

## Medical Office

## Richmond, VA

## Supply &amp; Demand

Richmond's medical office market fundamentals remain stable given the sustained demand and limited product development in the region. Nearing the mid-year mark, overall sector vacancy is 8.6%, down 70 basis points (bps) from the end of 2024 and on the upper end of historic averages. Leasing activity has slowed since the second quarter of 2024, following an uptick in absorption at the start of the year. Vacancy remains highest in the Glenside/Broad St submarket located in Henrico County's West End, home to the largest concentration of medical office space in the market due to its proximity to HCA's Henrico Doctors' Hospital.

The construction pipeline for medical office product remains limited with substantial preleasing in buildings currently in development. More than 540,000 SF has been built since 2022, and ample space is available in that newly delivered product with subset vacancy at 16.4%. Deliveries have been balanced geographically across the market with some degree of preleasing in place in all speculative projects. The Rt 288 Corridor submarket is home to 19.3% of product built since 2022, including the 76,000 SF facility delivered in 2024 fully occupied by OrthoVirginia.

With a constrained construction pipeline and sustained demand, medical office assets remain a focus for investors seeking more long-term stability than is typically available for traditional office buildings. Richmond's medical office vacancy is 450 bps lower than vacancy in the overall office market.

## Market Highlights

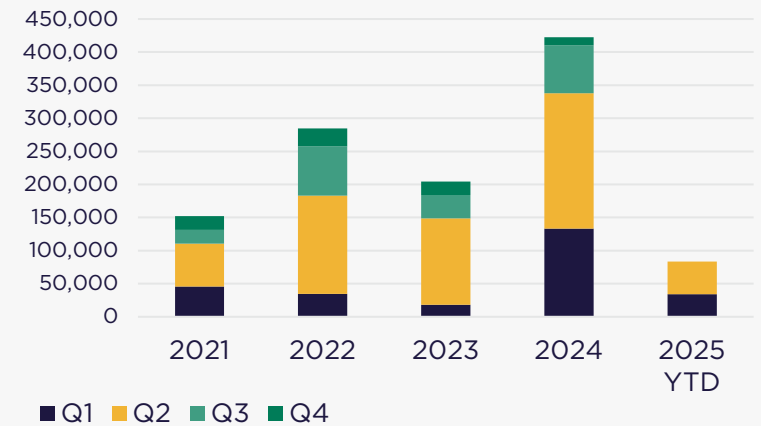
- VCU Health has two projects underway in the Iron Bridge Corridor area in Chesterfield County. The health system is seeking approval to open its first Chesterfield hospital, which will include a total of 66 beds. Construction is also underway on Chesterfield Pavilion, VCU's \$90 million outpatient surgical center and medical office building.
- Bon Secours is planning a \$370 million expansion to St. Mary's Hospital that will include a new 8-story 200,000 SF critical care facility as well as renovations to existing buildings on the West End campus, scheduled to open in 2028. Bon Secours also recently completed a \$108 million expansion and renovation to St. Francis Medical Center in the Rt 288 Corridor, which included a 110,000 SF two-story addition.

## Key Construction Pipeline

Property	Submarket	Total SF	Delivery
Center Pointe Medical Arts	Rt 288 Corridor	57,171	Q3 2025
15350 E West Rd	Rt 288 Corridor	50,000	Q3 2025
300 W Hundred Rd	Iron Bridge Corridor	7,200	Q1 2026
310 W Hundred Rd	Iron Bridge Corridor	5,800	Q3 2025

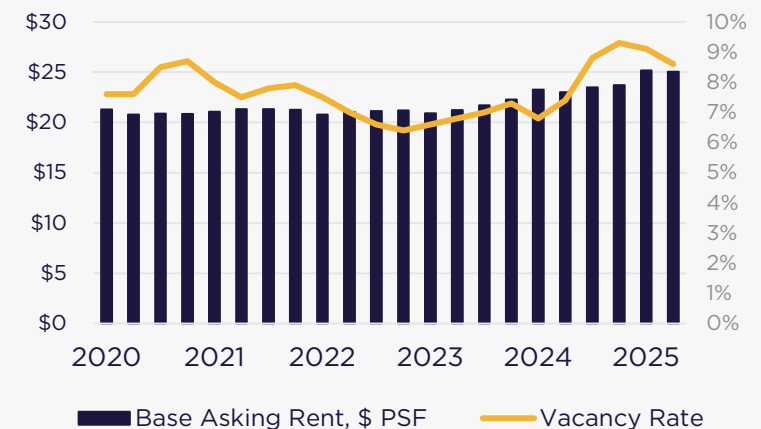
©2025 Cushman & Wakefield | Thalhimer. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.

## Leasing Activity by Quarter



Source: CoStar

## Overall Vacancy &amp; Asking Rent



Source: CoStar

## Liz Greving

Associate Director, Research  
Cushman & Wakefield | Thalhimer  
liz.greving@thalhimer.com

## Submarket Snapshot

