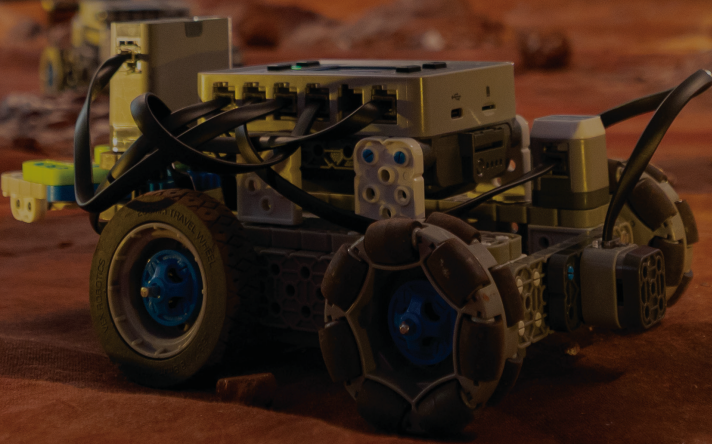


# NATIONAL LANDING PULSE ON INNOVATION

MARKET INSIGHTS SUMMARY

MAY 2025



**NATIONAL  
LANDING**

PENTAGON CITY

CRYSTAL CITY

POTOMAC YARD

# INTRODUCTION



**National Landing continues to evolve as a premier destination and innovation community with increased investments in people, place, and programming assets.**



National Landing, Northern Virginia's rapidly evolving downtown and innovation community, spans Arlington's Pentagon City, Crystal City and Potomac Yard neighborhoods and is home to Amazon HQ2, the Virginia Tech Innovation Campus, and a diverse roster of restaurants, retail, and hotels. National Landing continues its evolution as a global center for innovation and technology. With over \$12 Billion dollars in public and private investments, National Landing has all the necessary drivers to be positioned favorably as a top destination for innovation excellence.



## HIGHLIGHTS



- ▶ **Leading STEM University Anchor:** Virginia Tech \$1B Innovation Campus delivered in Q1 2025



amazon



- ▶ **Global Tech Anchors:** The Pentagon, Amazon's HQ2, and Boeing's Global Headquarters top the robust government and corporate ecosystem



- ▶ **A growing innovation ecosystem** of tech research centers and accelerators

- ▶ **Fastest Growing Tech Industries:** Cyber Security, Advanced Computing and Defense Technology



This **Market Insights Summary**, which expands on National Landing's 2023 Market Impact Study, highlights the remarkable growth and transformation that has made National Landing one of Northern Virginia's premier locations for innovation and technology investment. Characterized by dynamic trends in people, place, and programmatic assets, National Landing's innovation trajectory is underscored by several key highlights: a flourishing defense tech base and innovation anchors, strong regional partnerships, leading institutional presence, and a highly educated, increasingly younger and more diverse workforce all within a multimodal, urban community. Data in this report excludes the portions of Potomac Yard located in Alexandria and only includes data for Arlington portions of National Landing.

# BUILDING ON RESILIENCY AND INNOVATION ASSETS



**1,700 +**  
units delivered  
in 2024 –  
a record year

**89%**  
Occupancy  
with positive  
net absorption

**↑ 8.3%**  
YOY increase  
in asking rents



**71%**  
Occupancy  
Rate

**↑ 2.1%**  
YOY increase  
in occupancy

**↑ 7.8%**  
YOY increase  
in RevPAR

**↑ 7%**  
YOY increase in  
Average Daily  
Rates (ADR)



**23.3%**  
Vacancy  
Rate

**↑ 14.2%**  
YOY increase  
in vacancy

**\$36.90**  
Base rent per  
square foot



**50 +**  
new establishments  
opened since  
Q3 2023

**~ 20**  
establishments  
anticipated to  
open in 2025/26

**↑ 6%**  
YOY increase  
in foot traffic



YOY is Year-over-year and QTQ is quarter-to-quarter, ADR is average daily rates, and RevPAR is revenue per room.

