

MARKET FUNDAMENTALS

5.1%

Vacancy Rate

YOY Chg

▲

Outlook

▲

-101.4K

YTD Net Absorption, SF

YOY Chg

▲

Outlook

▼

\$8.93

Asking Rent, PSF

(Overall, Net Asking Rent)

YOY Chg

▼

Outlook

▲

ECONOMIC INDICATORS

826K

Hampton Roads MSA Employment

YOY Chg

▲

Outlook

▲

3.2%

Hampton Roads MSA Unemployment Rate

YOY Chg

▲

Outlook

▲

4.1%

U.S. Unemployment Rate

Source:BLS

YOY Chg

▲

Outlook

▲

ECONOMY: PORT LOGISTICS LEAD

The Port of Virginia set a record in 2024 for loaded exports, reaching a historic high of 1.1 million TEUs, and logged the second most productive year in its history with more than 3.5 million TEUs moved overall. The region’s top 10 economic development projects announced in 2024 totaled more than 1,200 new jobs and \$1.1 billion in planned investment. Defense technology company ViDARR Inc. also announced plans for a new Virginia Beach manufacturing facility and will capitalize on the region’s vast defense sector with an investment of \$2.7 million and the creation of 40 new jobs.

SUPPLY AND DEMAND: INCREASED VELOCITY FORECAST

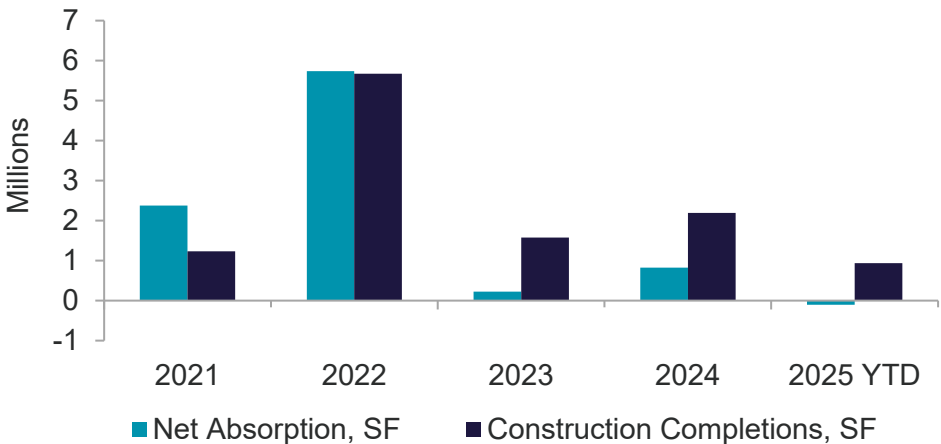
Overall vacancy ticked up to start the year, increasing 70 basis points (bps) with the delivery of more than 936,000 square feet (sf) of speculative (SPEC) space, including North Point’s new 540,740-sf building in Phenix Commerce Center. US eLogistics leased just under 150,000 sf also in the Phenix Commerce Center, topping the first quarter’s deals. The big box market is continuing to gain momentum, and tenant activity is on the rise after slowing through the end of 2024. Total leasing activity topped 525,000 sf for the quarter with leases on another 500,000 sf on tap for execution early in the second quarter, including 350,000 sf in the Coastal Logistics Center. New product in the Greenbrier Commerce Center is scheduled to deliver in the summer, and in Isle of Wight, Tidewater Logistics Center received rezoning approval with groundbreaking anticipated by mid-year. Construction on Port 460 continues to move forward with walls raised on two SPEC buildings and active negotiations with occupiers.

While the status of global trade has been chaotic since the start of 2025, prospect interest is forecast to rise through the year assuming the current administration applies a strategic approach to its tariff policies. Several manufacturers have already announced plans to bring manufacturing operations back to the U.S. as other companies continue to reassess their supply chains and on-shoring plans. Infill market activity remained steady, and while shelf life for smaller bay product is extended as time to lease has increased compared to the frenzied pace of recent years, market fundamentals remain healthy.

