

MARKET FUNDAMENTALS

	YOY Chg	Outlook
5.1% Vacancy Rate	▼	▼
58.3K YTD Net Absorption, SF	▲	▼
\$31.64 Asking Rent, PSF <small>(Overall, All Property Classes)</small>	▼	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
117.8K Charlottesville Employment	▼	▲
2.9% Charlottesville Unemployment Rate	▲	▲
4.1% U.S. Unemployment Rate <small>Source:BLS</small>	▲	▲

ECONOMY: RISING ECONOMY

Charlottesville continues to demonstrate strong economic and community performance, closing the quarter with an unemployment rate of 2.9%, well below the national average. UVA Health was ranked the “#1 Hospital in Virginia” on Newsweek’s 2025 Best-in-State Hospitals list. Commercial investment in the city reached over \$41.3 million in 2024. CvilleBioHub received a \$4.3 million award from the state and is partnering with the University of Virginia (UVA) to create the region’s first laboratory accelerator at North Fork, a UVA Discovery Park. Additionally, Luna Labs LLC announced a \$200,000 investment to expand their Charlottesville operations, which will create 20 new jobs.

SUPPLY AND DEMAND: VACANCY REMAINS STABLE

Leasing activity topped 31,082 square feet (sf) for the quarter. The vacancy rate decreased 60 basis points (bps) quarter-over-quarter (QOQ) and remained flat year-over-year (YOY). For reporting purposes, the class B sublease space in the former State Farm building has been excluded from the vacancy numbers. Construction activity remains quiet into 2025 with no deliveries during the last seven quarters and no active projects in the development pipeline.

PRICING: RATES STABILIZING

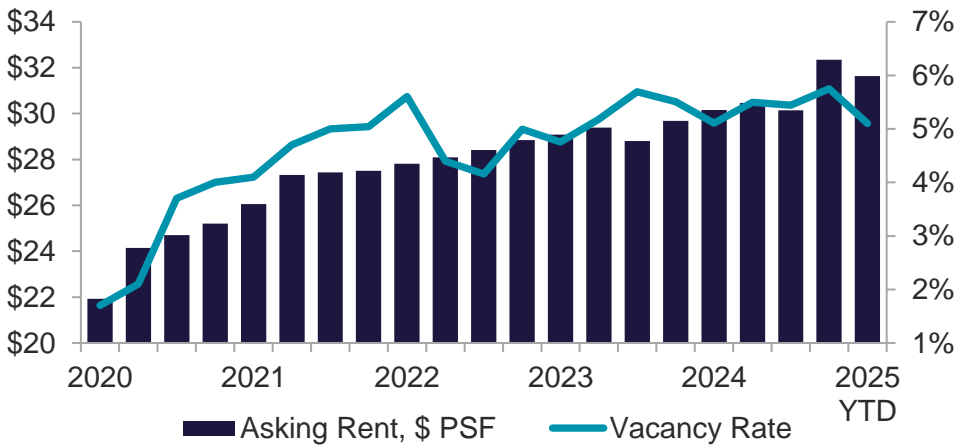
Quoted lease rates decreased slightly in the first quarter, down 2.2% QOQ, but rates have increased almost 5.0% YOY. Overall quoted pricing has increased more than 13.7% since the start of 2022 as a result of supply-side limitations and sustained prospect interest.

First quarter sales were limited, however 2024 sales volume topped over \$55.6 million with the sale of the Peter Jefferson Place portfolio. Seminole Trail Management, LLC acquired this 4-property portfolio from PJP Propco VII, LLC for \$53 million, or \$184.20 psf. These 4 office properties totaled 287,728 sf. The largest lease transaction of the quarter was located at 120 Garrett Street, where Woods Rogers leased 9,241 sf of class A office space. Close behind was Uplift Training Club, with a lease of 5,055 sf of class A office space at 316 E Main Street.

