

MARKET FUNDAMENTALS

	YOY Chg	Outlook
5.6% Vacancy Rate	▼	▼
987K YTD Net Absorption, SF	▲	▲
\$10.35 Asking Rent, PSF (Overall, Net Asking Rent)	▼	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
74K Fredericksburg MSA Employment	▲	▲
3.4% Fredericksburg MSA Unemployment Rate	▲	▲
4.3% U.S. Unemployment Rate Source:BLS	▲	▲

ECONOMY: CONTINUED DEVELOPMENT ACTIVITY

Fredericksburg's unemployment rate has increased 50 basis points (bps) year-over-year (YOY), reaching 3.4%, yet it remains well below the national average of 4.3%. Stafford County has earned recognition as the #5 Best County for Families in Virginia by Niche. Meanwhile, Mary Washington Hospital has been named among the 2025-2026 Best Hospitals by U.S. News & World Report. Mary Washington Healthcare has also partnered with the University of Mary Washington to launch a new \$200-million (M) medical school in the area with the first class projected to begin in 2029.

SUPPLY AND DEMAND: STRONG CONSTRUCTION PIPELINE

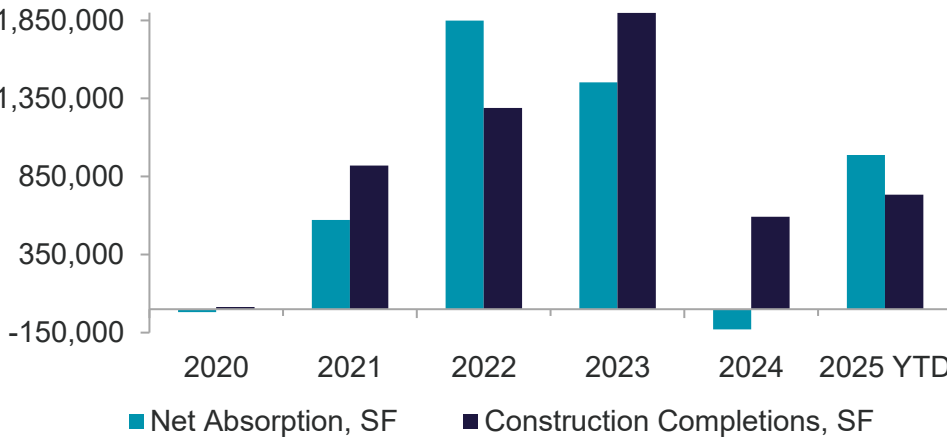
Overall vacancy continued to decrease throughout the third quarter, decreasing 80 bps quarter-over-quarter (QOQ) and 150 bps YOY, closing at 5.6%. The construction pipeline remains robust, with over 2.0 million square feet (msf) in the works. Making up 46.5% of the construction pipeline is the Capital 95 Logistics building. This warehouse will consist of 934,523 square feet (sf) of space in Stafford County. Developed by Flint Development, rates are estimated to range from \$11.00 to \$14.00 per square foot (psf)

Leasing activity topped 207,857 sf for the quarter. Warehouse space was in high demand, accounting for 96.9% of the leasing activity, while the remaining 3.1% involved flex space. The largest deal was located at 11174 Enterprise Parkway in Stafford County. An undisclosed tenant leased 173,009 sf of space.

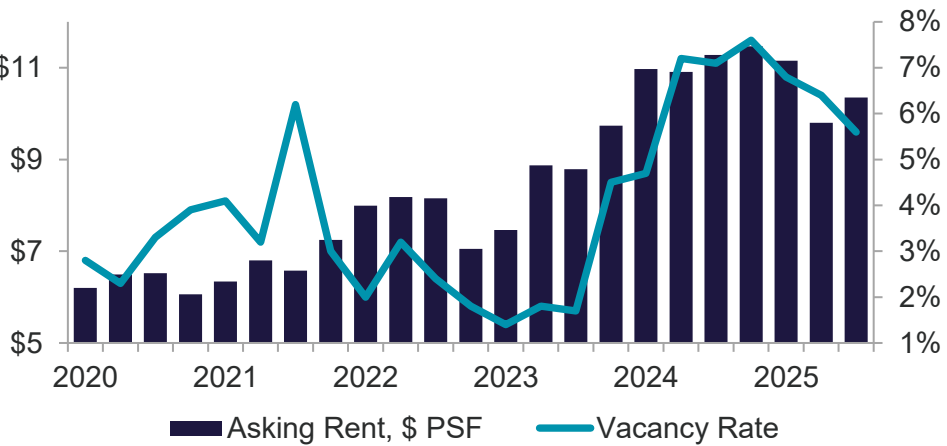
PRICING: RENTAL RATES REMAIN STABLE

Overall industrial rates increased 5.6% QOQ and decreased 8.2% YOY. Manufacturing, flex, and high-tech rental rates remained flat QOQ, whereas warehouse rates saw a 5.9% increase QOQ. Topping the sale transfers was the portfolio sale consisting of 100, 101, and 200 Central Road in Fredericksburg City. Open Industrial purchased this portfolio that consists of 10,600 sf of warehouse space and 3,408 sf of stand-alone office space, and 0.75 acres of land for \$3.52M. The warehouse space transacted for \$2.45M, or \$230.79 psf.