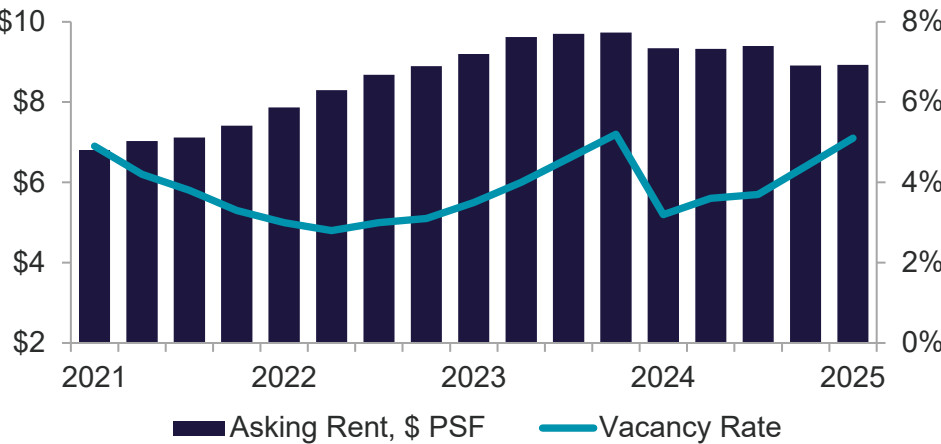
PRICING: GROWTH RATES STABILIZED

Growth rates on quoted rents have stabilized following the dramatic increases of the pandemic years. Sales activity topped \$136.1 million for the quarter with the transfer of a \$44.2 million portfolio in Greenbrier to Heritage Capital Group topping the list.

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)
Copeland	12,658,905	671,287	5.3%	168,591	168,591	506,532	594,230	\$8.00	\$10.00	\$9.60
Gloucester	265,350	0	0.0%	0	0	0	0	-	-	-
Oakland	4,770,128	74,000	1.6%	-1,250	-1,250	0	0	\$8.50	-	-
Oyster Point	4,655,569	48,019	1.0%	17,167	17,167	0	0	\$10.71	\$12.76	\$9.58
Williamsburg	8,789,211	623,838	7.1%	-30,847	-30,847	0	0	-	-	\$7.57
PENINSULA TOTALS	31,139,163	1,417,144	4.6%	153,661	153,661	506,532	594,230			
Airport Industrial Park	3,745,819	174,395	4.7%	35,261	35,261	0	0	-	-	\$8.06
Bainbridge	10,605,419	140,182	1.3%	-26,506	-26,506	262,950	0	-	\$12.00	\$12.48
Cavalier	7,254,263	870,867	12.0%	-66,452	-66,452	0	0	-	-	\$11.41
Central Norfolk	5,389,297	206,529	3.8%	-39,367	-39,367	0	0	-	\$10.81	\$9.53
Cleveland	2,572,423	59,140	2.3%	22,659	22,659	0	0	\$13.00	\$13.17	\$12.80
Greenbrier	2,684,217	166,515	6.2%	-2,834	-2,834	0	0	\$9.00	\$15.00	\$11.17
Isle of Wight	4,555,868	177,087	0.0%	39,000	39,000	352,000	0	-	-	-
Lynnhaven	9,366,622	121,011	1.3%	-16,062	-16,062	1,105,000	0	\$12.44	-	\$12.47
Norfolk Industrial Park	7,573,726	382,736	5.1%	-55,620	-55,620	0	0	-	-	\$9.91
North Suffolk	2,627,153	0	0.0%	0	0	0	0	-	-	-
Portsmouth	4,867,854	377,589	7.8%	-254,988	-254,988	0	0	\$13.00	-	\$8.44
South Suffolk	21,776,882	1,830,999	8.4%	86,104	86,104	2,183,266	342,640	\$8.50	-	\$6.36
West Norfolk	2,761,226	64,826	2.3%	23,705	23,705	0	0	-	\$13.50	\$9.37
SOUTHSIDE TOTALS	85,780,769	4,571,876	5.3%	-255,100	-255,100	3,903,216	342,640			
HAMPTON ROADS TOTALS	116,919,932	5,989,020	5.1%	-101,439	-101,439	4,433,728	936,870	\$9.51	\$12.64	\$8.69