\* Note: Seasonal peaks typically occur in the second quarter of each year. Positive Q1 2025 hotel trends due, in part, to the presidential inauguration.

Sources: CoStar and Placer.ai.

While macroeconomic factors and federal actions have created market uncertainty, the National Landing submarket — with its tech and innovation focus, strong residential growth, and increasing retail/food and beverage cluster — provides a strong foundation for continued resiliency. Momentum established by these market sectors propels opportunities within the innovation ecosystem.

**National Landing's advantageous position as an Innovation District is strengthened by the following people, place, and program stats.**



## WHAT IS AN INNOVATION DISTRICT?

Innovation districts are dense, mixed-use urban places that catalyze collaboration and facilitate the commercialization of research. Innovation districts provide the foundation for firms and entrepreneurs to invest and create through shared discovery. The collaboration is made possible through key economic, physical, and networking assets located in an innovation district. Their success is driven by three key ingredients: **people, place, and program.**



### PEOPLE

Talent & Collaboration

- ▶ Workspaces
- ▶ Workforce Development
- ▶ Talent Pipeline
- ▶ Start-Ups & Corporates
- ▶ Quality of Life
- ▶ Diversity of Jobs
- ▶ Business Support
- ▶ Academic Anchors



### PLACE

Infrastructure & Urban Realm

- ▶ Transit
- ▶ Public Realm
- ▶ Open Space
- ▶ Mix of Uses
- ▶ Digital Connectivity
- ▶ Circulation
- ▶ Access



### PROGRAM

Partnerships & Tools

- ▶ Vision
- ▶ Tech Hub
- ▶ Public Tools
- ▶ Partnerships
- ▶ Identity
- ▶ Events & Marketing
- ▶ Density

# FLOW



## POPULATION

**28,200**  
Residents

10% year-over-year growth

Source: 5-Year ACS, 2023; Arlington County, 2025.

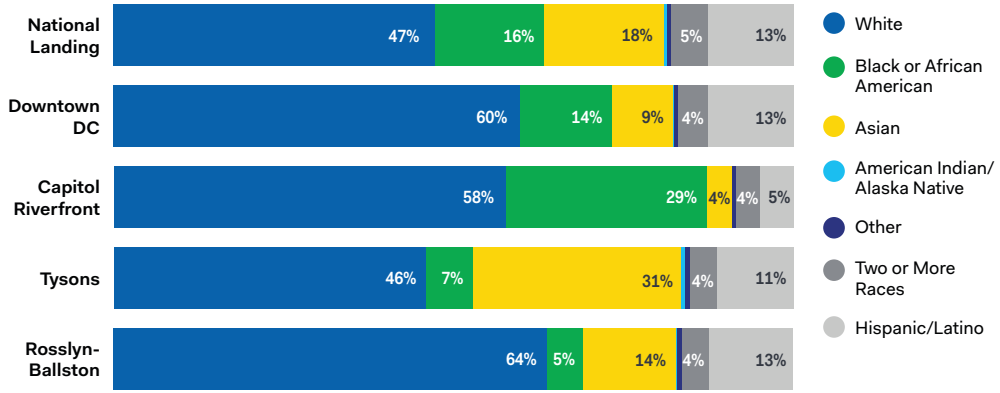
**34**  
Median Age

Decreased from 35 since 2024

Source: 5-Year ACS, 2023.

**National Landing's employment base attracts tech talent and creates a robust innovation ecosystem.**

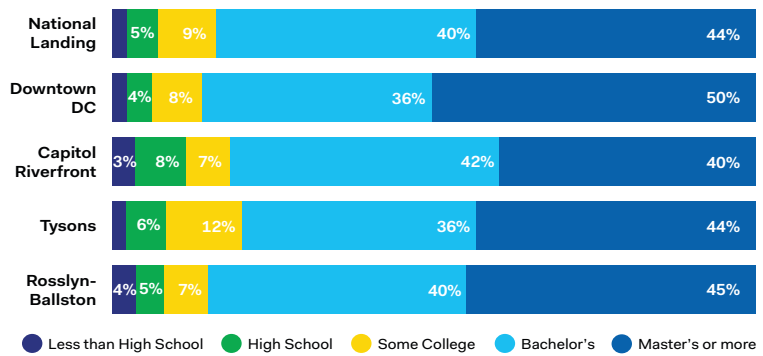
**RACE**



Source: 5-Year ACS, 2023; Arlington County, 2025.