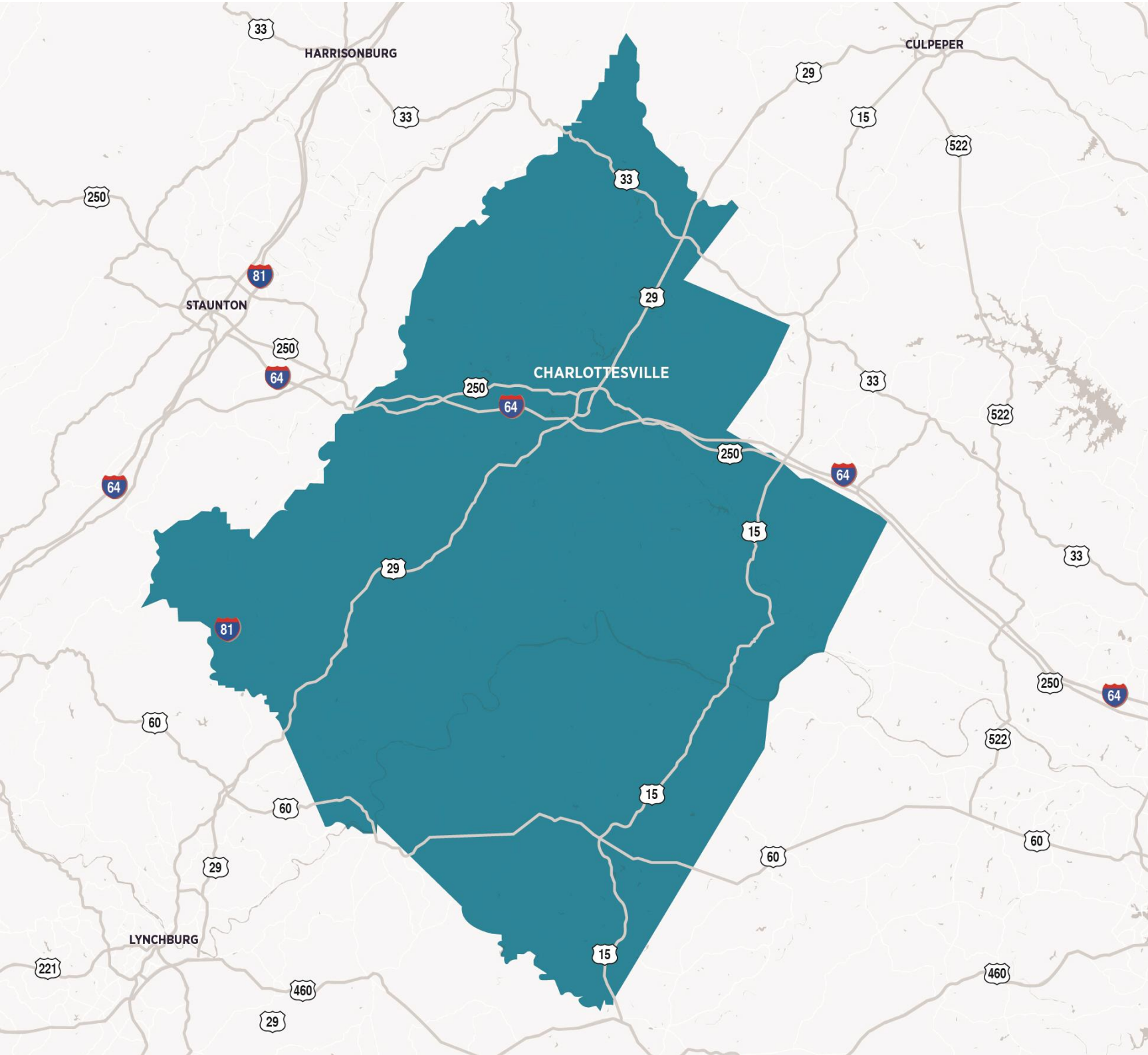
SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



OFFICE SUBMARKETS



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