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)	YTD CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Caroline County	3,141,999	0	0.0%	152,491	210,991	325,000	0	\$8.20	-	-
Fredericksburg City	1,441,052	40,680	2.8%	0	300	0	0	-	-	\$9.70
King George County	541,409	0	0.0%	0	0	0	0	-	-	-
Spotsylvania County	6,781,031	156,980	2.3%	3,997	124,223	250,000	10,000	-	\$16.00	\$9.29
Stafford County	7,902,598	914,332	11.6%	-13,795	651,441	1,432,860	723,817	\$14.00	-	\$12.04
FREDERICKSBURG TOTALS	19,808,089	1,111,992	5.6%	142,693	986,955	2,007,860	733,817	\$10.10	\$16.00	\$10.29

*Rental rates reflect weighted net asking \$psf/year

KEY LEASE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
11174 Enterprise Pky	Stafford County	Undisclosed	173,009	New
3550 Lee Hill Dr	Spotsylvania County	Continental Transportation and Distribution Service	10,683	New
600 Corporate Dr	Stafford County	Undisclosed	7,237	New
11905 Bowman Dr	Spotsylvania County	Undisclosed	6,521	New
71 Commerce Pky	Stafford County	Undisclosed	3,400	New

*Renewals not included in leasing activity

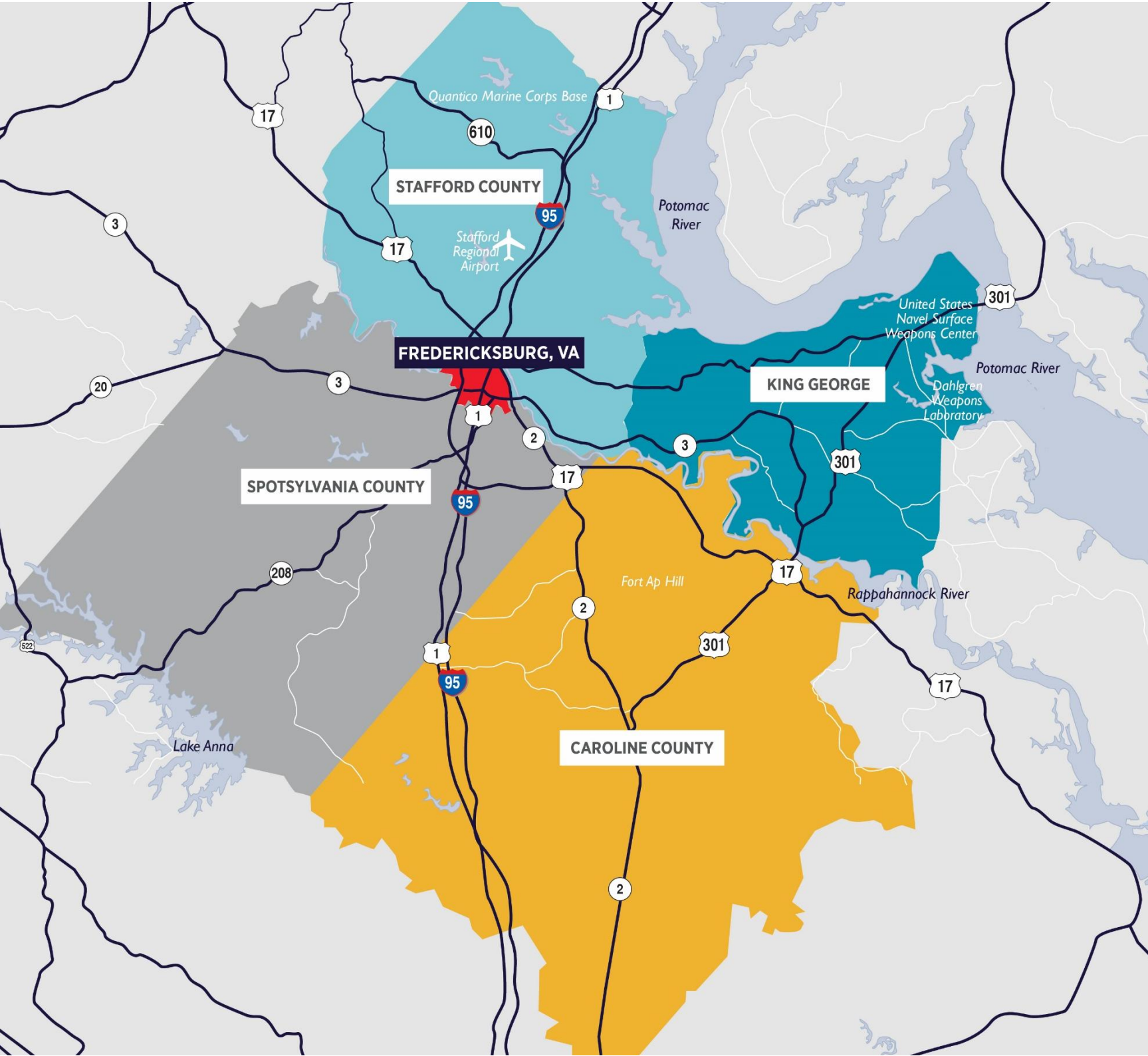
KEY SALE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
200 Central Rd	Fredericksburg City	NFQRE, LLC / Open Industrial	10,600	\$2.45M / \$230.79
3619 Richmond Hwy	Stafford County	Undisclosed / Xtremetech LLC-VA	2,470	\$550K / \$10.28

KEY CONSTRUCTION COMPLETIONS Q3 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
2035 Austin Ridge Dr	Stafford County	(Spec)	193,817	NorthPoint Development
3406 Shannon Park Dr	Spotsylvania County	(Spec)	10,000	3406 Shannon Park LLC

INDUSTRIAL SUBMARKETS



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