**53%** Identify as Black, Asian, American Indian/Alaskan Native, Hispanic/Latino, or multi-racial — a 10% year-over-year increase

**EDUCATIONAL ATTAINMENT**



Source: 5-Year ACS, 2023; Arlington County, 2025.

**84%** Bachelor's degree or higher — a one percent increase since 2021

**WORKER TO RESIDENT RATIO**

**1.4** Workers to every one resident — a balanced ratio for a downtown district





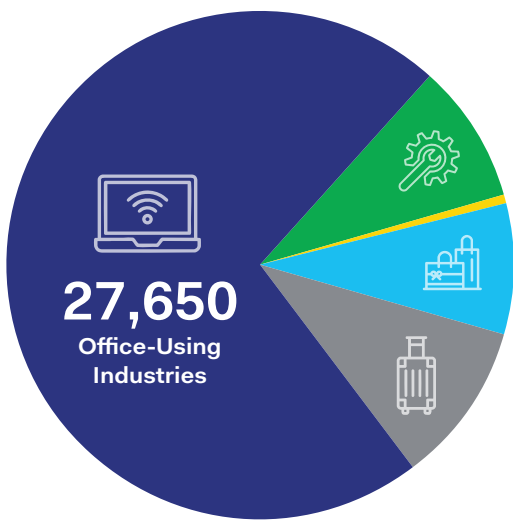
### EMPLOYMENT

# 38,400 Jobs

Source: EMSI, 2024; Interviews.

### INDUSTRIES

# 72%

 office-using industry jobs

● 27,650 Office-Using Industries

● 3,900 Industrial

● 3,350 Hospitality & Food Service

● 3,200 Retail

● 250 Arts & Entertainment

Source: EMSI, 2024; Interviews.

### EMPLOYEE VISITATION

# ↑ 10.5%

### Year-over-year growth in employee visitation

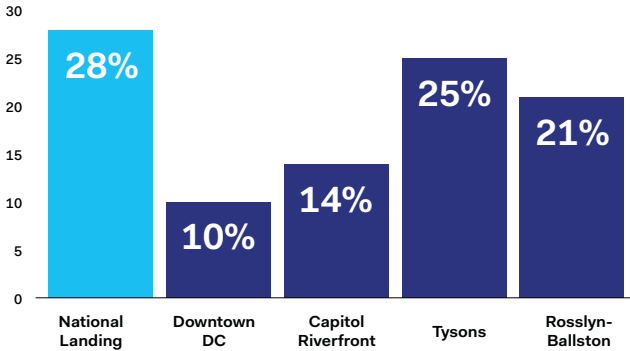
The trend should continue as return-to-office policies persist and increase to five-day-a-week requirements for major employers like Amazon and the federal government.

Source: Placer.ai, 2025.





### SHARE OF JOBS IN THE TECH OR DEFENSE INDUSTRIES



# 28%

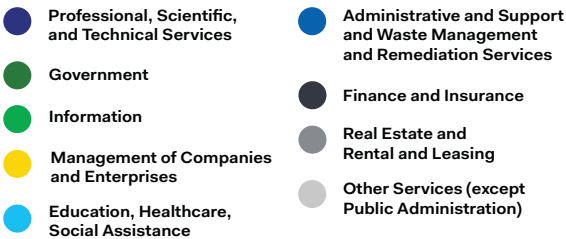
**Tech and defense industry jobs** – the highest share among comparison submarkets in the Washington, D.C. region.

Source: HR&A Analysis of Lightcast data.

