MARKETBEAT
CHARLOTTESVILLE, VA
OFFICE Q3 2025

CUSHMAN & WAKEFIELD THALHIMER

MARKET FUNDAMENTALS

	YOY Chg	Outlook
6.6% Vacancy Rate	▲	▲
-61.1K YTD Net Absorption, SF	▼	▲
$29.31 Asking Rent, PSF	▼	▲

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	Outlook
124.4K Charlottesville Employment	▼	▲
3.3% Charlottesville Unemployment Rate	▲	▼
4.3% U.S. Unemployment Rate	▲	▲

Source:BLS

ECONOMY: INCREASED REGIONAL INVESTMENT

UVA Health announced $25 million in gifts from anonymous donors to support the University of Virginia's Paul and Diane Manning Institute of Biotechnology in its mission to develop cures for cancer and neurodegenerative diseases. Riverbend Development recently announced they have filed for rezoning of the Sieg property in Albemarle County, proposing up to 1,200 residential units and a maximum of 440,000 square feet (sf) of commercial space. Meanwhile, AstraZeneca revealed plans to establish a major manufacturing facility in Albemarle County, as part of the company's $50 billion investment in U.S. manufacturing and research and development. Additionally, Charlottesville City Schools ranked #2 in Virginia for instructional cost spending per student, second only to Arlington County Schools.

SUPPLY AND DEMAND: VACANCY INCREASES

The vacancy rate increased 30 basis points (bps) quarter-over-quarter (QOQ) and 90 bps 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. Leasing activity topped 22,115 sf for the quarter, and over 110,389 sf year-to-date (YTD). The largest lease transaction for the quarter was located at 300 Preston Avenue where an undisclosed tenant agreed to occupy 5,000 sf of space at this location.

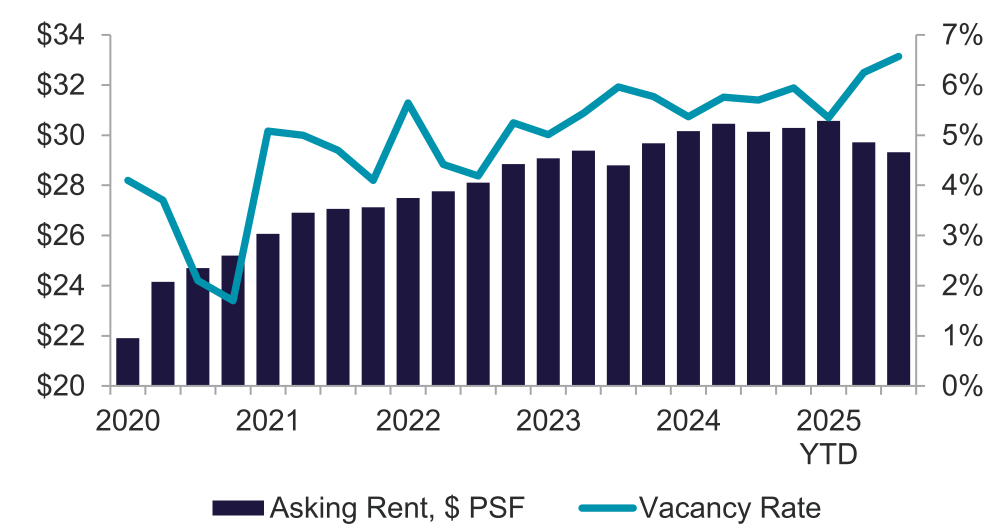
While there are no projects in the speculative construction pipeline, the owner occupied UVA Community Credit Union office building has broken ground. Located at 1201 Fifth Street SW, this office will total 41,086 sf and will be fully occupied by UVA Community Credit Union.

