

MARKET FUNDAMENTALS

	YOY Chg	Outlook
7.0% Vacancy Rate	▼	▲
-10.4K YTD Net Absorption, SF	▲	▼
\$11.12 Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▼	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
73.1K Fredericksburg MSA Employment	▲	▲
3.0% Fredericksburg MSA Unemployment Rate	▼	▲
4.1% U.S. Unemployment Rate	▲	▲

Source:BLS

ECONOMY: STRONG EMPLOYMENT BASE

Fredericksburg's unemployment rate has dropped 10 basis points (bps) quarter-over-quarter (QOQ), staying well below the national average of 4.1%. Recognized as the 2024 State of the Year by Business Facilities, Virginia continues to build on its business-friendly atmosphere, and Fredericksburg is growing at the center of it. Since 2020, the region's population has surged by 6.5%, the fastest growth rate among Virginia's planning districts, according to the University of Virginia's Weldon Cooper Center. In addition, The Silver Companies and STACK Infrastructure are planning a major \$10 billion data center investment in the City of Fredericksburg, further boosting the area's economic momentum.

SUPPLY AND DEMAND: VACANCY DECREASES

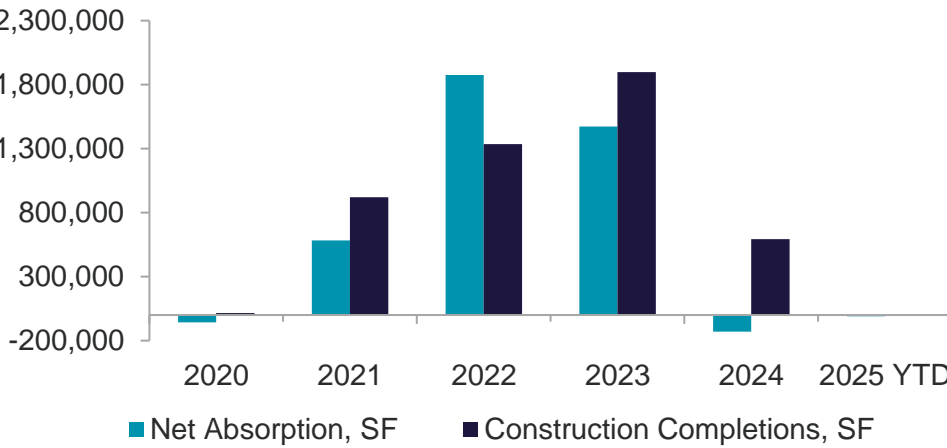
Overall vacancy has decreased by 40 bps since the prior quarter despite the negative net absorption numbers year-to-date (YTD). The construction pipeline remains active, with over 1.3 million square feet (msf) currently under construction. Scheduled for delivery in the second quarter of 2025 is Austin Ridge Logistics Center Building 1, a 498,337 square foot (sf) distribution center which will help alleviate the supply-side constraints in the bulk market that the region faces.

Leasing activity increased 32.3% compared to the same time period last year, with 184,535 sf transacted. JE Richard's leased 112,600 sf at 210 Centreport Pkwy, which topped the transactions for the quarter.

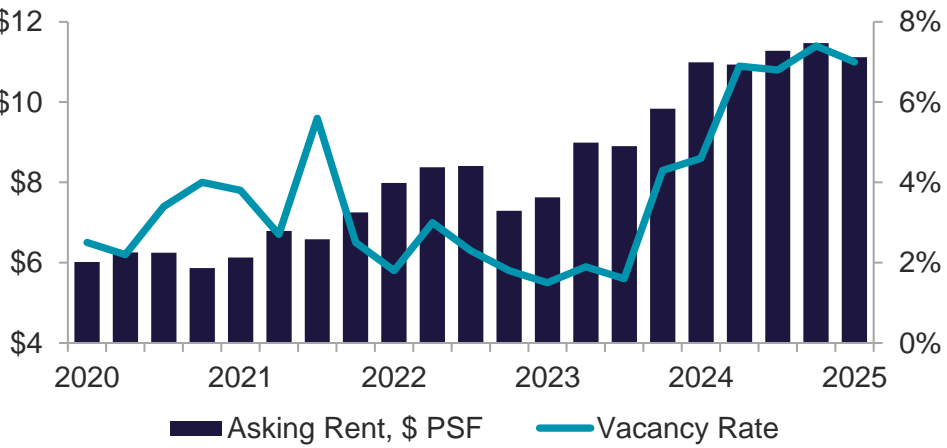
PRICING: GROWTH RATES STABILIZE

Overall industrial rates closed the first quarter down 2.8% year-over-year (YOY) as growth rates have stabilized. Notable sale transfers include 180 Centreport Parkway, also known as 95 Distribution Center, located in Stafford County. Morgan Stanley & Co. LLC bought this 486,720 sf distribution center for \$77.5 million, or \$158.72 psf, which is occupied by FedEx Ground.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	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)
Caroline County	3,122,658	325,500	10.4%	58,500	58,500	325,000	0	\$8.20	-	\$6.00
Fredericksburg City	1,405,654	42,730	3.0%	-1,750	-1,750	0	0	-	-	\$9.25
King George County	541,409	0	0.0%	0	0	0	0	-	-	-
Spotsylvania County	7,395,528	236,010	3.2%	-23,010	-23,010	260,000	0	-	\$12.00	\$9.59
Stafford County	7,347,926	773,020	10.5%	-44,107	-44,107	568,462	0	\$14.00	-	\$13.06
FREDERICKSBURG TOTALS	19,813,175	1,377,260	7.0%	-10,367	-10,367	1,153,462	0	\$10.10	\$12.00	\$11.14