### OFFICE-USING JOBS

# 79%

**Professional, scientific, and technical and government jobs**



Source: Lightcast, 2024; Interviews.



## LOOKING FORWARD

As National Landing's population and job growth evolves, its exceptional talent pool of highly educated and diverse workers, coupled with a balanced mix of workers to residents, will continue to fuel its growing innovation ecosystem and foster tech sector prominence in the Washington, D.C. region.

# PLACE

**National Landing's evolving office market, strong residential pipeline and significant retail and placemaking investments in the built environment all support a vibrant, mixed-use workplace of tomorrow.**



**Targeted \$12B of investments, creating world-class community amenities and infrastructure, attract a talented workforce who desires to live and work in National Landing. Recent and on-going deliveries include:**



▶ **Museum of Contemporary Arts (MoCA) Arlington Innovation Studio at Met Park (Q1 2024)**



▶ **Amazon's delivery of Metropolitan Park (Q2 2023)**



▶ **JBG Smith's delivery of the reimagined Water Park, the region's only outdoor food hall in a park setting (Q4 2023)**



▶ **Unrivaled investments in transportation and a ubiquitous 5G-enabled network (on-going)**

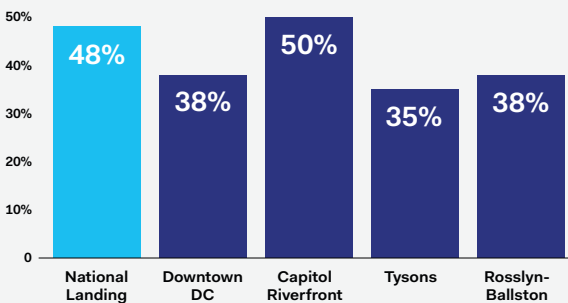




### The office market continues to right size in the midst of federal government changes.

- ▶ Office supply has grown with Amazon's Q2 2023 first phase delivery of HQ2, which brought 2M square feet of office space and over 8,000 Amazon employees.
- ▶ From Q3 2023 to Q4 2024, National Landing saw 51 office leases totaling 860,000 SF of office space.
- ▶ National Landing's commercial office space assets now offer a mix of **quality spaces ranging in size and affordability** for small start-ups to established anchors in highly accessible and amenitized areas.

#### SHARE OF IN-PERSON JOBS



# 48%

## Jobs conducted in-person

The majority of these jobs are within the defense industry and require SCIF and other specialized spaces.

Source: Amazon, 2024; Seattle Times, 2023; Lockheed Martin and Booz Allen Hamilton job postings; HR&A analysis of Lightcast data and "How Many Jobs Can be Done at Home?," University of Chicago, 2020.



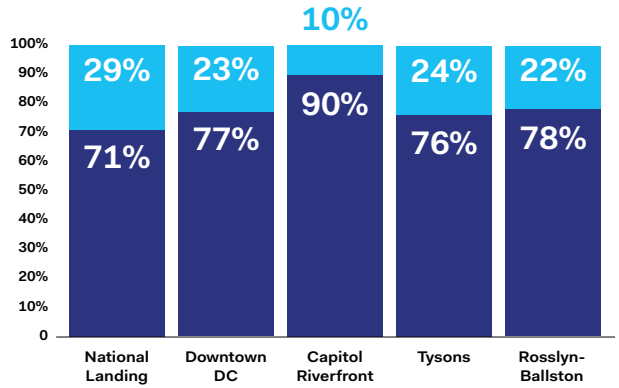
SHARE OF OFFICE SPACE BY CLASS

# 71% Class A Office Space

A result of the office right-sizing and flight to quality trends

● Class A ● Class B/C

Source: Costar, 2025.



