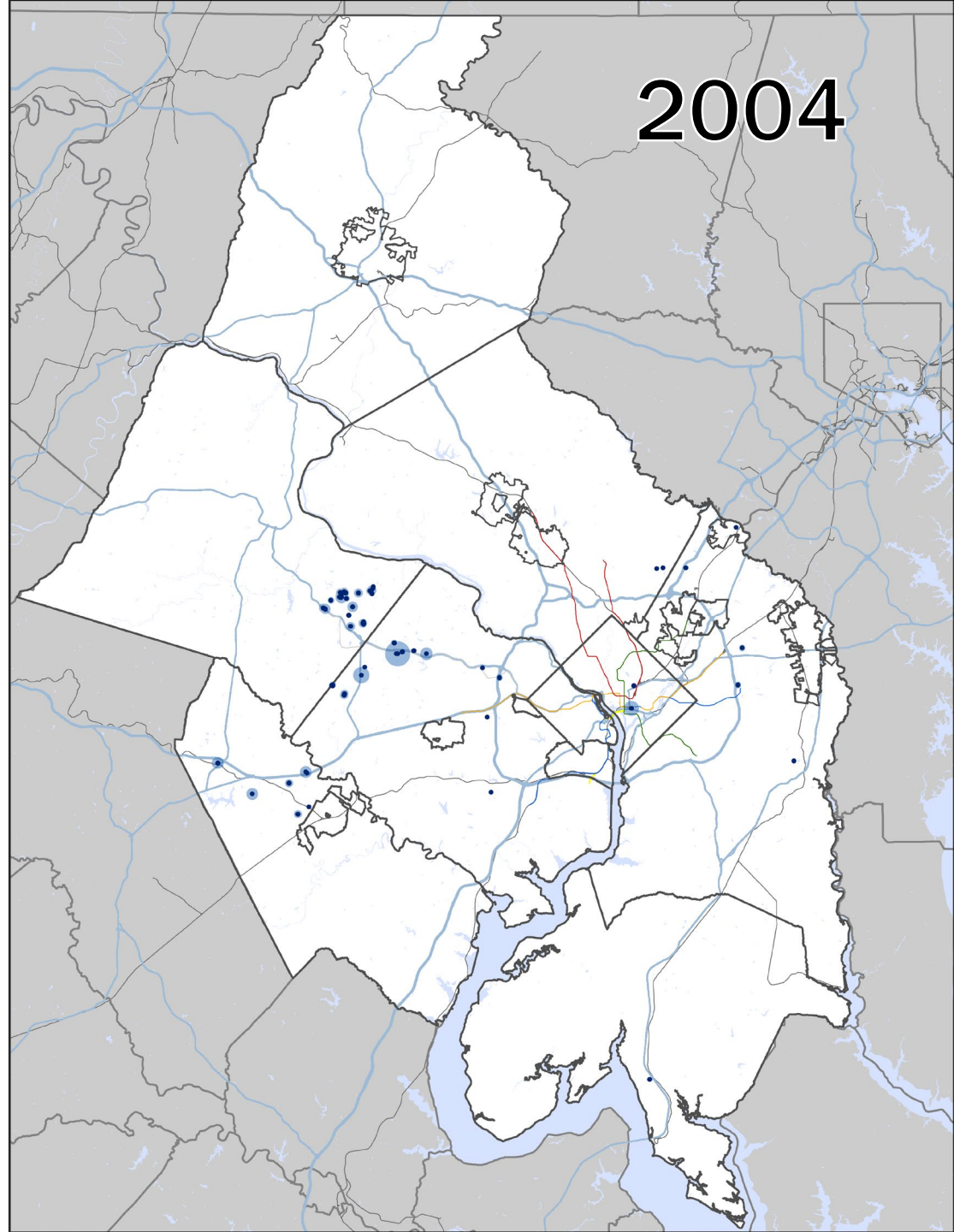
1999



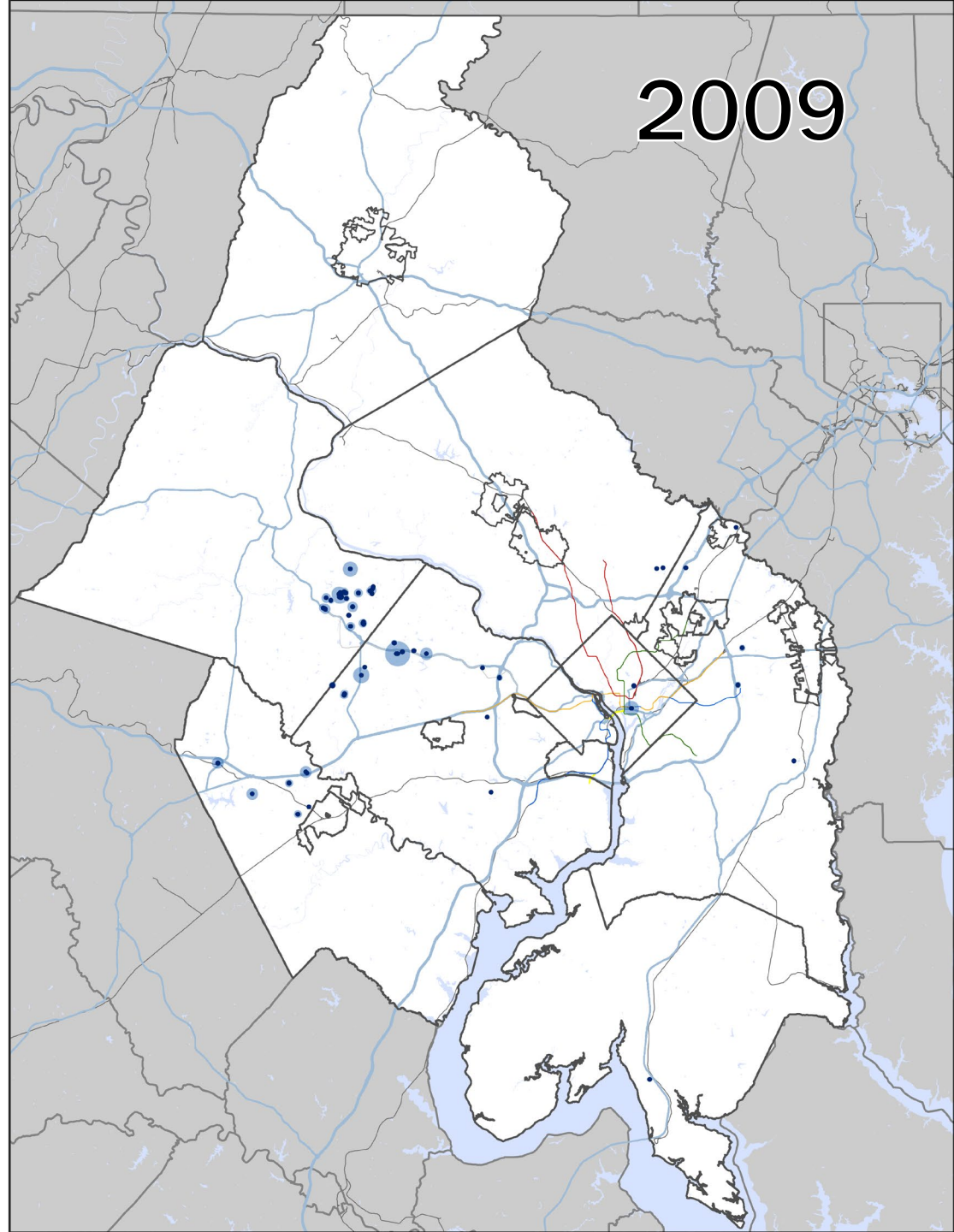
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- Data Center space grew 156% over the next 5 years, with Prince William County also adding Data Center space