PRICING: RENTAL RATES STABILIZING

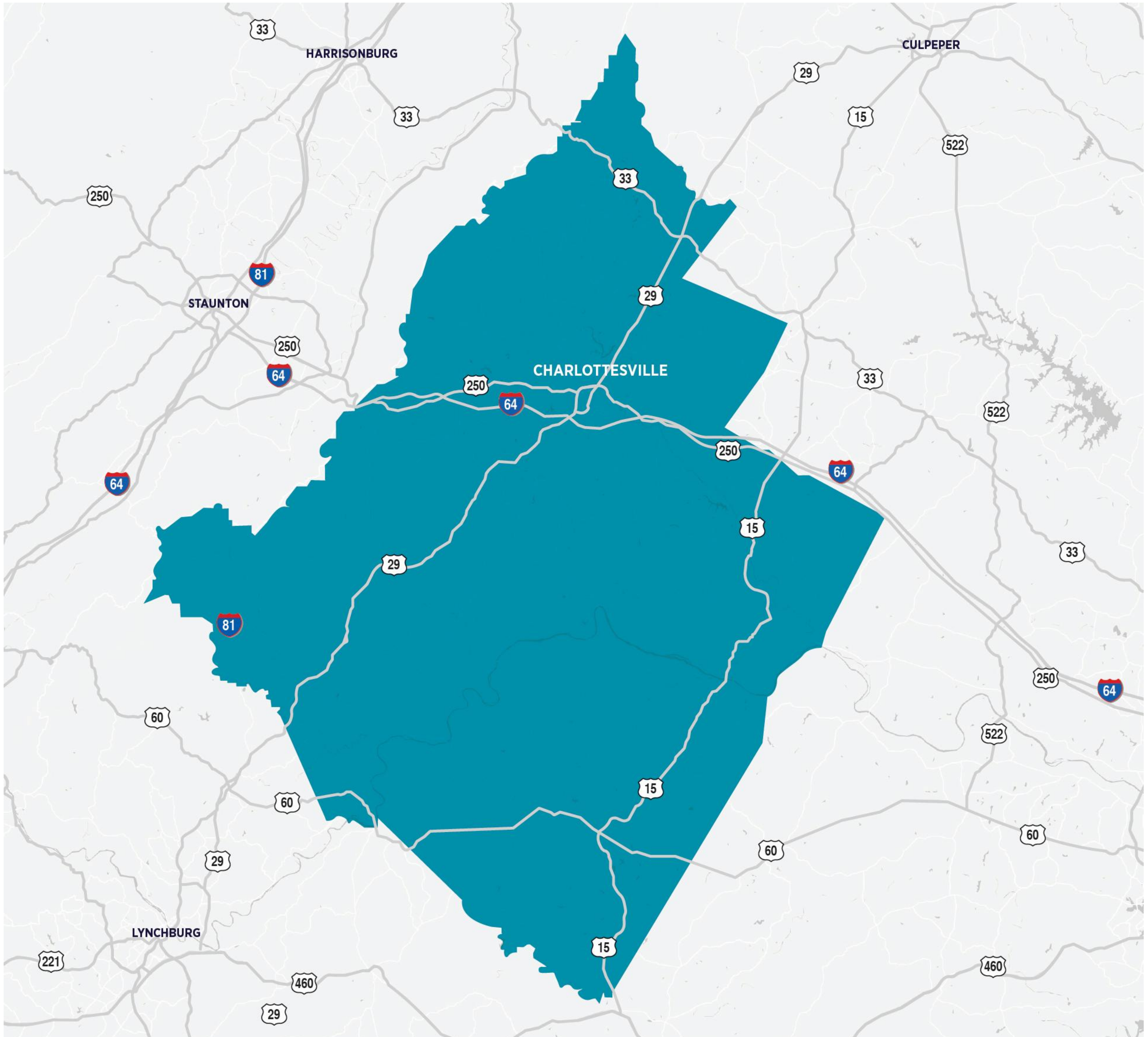
Quoted lease rates decreased slightly, down 1.4% QOQ, and 2.8% YOY. Since the start of 2021, overall quoted pricing has risen more than 12.5% as a result of the continued supply-side limitations. Topping the sale transactions for the quarter was 1441 Sachem Place. This 12,416 sf office condo transacted for $439,000 or $35.36 per square foot (psf) and was 100% occupied at the time of sale.

SPACE DEMAND / DELIVERIES

OVERALL VACANCY & ASKING RENT



OFFICE SUBMARKETS



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