



MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
3.9% Vacancy Rate	▲	▲
1.7M YTD Net Absorption, SF	▲	▲
\$8.53 Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▲	▲

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
727.4K Richmond MSA Employment	▼	▲
2.9% Richmond MSA Unemployment Rate	—	▲
4.1% U.S. Unemployment Rate	▲	▼

Source:BLS

ECONOMY: REGIONAL RANKINGS DOMINATE

Employment has stabilized through the third quarter with overall unemployment unchanged year-over-year (YOY). Greater Richmond's cost of living index hit 93.4 at the mid-year mark, making it almost 7.0% more affordable than the national average. On a state level, Virginia has been named America's Top State for Business by MSNBC, an award won by the state six times since the list's inception. Virginia also ranked first in the nation for its education system, third for infrastructure, and fifth for business friendliness. Business Facilities named Greater Richmond among the Best Metros for Tech Talent for the third consecutive year with AI jobs surging locally to 21.5 new positions per 100,000 residents, almost twice the U.S. average.

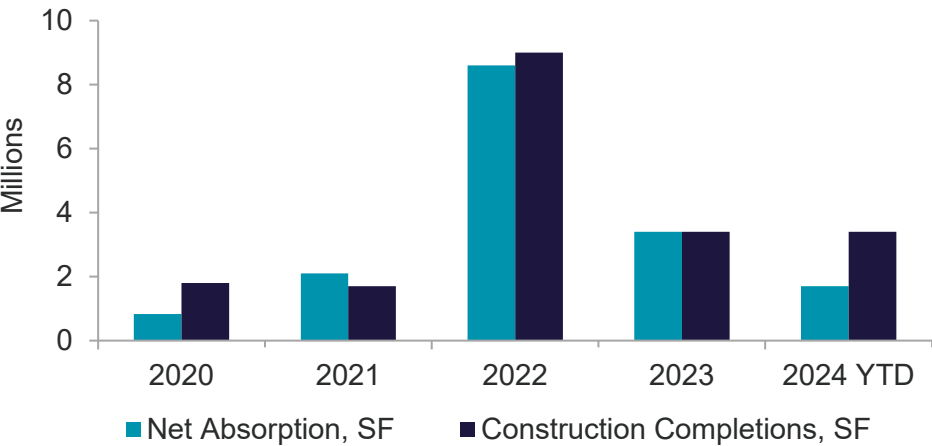
SUPPLY AND DEMAND: LEASING ACTIVITY ROBUST

The quarter closed with overall vacancy down 30 basis points (bps) quarter-over-quarter (QOQ) and leasing activity topping 1.5 million square feet (msf) after slowing in each of the prior three quarters. Year-to-date (YTD) net absorption topped 1.7 msf with large owner-occupied data center deliveries counteracting a rise in availability of second-generation space. Prospects remain in ample supply with more than 4.0 msf of current requirements based on internal tracking, including several active build-to-suit requirements. Construction starts have slowed, and speculative (SPEC) projects now account for 30.1% of the active pipeline with preleasing at 15.3% in SPEC buildings currently under construction.

