

Volkswagen Group of America moving HQ to Reston Town Center



[Enlarge](#) The next phase of Reston Town Center, formerly known as Reston Gateway, will eventually include 3.5 million square feet of mixed-use space.



By [Daniel J. Sernovitz](#) – Senior Staff Reporter, Washington Business Journal
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Volkswagen Group of America Inc. is moving to Reston Town Center, where it [will join Fannie Mae in the next, 1.1 million-square-foot phase](#) of the successful mixed-use development.

The automaker has signed a 20-year-lease for 196,000 square feet with Boston Properties (NYSE: BXP), the companies disclosed Tuesday. The lease boosts pre-leasing at the project, formerly known as Reston Gateway, to 85%. Volkswagen plans to relocate its U.S. headquarters from Herndon, where it planted its flag in 2007 in [a much-celebrated corporate relocation](#) win for the commonwealth and Fairfax County.

"A company focused on the future of mobility needs a future-proof workspace to match those ambitions," [Scott Keogh](#), president and CEO of Volkswagen of America, said in a statement. "This space is designed from the start to be efficient, collaborative and bring our team under one roof so we can keep and attract top talent."

JLL (NYSE: JLL) represented Volkswagen in the lease, which comes as companies large and small the world over grapple with the question of how they will use space in a post-Covid world. Many large companies have announced shifts toward greater use of remote work, while others have continued to place an emphasis on collaborative workspace environments.

Neither the commonwealth nor the county supported the company's planned move to Reston Town Center, according to officials. In 2007, Volkswagen received \$1.5 million from the Commonwealth Opportunity Fund and a \$4.5 million Virginia Economic Development Incentive Grant to support its headquarters deal, per the Virginia Economic Development Partnership. Volkswagen honored the terms of those incentives by creating 401 jobs and making a capital investment of \$118 million.

The Reston Town Center lease is another big Covid-era win for Boston Properties, [which leased a large block of space](#) in another part of Reston Town Center earlier this year to Microsoft Corp. (NASDAQ: MSFT). Both tenants had been in the market before the pandemic, making their decision to move forward with new space notable as other space occupiers have paused or even halted their searches.

earlier this year that Fannie Mae, consolidating its Northern Virginia footprint, had [exercised an option to give back 85,000 square feet](#) it agreed to lease in Reston Town Center's next phase. The decision aided Boston Properties in its efforts to accommodate Volkswagen, [Jake Stroman](#), senior vice president at Boston Properties, said in a statement.

"Once again, this validates Reston Town Center in Fairfax County as the most attractive place for companies to recruit and retain their world-class workforces," Stroman said. "We are also grateful for our partnership with Fannie Mae, represented by Cushman & Wakefield, as they helped facilitate this complex transaction. We are pleased that these great organizations will be calling our next phase of Reston Town Center their home for many, many years to come."

Victor Hoskins, president and CEO of the Fairfax County Economic Development Authority, said Volkswagen has become a visible and active member of the region's business community and that its decision to remain in the area bolsters the county's standing business climate.

"This speaks volumes about our value as a headquarters location and the ability to find and keep high-caliber talent, and joins announcements by Microsoft, Google and Facebook as important indicators of the strength of this business community," he said.