## Residential Market

# 19,000 +

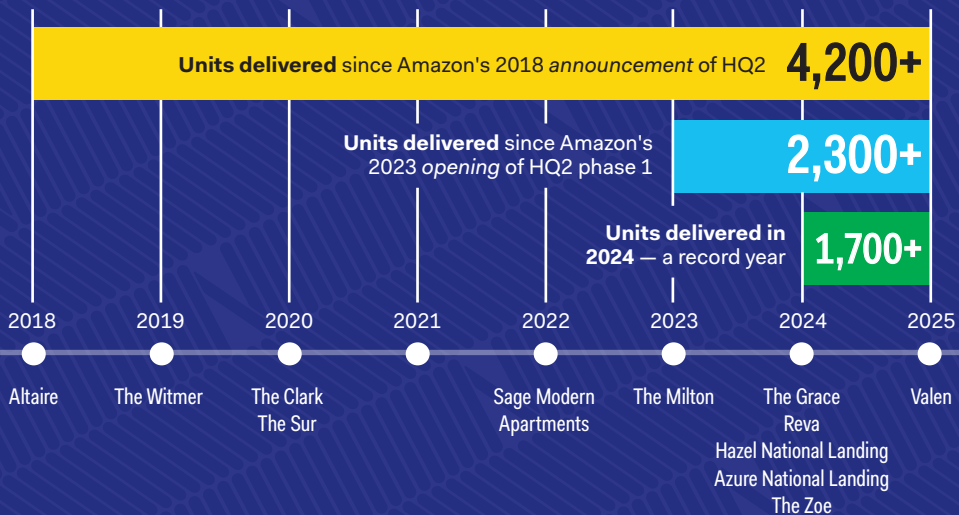
Existing residential units

# 1,100 +

Existing committed affordable units serving up to 60% of Area Median Income (AMI)



### Residential Unit Delivery





RETAIL VISITATION

# 2M Visitors

came to National Landing's prominent retail areas in Q1 2025

Source: Placer.ai, 2025.

- ▶ Recent and anticipated retail openings include a range of food and beverage, personal service, entertainment, and experiential retail, will further diversify National Landing's strong base of local, minority, and women-owned businesses.



## LOOKING FORWARD

- ▶ The residential, hotel, and retail pipeline will continue to shift National Landing into a balanced mixed-use urban center that will accommodate **approximately 14,000 new residents and 17,000 new office workers over the next 5 to 10 years.**  
Source: HR&A Analysis.
- ▶ **A niche hotel market is emerging as National Landing welcomes The National Landing Hotel Crystal City,** a boutique hotel at the former Marriott Crystal City at Reagan National Airport. Also planned is an office conversion to 330 hotel rooms at 2200 Crystal Drive.
- ▶ **Roughly 20 new retail establishments** are anticipated to open in 2025 or shortly thereafter.
- ▶ **There are over 10,000 units in the residential pipeline,** representing under construction, planned or approved projects.



HOSPITALITY

# 5,500 + Hotel Rooms

make National Landing the largest hotel hub outside of Downtown D.C.

- ▶ **National Landing's hotel market remains affordable at roughly \$85 cheaper per night than Downtown D.C. during 2024's peak season.**

Source: CoStar, 2024-2025.

- ▶ **National Landing's current hotel market rivals its pre-pandemic occupancy, average daily rates, and revenue per room due, in part, to the presidential inauguration.**

**Over \$4B in transportation investments will enhance National Landing's accessibility and enable planned growth. Among the key public and private transportation investments are the following:**

- ▶ **\$146M second entrance to the Crystal City Metro Station**, which broke ground in Q3 2024.
- ▶ **\$2.3B Long Bridge Project** that will separate passenger rail from freight rail on a two-track railroad bridge and also include a separate bike and pedestrian bridge from Long Bridge Park over the Potomac River to D.C.
- ▶ **\$57.2M CC2DCA Intermodal Connector** will create a pedestrian connection to Ronald Reagan Washington National Airport, making National Landing the only downtown within a 5-minute walk of an airport.



# PROGRAM

Increased regulatory flexibility, growing incubators and venture capital interested in the neighborhood's success, and strong regional partnerships contribute to National Landing's brand as a vibrant neighborhood and innovation district.



