

MARKET FUNDAMENTALS

	YOY Chg	Outlook
<div>\$102,800</div> <div>Median HH Income</div>	▲	▲
<div>2.3%</div> <div>Population Growth</div>	▼	▲
<div>3.0%</div> <div>Unemployment Rate</div>	▼	▲

Source: BLS

ECONOMIC INDICATORS

	YOY Chg	Outlook
<div>2.4%</div> <div>GDP Growth</div>	▼	▲
<div>3.0%</div> <div>Consumer Spending Growth</div>	▲	▲
<div>3.2%</div> <div>Retail Sales Growth</div>	▲	▬

Source: BEA, Census Bureau

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 OR DEMAND: VACANCY NEAR HISTORIC LOW

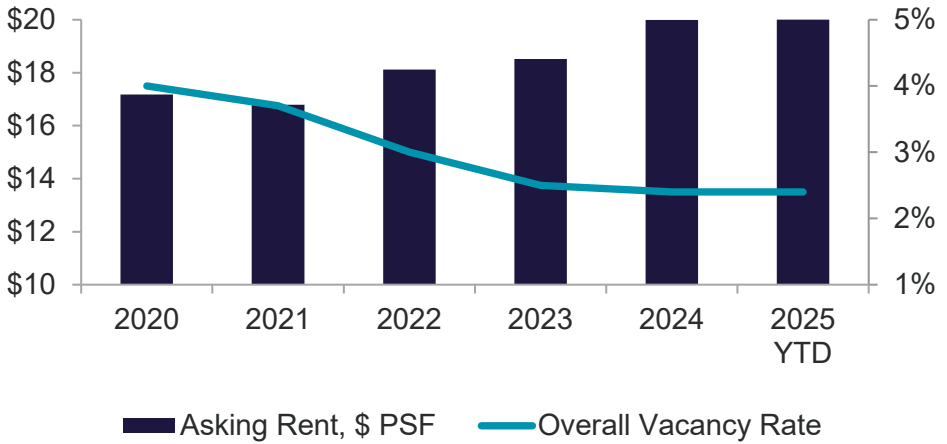
Overall vacancy closed the quarter at 2.4%, reflecting an increase of just 10 bps since the end of 2024 and remaining flat year-over-year (YOY). Leasing activity reached 106,447 square feet (sf) while overall net absorption totaled 93,931 sf, healthy despite the limited supply.

Deliveries totaled 16,288 sf for the quarter. The construction pipeline remains strong with 56,196 sf currently under development. Set to deliver in the second quarter is 12016 Old Salem Church. This 9,000 sf multi-tenant retail condo building will help alleviate the supply side shortages.

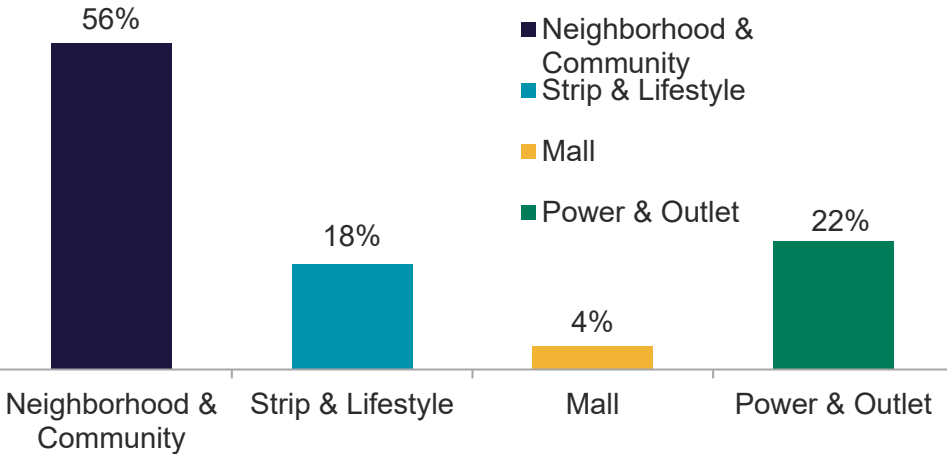
PRICING: RENTAL RATES INCREASE

Overall quoted rates increased slightly, closing the first quarter at \$20.80 per square foot (psf), an increase of less than 1% QOQ. Quarterly sales activity totaled \$14.4 million. The top sale transaction was located at 10070 Jefferson Davis Hwy. Window World Purchased this 12,000 sf building in Spotsylvania County for \$2.1 million, or \$175 psf. Another top transaction was 81-85 Cleremont Drive located in Stafford County. This 5,610 sf building sold for \$2 million or \$356.51 psf.

