



Defense-industry tenants flock to recently sold DC office building

Military-tech firms should continue to drive leasing in nation's capital



The building at 300 M St. SE is now more than 60% leased. (CoStar)

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Within about six months of acquiring a waterfront Washington, D.C., office property, the building's new ownership has leased more than 60,000 square feet out to defense-industry tenants.

Garfield Investments and a partner bought the building at 300 M St. SE last summer and, since then, have had several companies

agree to commit to or renew their space at the property in the city's Navy Yard neighborhood.

The eight-story building is now 62% leased, up from being just under half-leased when purchased, [John Mason](#), the founder and CEO of Garfield Investments, told CoStar News in an interview.

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That activity comes as U.S. national defense spending and initiatives are fueling a surge in office demand among national security and warfare-tech firms in Washington, real estate professionals shared with CoStar News.

"We've certainly been tracking growth," [Tammy Shoham](#), JLL's director of research for the Washington market, told CoStar News. "The last three years, year over year, the leasing volume of defense-tech firms has grown in D.C.," with Navy Yard in particular hosting a cluster of those firms. Shoham is not specifically involved with the M Street property.

The U.S. Department of Defense budget in fiscal year 2026 saw a 16% year-over-year increase, bringing annual spending up to roughly \$1.04 trillion, according to a defense-tech market report published by JLL this month.

"With defense spending hitting [a] new high each year, expect to see record-breaking defense lobbying [spending] in 2026 and continued migration of defense tech firms to DC," the report said. Almost 180 defense-tech firms have signed leases in Washington since 2014, taking 3 million square feet of office space.

Leasing increases at 300 M

Since 2020, defense and aerospace tenants have accounted for nearly 30% of all space leased in Navy Yard, followed by government tenants at 11.7%, according to Avison Young Market Intelligence.

Contracting for shipbuilding — as well as a trilateral security partnership between the United States, the United Kingdom and Australia tied to nuclear-powered submarines — has driven office demand throughout the market, according to Greg Tomasso of Avison Young. Tomasso, who leases the M Street property for Garfield, said proximity to government decision-makers is a crucial piece of where firms want to locate.

Near the main gate of a military installation, the 300 M building has seen plenty of new leasing activity since the ownership change.

The latest deals there include one with Systems Planning & Analysis, a company that signed for 5,000 square feet in January, Mason said. In October, existing tenant CACI renewed for 16,500 square feet at the building.

Also last year, Reliability & Performance Technologies signed for 21,100 square feet, and Blueforge Alliance committed to 17,600 square feet. Mason declined to share other defense-related tenants that also recently signed at the property.

After its acquisition, Garfield Investments began enhancing the lobby, renovating the common areas and bathrooms and adding other amenities. The property includes a fitness center, a new conference center and a tenant lounge offering four conference rooms that can accommodate more than 100 people, as well as on-site parking.

For the record

In addition to Tomasso, Avison Young's team that represents Garfield Investments includes Will Stern and Macy Parana. That team also assisted Garfield in its acquisition of the property in June.

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