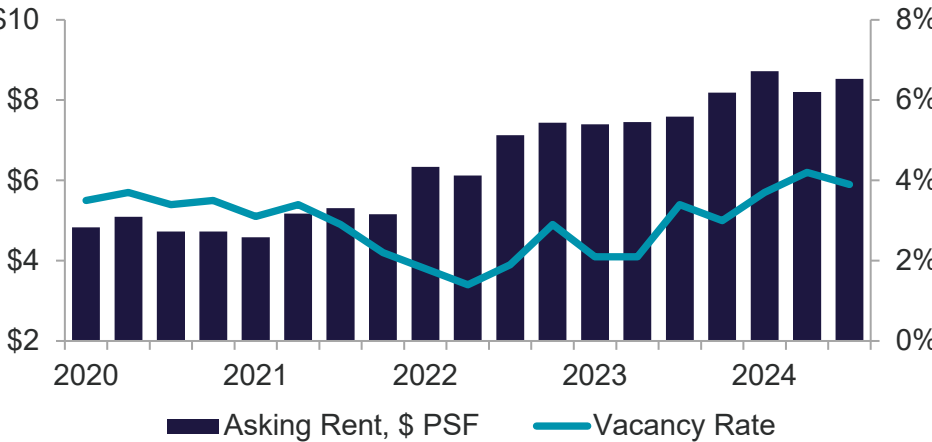
PRICING: RATE RISE CONTINUES

Lease rates continued to rise overall, closing the third quarter up 4.0% QOQ and 12.4% year-over-year (YOY). Manufacturing rates jumped 40.6% YOY with sector vacancy at 1.9%, and warehouse rates increased 11.7% YOY to finish the quarter at 5.0%. YTD sales volume surpassed \$408 million with \$104.8 million attributable to third-quarter sale of the former LL Flooring distribution center in eastern Henrico County to an entity tied to QTS Data Centers.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

Submarket Quadrant	Inventory (SF)	Overall Vacant (SF)	Overall Vacancy Rate	Current Qtr Overall Net Absorption (SF)	YTD Overall Net Absorption (SF)	Under CNSTR (SF)	CNSTR Completions (SF)	Overall Weighted Avg Net Rent (MF)	Overall Weighted Avg Net Rent (OS)	Overall Weighted Avg Net Rent (W/D)
Downtown	157,184	0	0%	0	19,000	0	0	\$0	\$0	\$0
Northeast	16,131,664	630,621	3.9%	-32,431	-58,394	36,000	23,324	\$0	\$15.00	\$10.67
Northwest	24,115,226	1,987,338	8.2%	115,311	-144,856	642,249	868,487	\$12.49	\$12.34	\$9.14
Southeast	25,541,644	494,670	1.9%	-7,859	1,470,680	710,500	40,000	\$0	\$0	\$9.18
Southwest	49,116,797	1,361,843	2.8%	262,695	418,780	2,560,068	0	\$8.28	\$0	\$7.08
RICHMOND TOTALS	115,062,515	4,474,472	3.9%	337,716	1,705,210	3,948,817	931,811	\$10.60	\$13.15	\$8.32

\*Rental rates reflect weighted net asking \$psf/year

KEY LEASE TRANSACTIONS Q3 2024

Property	Submarket	Tenant	SF	Type
2913 Transport St	Jeff Davis Corridor	Sabert	188,162	New
Ashton Creek Distribution Center (1611 Ashton Park Dr)	I-95 S/I-295 S/Rt 10	A&A Transfer	173,800	New
Washington Highway DC (11093 Washington Hwy)	I-95 North/Ashland	MC Dean	142,845	New
1700-1790 Ruffin Mill Road	I-95 S/I-295 S/Rt 10	Bermuda Distribution	141,845	New
Port 801 (801 Port Walthall Dr)	I-95 S/I-295 S/Rt 10	Peco Pallet	106,376	New
Ruffin Mill Distribution Center (1936-1962 Ruffin Mill Rd)	I-95 S/I-295 S/Rt 10	Vital Records Control	87,425	Expansion