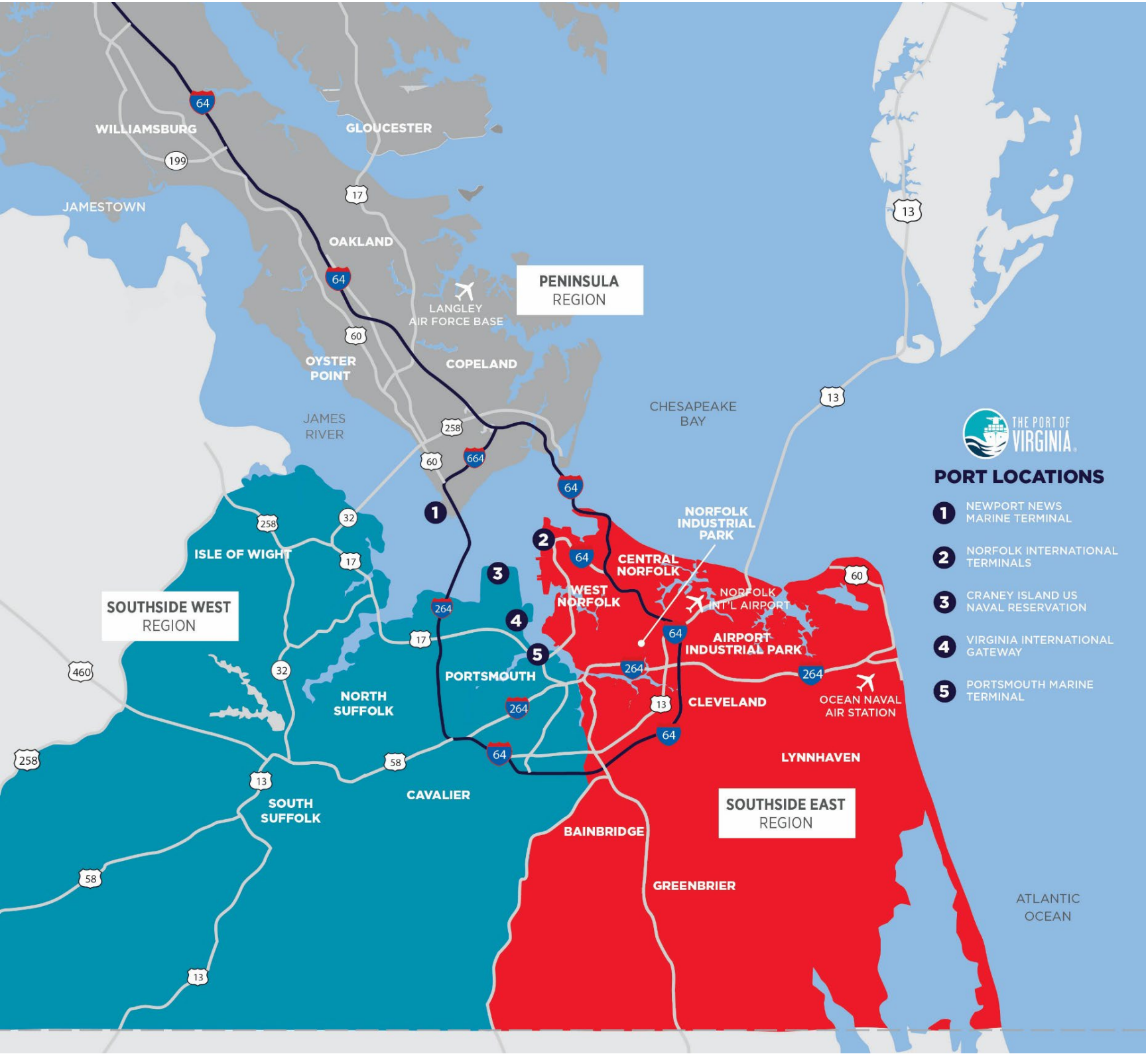
KEY LEASE TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
30 Aberdeen Road (Phenix Commerce Center)	Copeland	US eLogistics	149,685	New
2348 Steppingstone Square	Greenbrier	Decision Technologies Inc.	92,000	New
2301 Aluminum Avenue	Copeland	Ferguson	58,000	Renewal
1965 Northgate Commerce Parkway	South Suffolk	TriStar Freight	44,200	New

KEY SALE TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
DSC Partners, LLC Portfolio	Greenbrier	DSC Partners, LLC / Heritage Capital Group	508,814	\$44.2M / \$87
1080 Centerpoint Drive	South Suffolk	Equus Capital Partners, Ltd. / Dart Entities	307,200	\$39.8M / \$129
1305 Progress Road	South Suffolk	Continental Realty Services, Inc. / Elmwood Capital Group	174,500	\$10.0M / \$57

OFFICE SUBMARKETS



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