SPACE DEMAND / DELIVERIES



AVAILABILITY BY PROPERTY TYPE



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (NNN)*
Caroline County	810,228	2,325	0	0.3%	595	595	0	\$33.79
Fredericksburg City	5,501,206	106,386	0	1.7%	27,753	27,753	0	\$19.29
King George County	1,120,863	21,600	0	1.9%	53,298	53,298	0	\$19.65
Spotsylvania County	8,401,666	284,950	31,688	3.5%	68,269	68,269	25,360	\$20.66
Stafford County	5,912,191	114,790	0	1.8%	23,121	23,121	30,836	\$21.93
FREDERICKSBURG TOTALS	21,746,154	530,051	31,688	2.4%	209,379	209,379	56,196	\$20.80

*Rental rates reflect Triple Net asking \$PSF/Year

KEY LEASE TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
45 Patriot Hwy	Spotsylvania County	World Market	18,282	New
10758-10766 Patriot Hwy	Spotsylvania County	Hard Times Café	14,246	Renewal
2281 Carl D Silver Pky	Fredericksburg City	Upscale Cheapskate	6,000	New
9951 Patriot Hwy	Fredericksburg City	Undisclosed	6,000	New
4800-4840 Southpoint Pky	Spotsylvania County	Fath Life Church	4,946	New

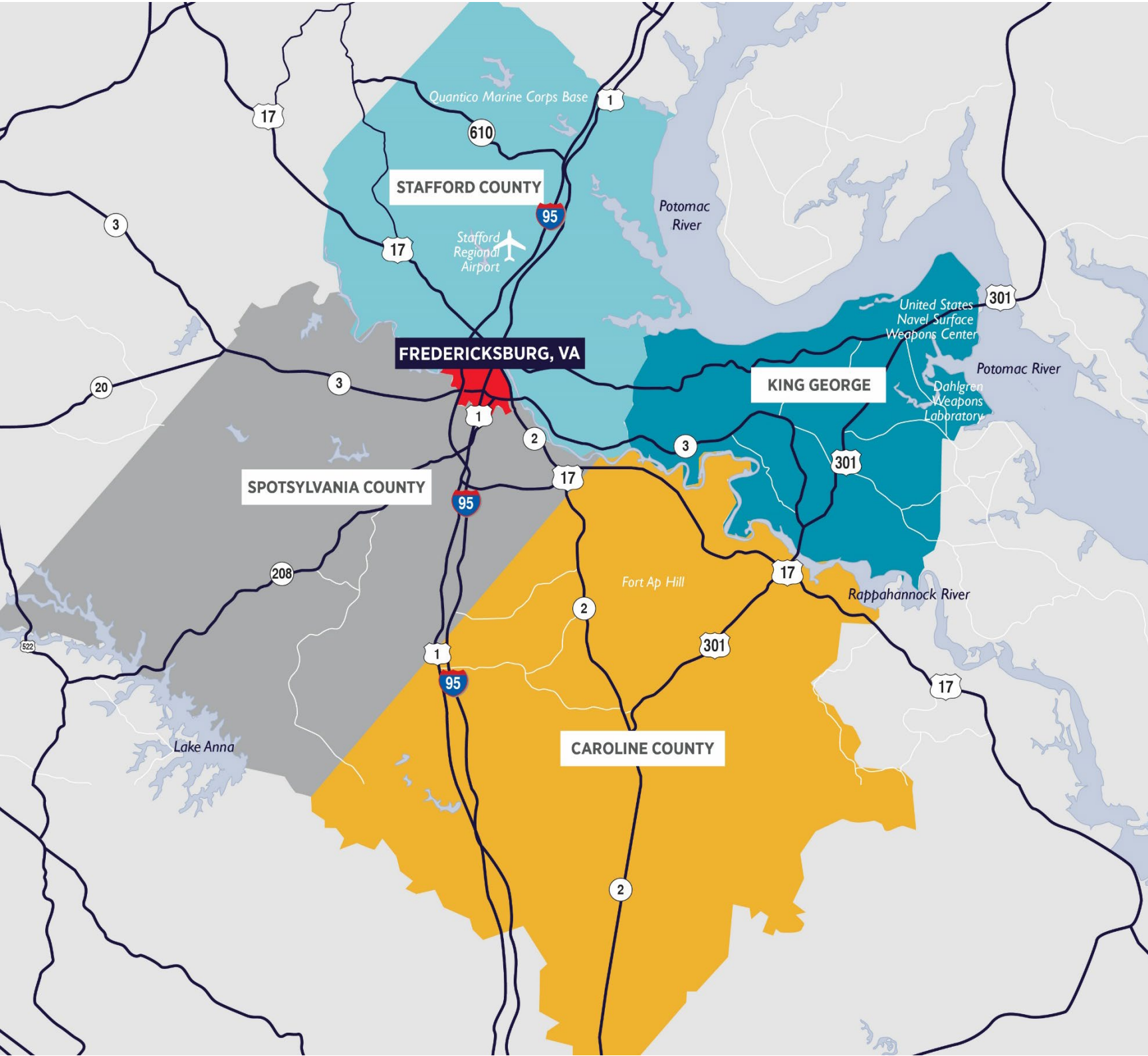
KEY SALES TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
10070 Jefferson Davis Hwy	Spotsylvania County	Goodwill / Window World	12,000	\$2.1M / \$175.00
81-85 Cleremont Dr	Stafford County	Deborah P Villagra / ARCTRUST	5,610	\$2.0M / \$356.51
2017 Lafayette Blvd	Fredericksburg City	Longshore, Larry / Parbadia, Amit	8,320	\$1.92M / \$231.20
2805 Plank Rd	Fredericksburg City	MCB Real Estate, LLC / Charlie SChulz	6,818	\$1.64M / \$240.54
5996 Plank Rd	Spotsylvania County	Catherine Andrea Seay / Battlefield Dental	2,975	\$1.4M / \$470.59

KEY CONSTRUCTION COMPLETIONS 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER / DEVELOPER
10030 Patriot Hwy	Spotsylvania County	Discount Tire Company	7,788	Discount Tire / N/A
105 Classic Ct	Fredericksburg City	N/A	6,000	N/A

RETAIL SUBMARKETS



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