KEY SALE TRANSACTIONS Q3 2024

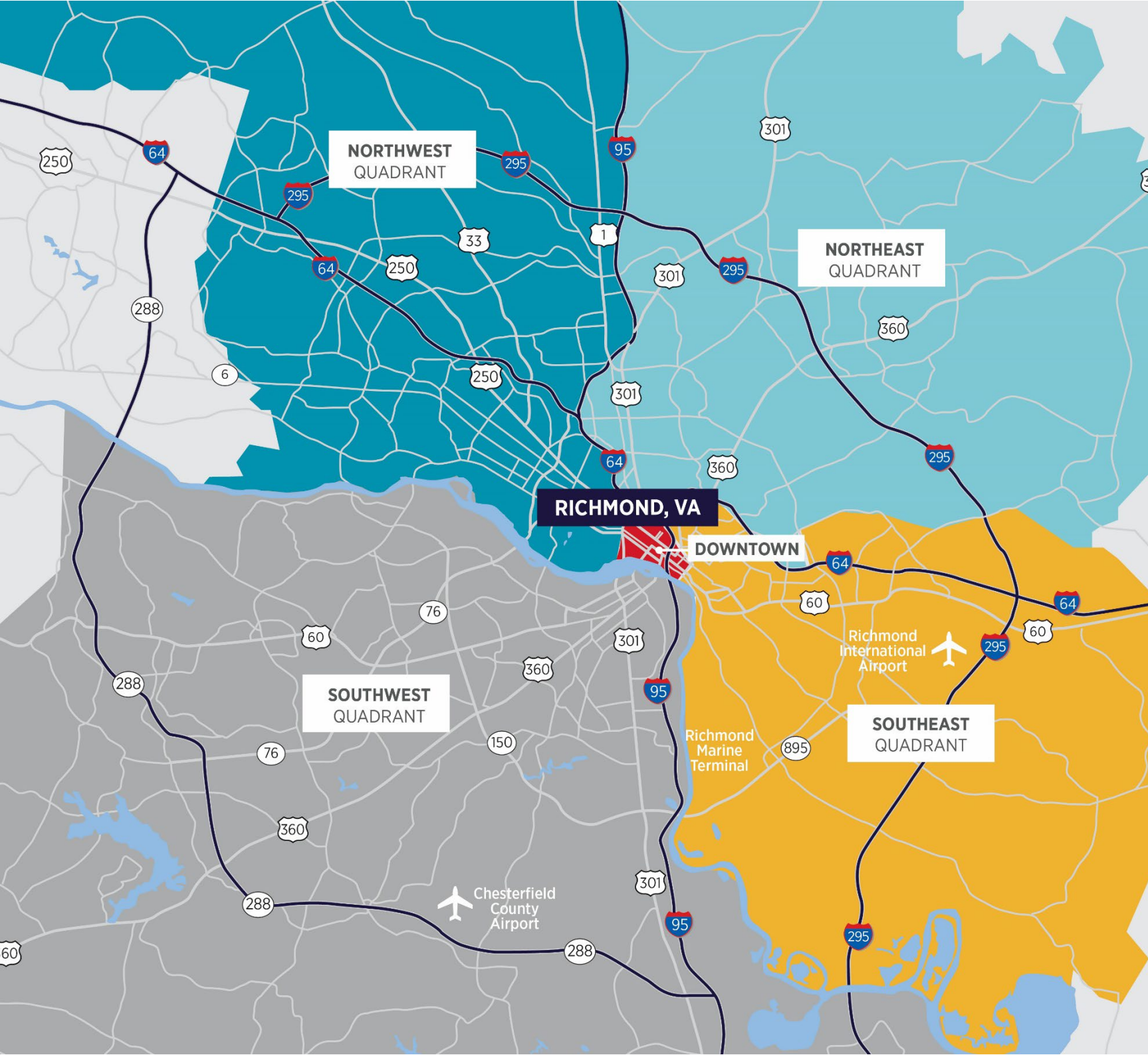
Property	Submarket	Seller/Buyer	SF	Price / \$ PSF
6115 Technology Creek Dr	Airport	Lumber Liquidators Services LLC/ SNA NE LLC	995,792	\$104.8M / \$105
1600 Digital Dr	I-95 S/I-295 S/Rt 10	Cartograf USA Inc./DD Owner LLC	284,000	\$16.5M / \$58
1700 Richmond Hwy	Jeff Davis Corridor	NAPA Holdings Richmond LLC / 1700 Richmond LLC	230,000	\$11M / \$48
8401 Fort Darling Rd	Jeff Davis Corridor	Fort Darling Partners LLC / MH III Fort Darling LLC	114,714	\$9.3M / \$81

KEY CONSTRUCTION PIPELINE

Property	Submarket	Major Tenant	SF	Owner/Developer
Meadowville Technology Park	I-95 S/I-295 S/Rt 10	LEGO Group	1,700,000	LEGO Group
AXIAL Gateway 95	I-95 S/I-295 S/Rt 10	(Spec)	505,068	AXIAL Industrial
Lakeridge Logistics Center (1)	I-95 North/Ashland	(Spec)	124,750	Wigeon Capital
Lakeridge Logistics Center (2)	I-95 North/Ashland	(Spec)	124,750	Wigeon Capital



INDUSTRIAL SUBMARKETS



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