

#CRE INSIGHTS

Central Location, Accessibility, And A Friendly Business Environment Are Driving Activity In Richmond's Industrial Real Estate Market

Q3 2018 | JULY

Richmond's central location at the midpoint of the East Coast, great interstate system, and friendly business environment make it an ideal city for warehousing, manufacturing, and logistics companies to locate.

The expansion of many existing companies and new companies flooding our market has led to rising rental rates and limited space, fueling construction and leasing activity. Industrial real estate continues a torrid pace in 2018 and remains a sought after asset class in Richmond. New developments are poised to capture higher rents and high end tenants, as quality industrial space remains limited. Available space is difficult to find and continues to provide upward pressure on rents.

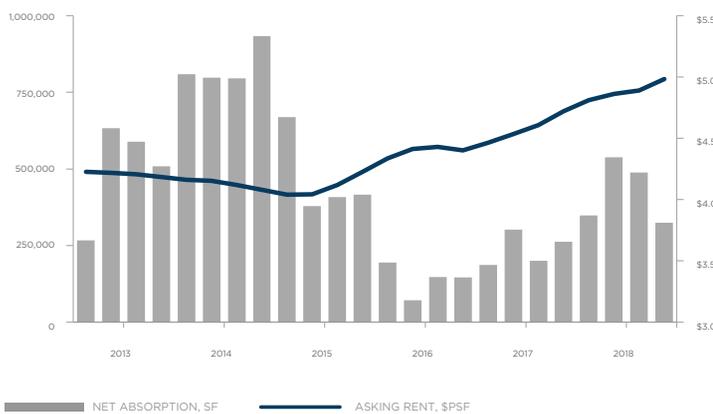
More than 1.7 million SF of space is currently under construction and other projects are in the planning stages. The existing development pipeline should easily eclipse Richmond's 5-year annual average for deliveries of just over 800,000 SF. With international companies such as PepsiCo, Facebook, and Bissel Inc. entering the market, Richmond is solidifying its role as a major East Coast distribution and data center hub.

Warehouse / Distribution Market

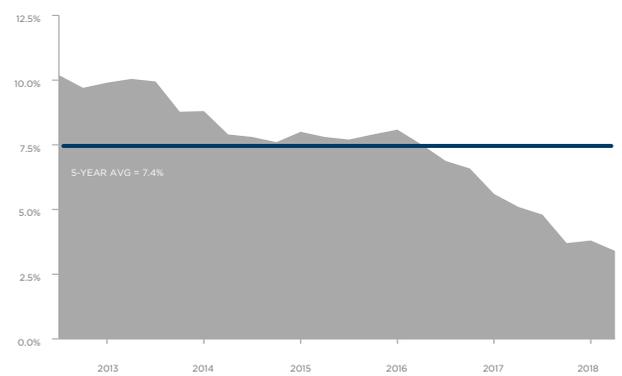
SUPPLY



Net Absorption / Asking Rent
4-QTR Trailing Average



Overall Vacancy



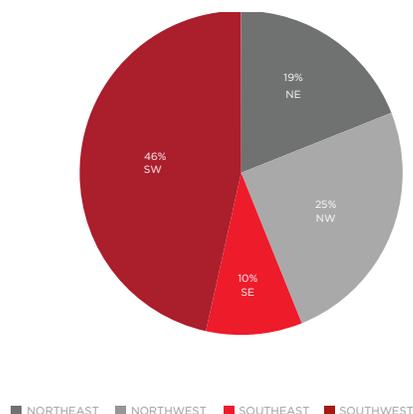
DEMAND



Industrial Leasing Activity



2018 YTD Leasing Activity by Submarket



FOR MORE INFORMATION, PLEASE CONTACT:

JONATHAN KOES
Research Manager
804 697 3560
jonathan.koes@thalhimer.com