MARKETBEAT
FREDERICKSBURG, VA
OFFICE Q3 2025

CUSHMAN & WAKEFIELD
THALHIMER

MARKET FUNDAMENTALS

	YOY Chg	Outlook
7.2% Vacancy Rate	▲	▼
28.9K YTD Net Absorption, SF	▲	▼
$24.93 Asking Rent, PSF	▼	▼

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	Outlook
77.0K Fredericksburg Employment	▲	▲
3.4% Fredericksburg 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: VACANCY DECREASES

Vacancy ended the third quarter at 7.2%, down 30 bps quarter-over-quarter (QOQ) and up 20 bps YOY. Spotsylvania County saw the biggest vacancy decrease, dropping 140 bps QOQ, whereas Stafford County saw the largest increase, increasing 30 bps QOQ. Leasing activity topped 31,000 square feet (sf) during the quarter, and over 156,000 sf year-to-date (YTD).

The largest lease transaction for the quarter was located at 475 Aquia Towne Center Drive. An undisclosed tenant leased 12,941 sf of space in the class B office building in Stafford County.

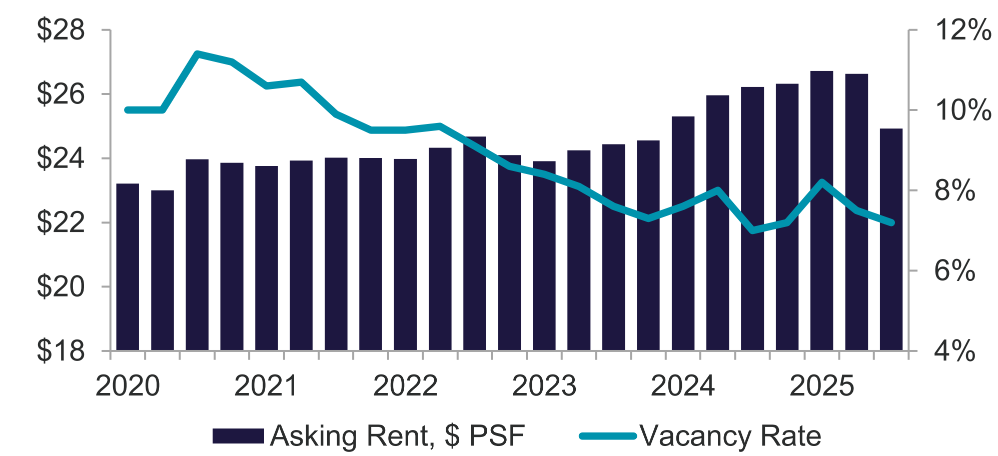
PRICING: RENTAL RATES STABILIZING

Overall rent growth rates decreased 6.4% QOQ. This is the second consecutive quarter overall rental growth rates have decreased. While every other submarket either remained flat or saw a decrease in rental rates, Spotsylvania County saw a subtle increase of almost 1.0% QOQ.

Topping the sale transactions for the quarter was 450 Garrisonville Road located in Stafford County. This 45,455 sf multi-tenant medical office building transferred for $1.2M, or $26.14 per-square-foot (psf) and was 87.2% occupied at the time of sale.

SPACE DEMAND / DELIVERIES

OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Caroline County	191,986	4,580	0	2.4%	0	220	2,400	0	$24.44	-
Fredericksburg City	1,968,592	102,914	8,208	5.6%	5,580	5,830	51,296	0	$25.74	$24.29
King George County	639,343	37,308	0	5.8%	4,760	8,287	3,527	0	-	-
Spotsylvania County	2,044,156	121,420	0	5.9%	27,146	-7,896	28,035	0	$24.40	$24.41
Stafford County	3,152,554	301,520	0	9.6%	-9,698	22,519	70,788	0	$24.84	$26.76
FREDERICKSBURG TOTALS	**7,996,631**	**567,742**	**8,208**	**7.2%**	**27,788**	**28,960**	**156,046**	**0**	**$24.93**	**$25.24**