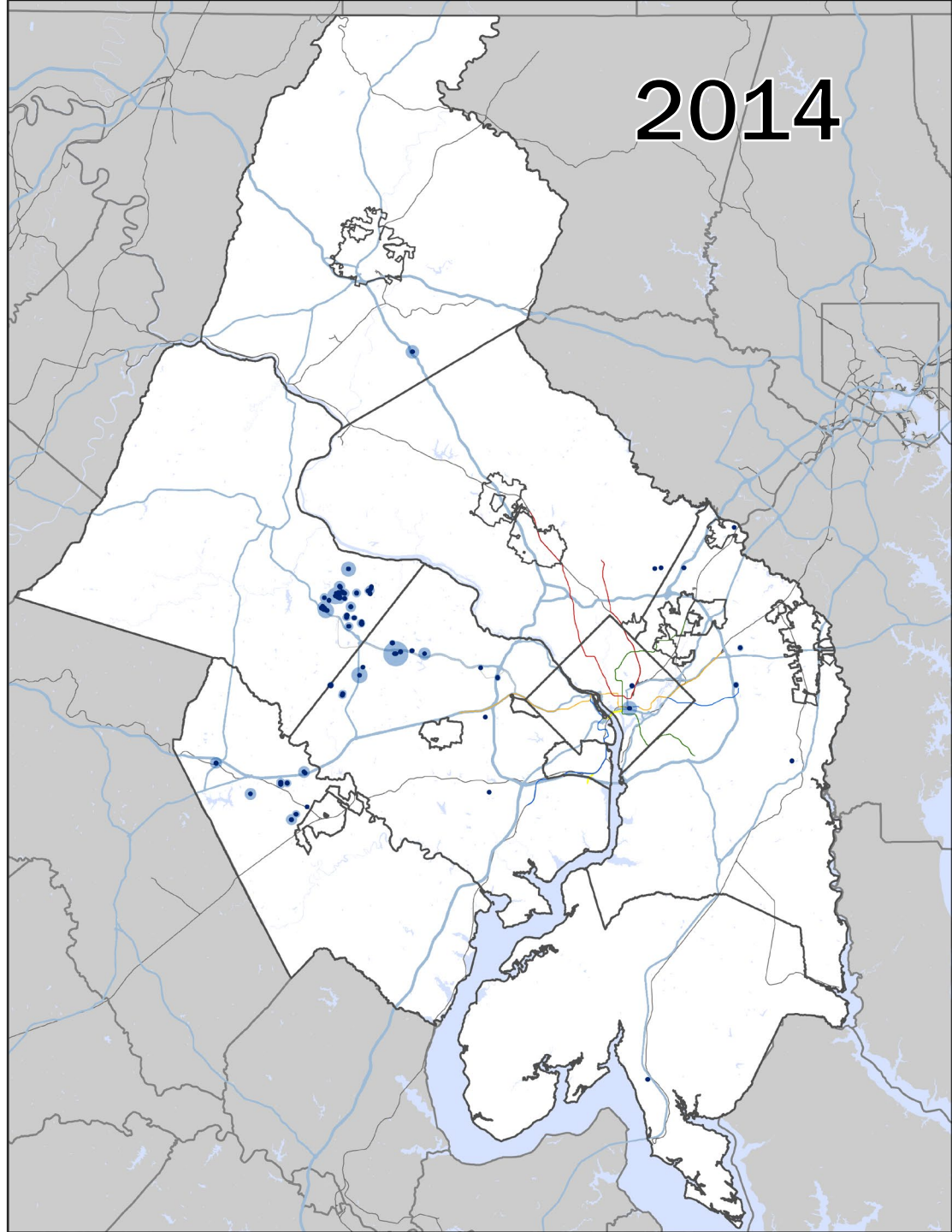


- Growth slowed slightly to 117% between 2004 and 2009, all of which was added in Loudoun County



- Data Center space grew 142% by 2014, with Loudoun County leading, followed by Prince William County