## Regulatory flexibility

- ▶ Arlington County initiatives such as the **Commercial Market Resiliency Initiative (CMRI)** signal that National Landing is flexible, nimble, and ready to accommodate innovative uses.





### RESEARCH INSTITUTIONS & WORKFORCE TRAINING

- ▶ **Virginia Tech's \$1B Innovation Campus opened in Q1 2025** with a research focus on Artificial Intelligence and Machine Learning, Wireless and Next Gen Technology, Quantum Information Science, and Intelligent Interfaces, creating a pipeline of premier tech talent.
- ▶ **Amazon Web Services (AWS) Skill Center Arlington continues to provide free training on cloud computing and future job opportunities** for the local community.

### EVENTS & PARTNERSHIPS

- ▶ National Landing BID sponsors several of **Arlington Economic Development's innovation programs**, including **Technology Launchpad**, **BizLaunch PitchFest**, the **LaTech Business networking event**, and several others.
- ▶ National Landing hosted and participated in a number of Innovation events and programs including the **DC Start-Up & Tech Week** and the **Accelerate Smart Cities Innovation Challenge**.

### ACCELERATORS & VENTURE CAPITAL

- ▶ In spring 2025, National Landing became home to **Starburst National Landing (SNL) Launchpad**, an accelerator for cutting-edge ventures in aerospace, defense, dual-use, and other emerging technology sectors.
- ▶ In late 2024, **JBG SMITH**, **Energy Innovation Capital (EIC)**, and **A&MPLIFY** announced plans to launch the 40,000 square foot **Virtus Innovation Center** helping start-ups develop new energy and national security technologies in National Landing.

### START-UPS

- ▶ **The DC region is ranked 12th in the world in terms of best start-up environments according to Pitchbook**, a leading private equity and venture capital investment data platform.
- ▶ The DC region was also ranked as having the **second highest rate of growth in its start-up ecosystem** of any US market.



## LOOKING FORWARD

- ▶ **AeroVironment, a defense contractor, acquired BlueHalo for \$4.1 billion, and has rebranded the company as AV Inc.** The company will expand their National Landing location and specialize in tech tied to space, electronic warfare, cybersecurity, and AI.
- ▶ **National Landing's people, place, and program assets fortify its future as a thriving international hub for innovation.** Over the next year, the BID and its partners will pursue the establishment of an Innovation District — **one reaching global notoriety.**

# ABOUT THE NATIONAL LANDING BID

The BID is a public-private partnership focused on enhancing the vibrancy and economic competitiveness of National Landing. We foster community in National Landing through programs that support events, art, economic development, marketing, placemaking, and transportation. The National Landing BID is a steward for the area's reinvention, managing growth and the needs of our business and residential community.

## OUR TRANSFORMATION

National Landing is one of the D.C. region's most exciting transformation stories. Today, the area is home to a fast-evolving innovation and business ecosystem—anchored by Amazon HQ2, Virginia Tech Innovation Campus and the Pentagon, tech start-ups, hotels, and a booming local restaurant and retail scene. With \$12B in public and private investments recently delivered and ongoing, National Landing is a verdant, highly accessible oasis with unparalleled access via Metro, train, biking, and pedestrian trails, all adjacent to Ronald Reagan Washington National Airport. Already a destination for city living, the area features a dozen parks, hundreds of cultural and community events each year and a growing residential population with over 10,000 new housing units in the pipeline.