**Rental rates reflect full service asking*

KEY LEASE TRANSACTIONS Q3 2025

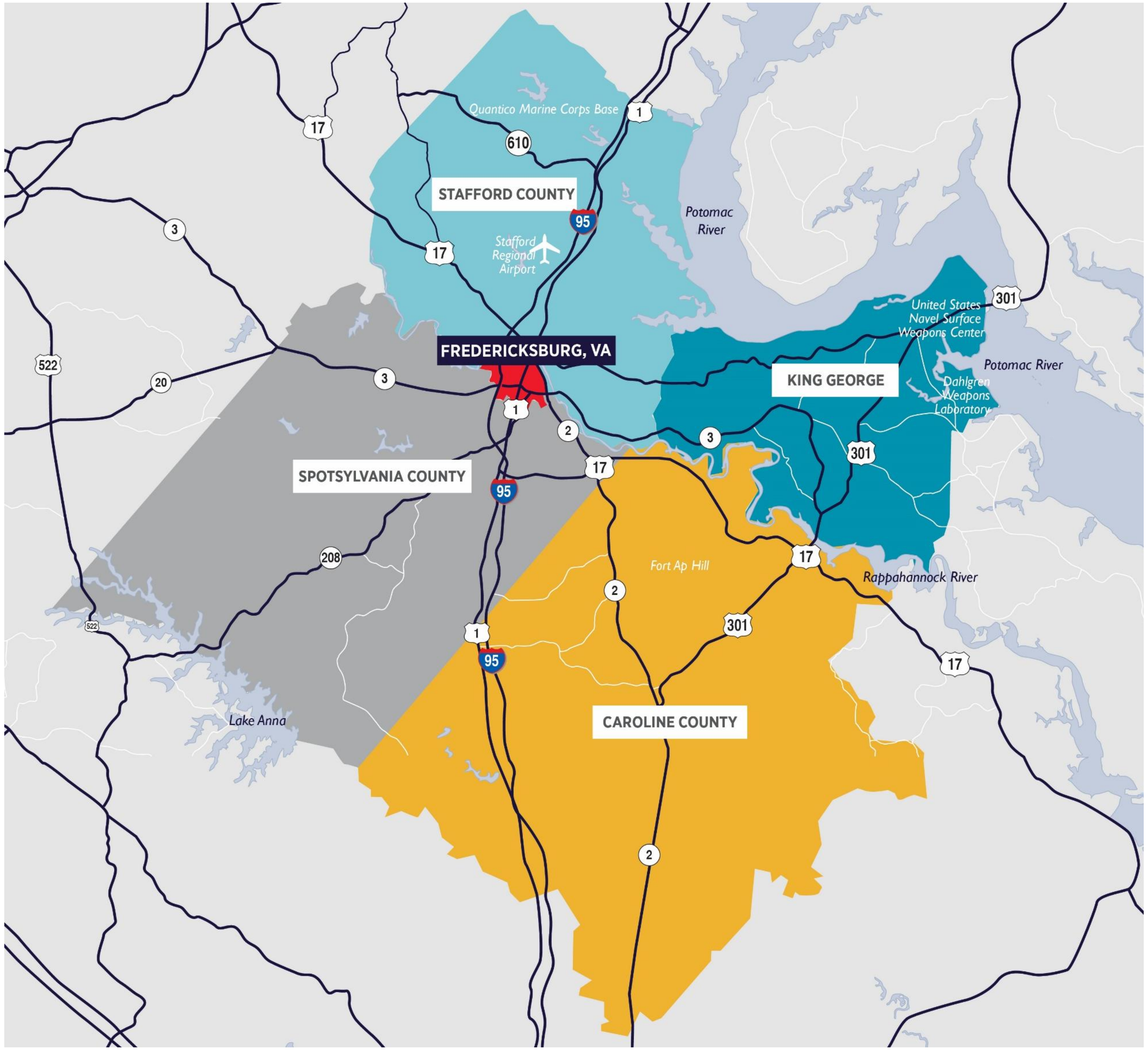
PROPERTY	SUBMARKET	TENANT	SF	TYPE
475 Aquia Towne Center Dr	Stafford County	Undisclosed	12,941	New
1701 Fall Hill Ave	Fredericksburg City	Pinnacle Software Consulting, Inc.	5,164	New
10601 Courthouse Rd	Spotsylvania County	Undisclosed	3,126	New
800 Corporate Dr	Stafford County	Undisclosed	2,587	New
5608 Southpoint Center Blvd	Spotsylvania County	Undisclosed	2,400	New

**Renewals are included in leasing statistics*

KEY SALE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
450 Garrisonville Rd	Stafford County	Garrisonville Holdings, LLC / Blaze Realty	45,455	$1.19M / $26.14

OFFICE SUBMARKETS



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