2014

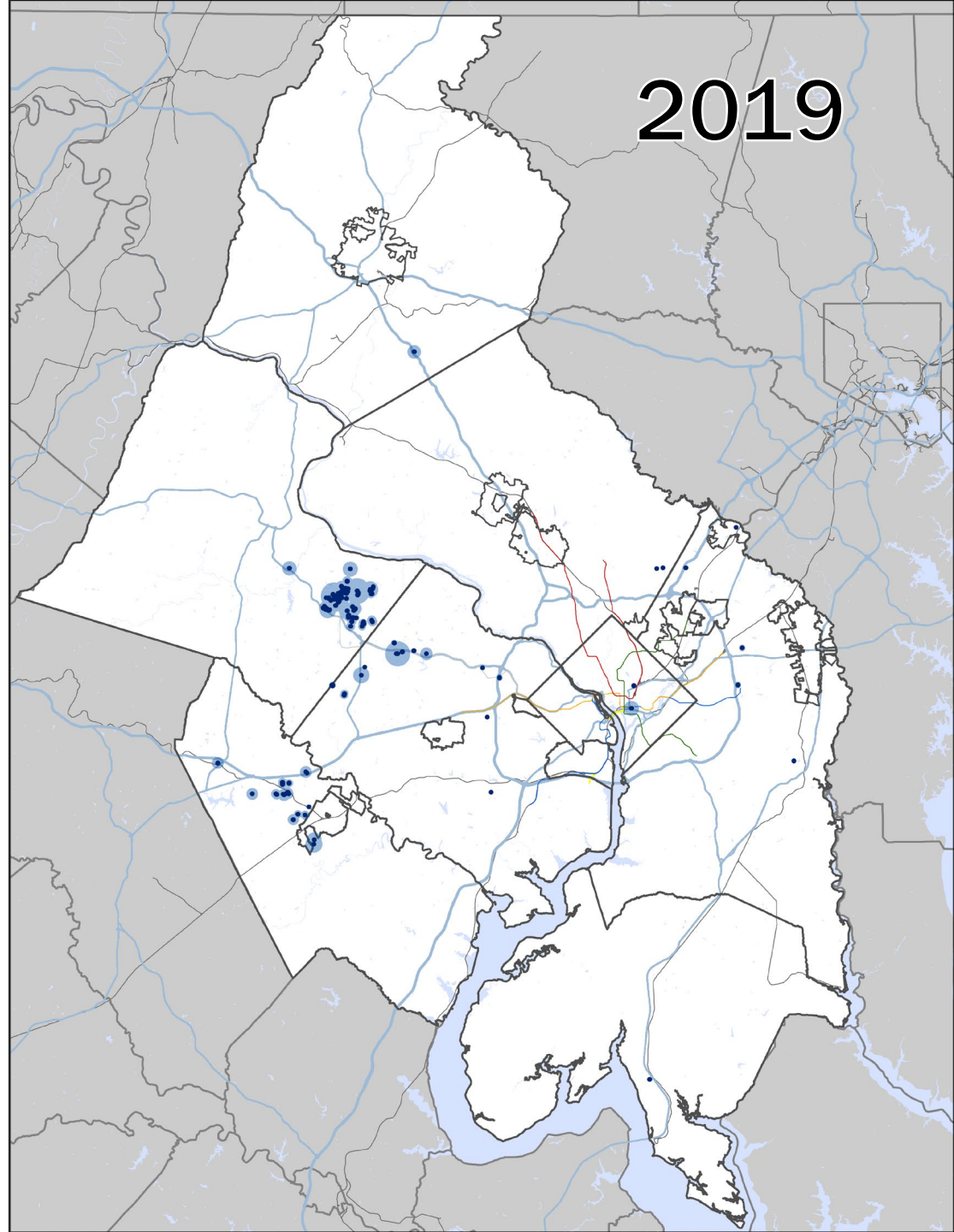


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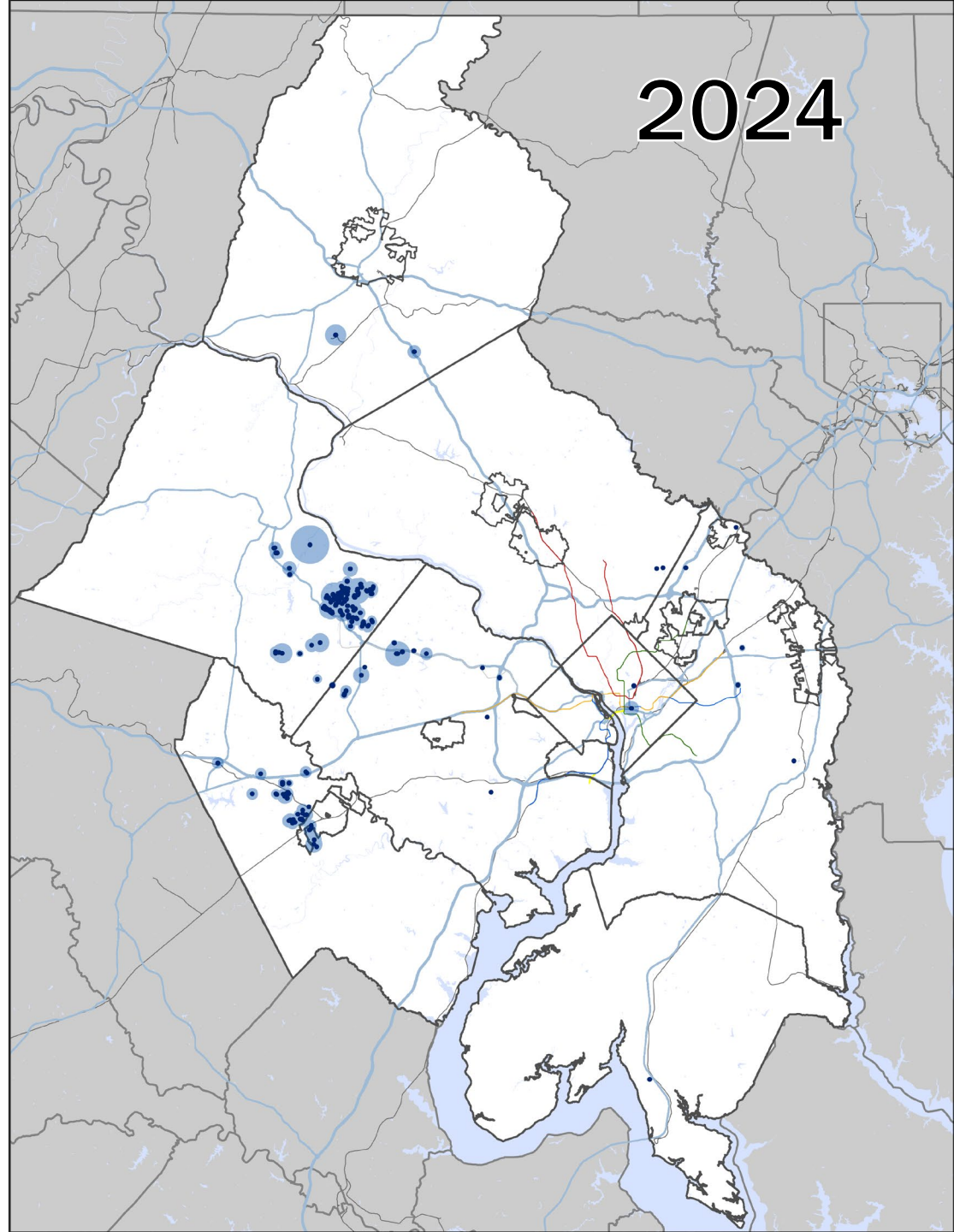