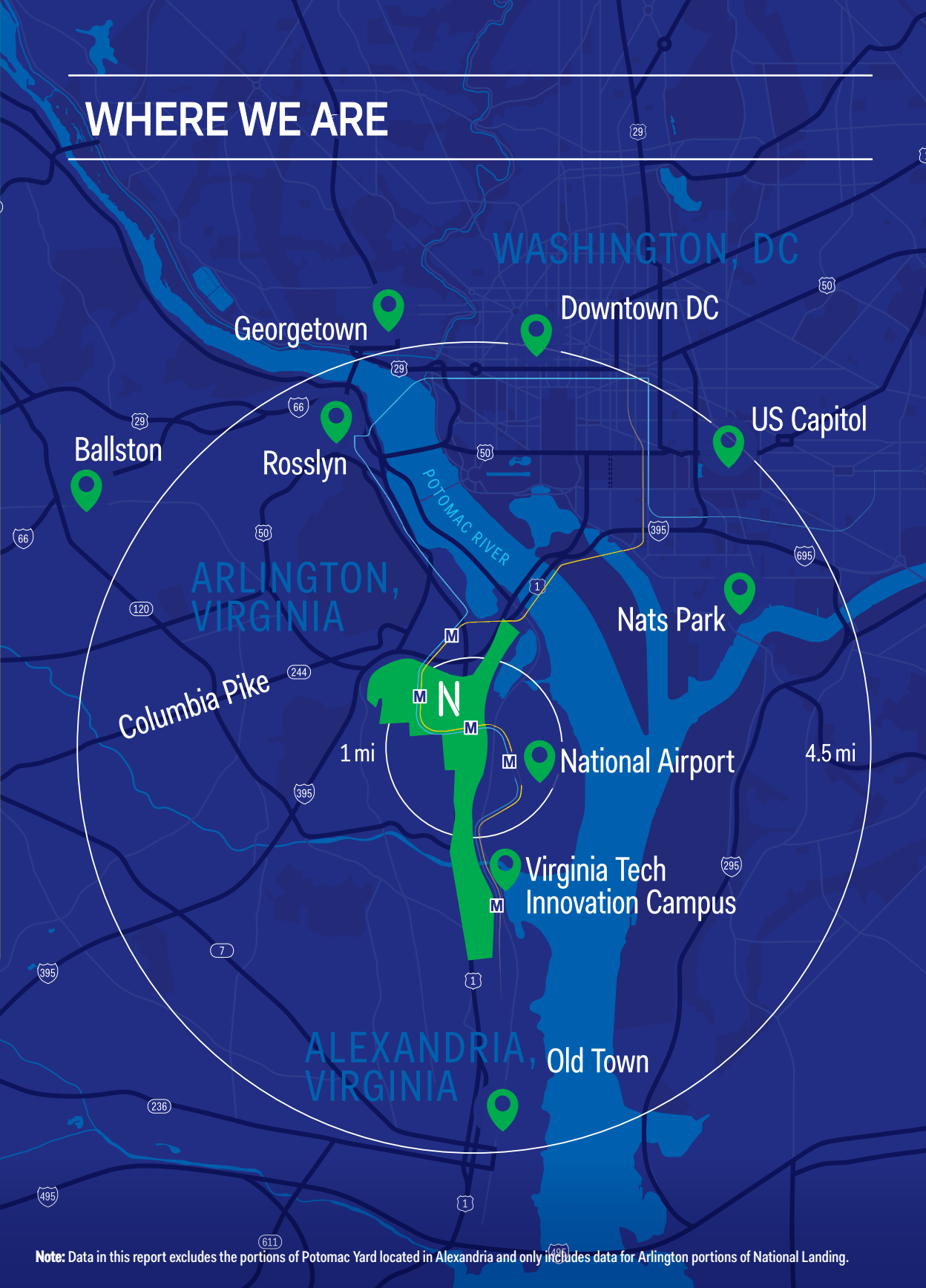
## ACKNOWLEDGMENTS

Arlington County, Department of Community Planning, Housing, and Development  
Arlington Economic Development (AED)

HR&A

Kodi Seaton / The Un Group Graphic Design Co.

# WHERE WE ARE



**Note:** Data in this report excludes the portions of Potomac Yard located in Alexandria and only includes data for Arlington portions of National Landing.



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[NationalLanding.org](https://NationalLanding.org)

#LoveNationalLanding  
@NationalLanding



Visit the new National Landing Data Dashboard for the latest market data and trends. **Scan the code or visit [nationallanding.org/datadashboard](https://nationallanding.org/datadashboard)**

**Photo credit:** Luke Hayes/Virginia Tech