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

KEY LEASE TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
210 Centreport Pky	Stafford County	JE Richards	112,600	New
3000 Mine Rd	Spotsylvania County	Undisclosed	32,000	New
12146 US Route 1 Hwy	Caroline County	Virginia Landscape Management	12,000	New
650 Corporate Dr	Stafford County	Undisclosed	7,230	New
11001 Houser Dr	Spotsylvania County	The Plow Shop	3,300	Renewal

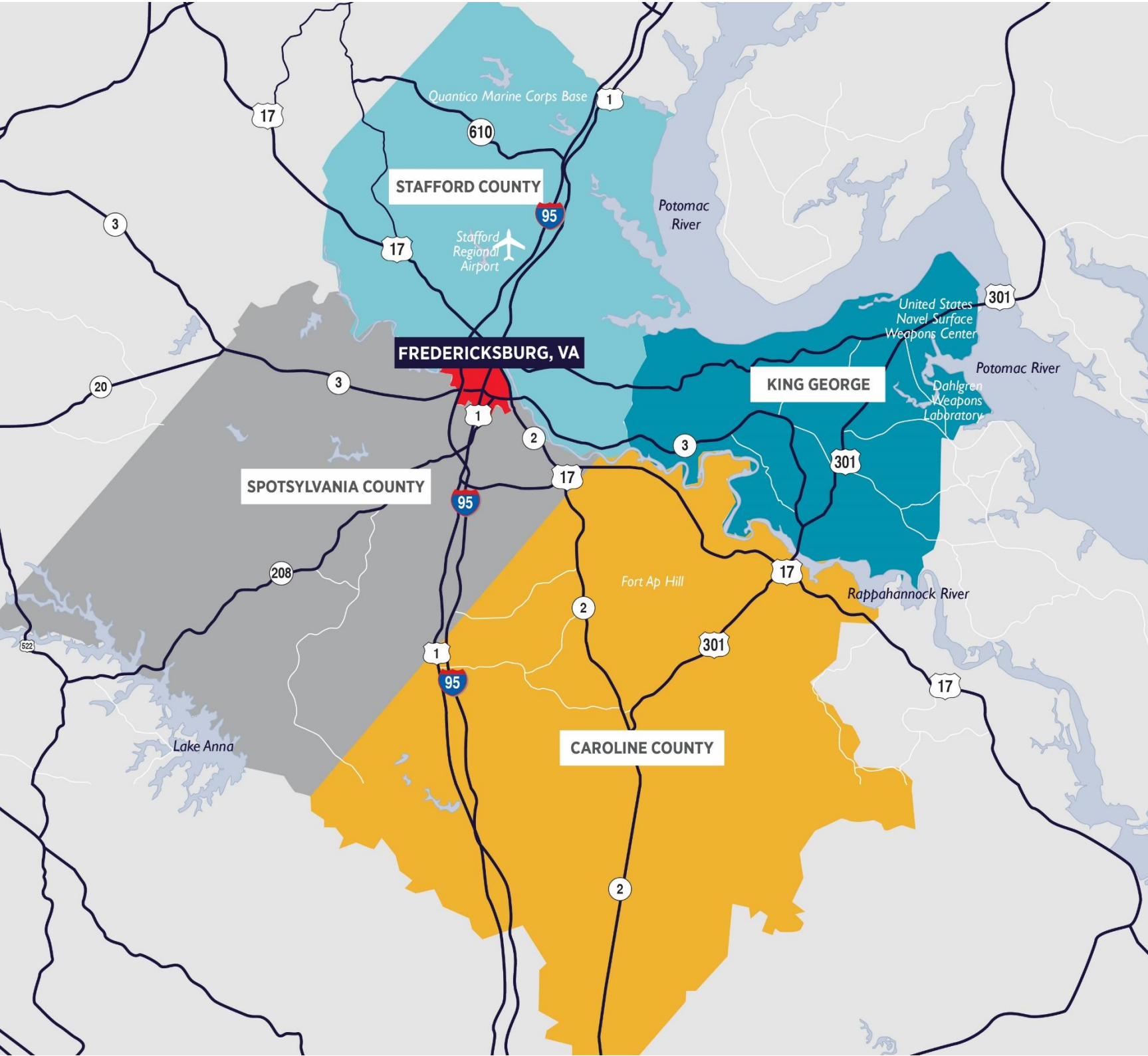
KEY SALE TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
180 Centreport Pky	Stafford County	TF Cornerstone, Inc / Morgan Stanley & Co. LLC	486,720	\$77.25 M / \$158.72

KEY UNDER CONSTRUCTION Q1 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
2125 Austin Ridge Dr	Stafford County	(spec)	498,337	NorthPoint Development / NorthPoint Development
Ridgefield Rd	Caroline County	Harris Teeter	325,000	Undisclosed / Harris Teeter LLC
Cosner Dr	Spotsylvania County	Amazon	250,000	Amazon Data Services Inc/ / Undisclosed

INDUSTRIAL SUBMARKETS



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