- Data Center growth accelerated by 2019, with an increase of 207% over the five-year period
- In addition to becoming more numerous, the average size of Data Center buildings increased as well.

2019



- Data Center space grew 186% by 2024, with Prince William County becoming a second hub
- New Data Centers are added to Frederick County, as well



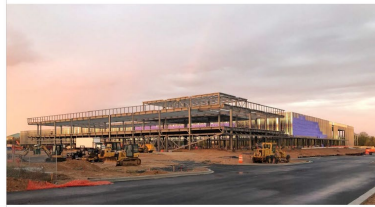
# Conclusions

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- The commercial construction sector is being propped up by demand for data center and warehousing space.
- Office and retail construction is at historic lows, while office vacancies are at historic highs
- There has not been a significant change in where construction space is demanded. Discrepancies between geographies are primarily due to the change in demand for the building types that have traditionally clustered in each geography
- Data Center demand is an exception. Over the past decade, Prince William County has emerged as a second cluster for Data Centers. More recently, data centers have also been built in Frederick County.

## June 2022

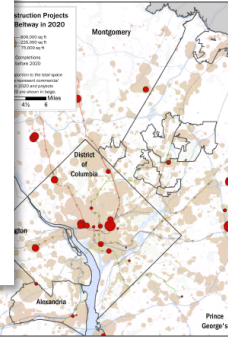
feet of commercial space demolitions in 2010 (Figure 3). These "demolished" properties such as obsolete office or institutional spaces in several high-profile conversion projects is of these properties as demolished included the former Walter Reed Army Medical Center US Citizenship and Immigration half of all recent demolitions have occurred have been office buildings.

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<sup>1</sup> [U.S. Office Figures](https://www.bls.gov/news.release/office/2022/08/20220808.pdf). CBRE, 2022.

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construction within the Beltway. About 31 percent of regional construction is in the I-495 corridor; historically, 44 percent of construction has been within the limit of the 5.3 million square feet of space that was constructed inside the loop within a half-mile walk of a Metrolink station, compared with only 57 percent of commercial construction.



Construction Indicators 2020 I

n in commercial construction, accounting for 23 percent of n 2020. Loudoun County had the second most construction n four new data centers in Ashburn and Sterling. All major slding completed in 2020 but nine of the smaller COG est year, Bladensburg has not added new commercial

is for Each COB Member Jurisdiction

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— Vacancy Rate for Industrial and Flex Properties Only

Commercial Construction Indicators 2020 II 3

could be the result of having more construction activity or having a more extensive half-mile walkshed (or both). The analysis was only performed on walksheds as they exist in 2019. The same 2019 vintage walkshed geography was used for looking at past construction. Therefore, the station area totals for previous years are for an area that may not have been accessible via a half-mile walk until a later time—or even had a station built yet. More information on walksheds can be found on the [TPB News blog](#): Walksheds show planners how easily people can walk to transit.

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777 North Capitol Street NE, Suite 300  
Washington, DC 20002

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