

MARKET FUNDAMENTALS

	YOY Chg	Outlook
\$104,10 Median HH Income	▲	▲
2.4% Population Growth	▲	▲
3.6% Unemployment Rate	▲	▲
Source: BLS		

ECONOMIC INDICATORS

	YOY Chg	Outlook
0.7% GDP Growth	▼	▲
1.6% Consumer Spending Growth	▼	▲
-0.4% Retail Sales Growth	▼	▬

Source: BEA, Census Bureau

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: RETAIL VACANCY INCREASES

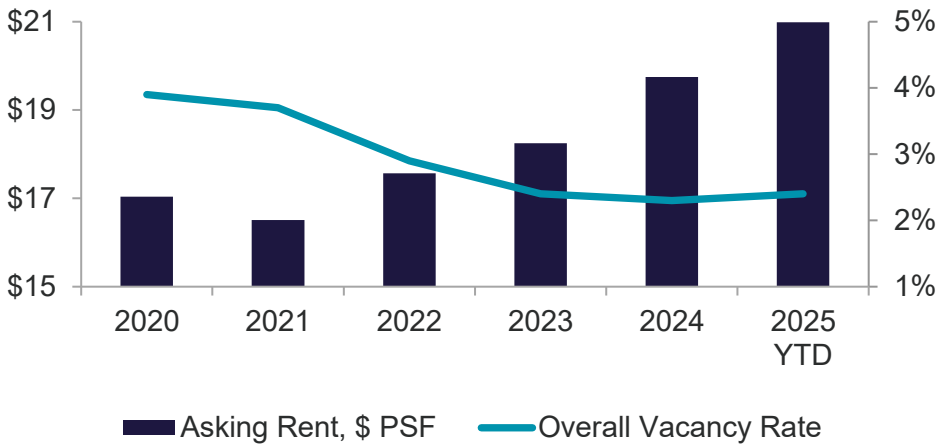
Overall vacancy closed the quarter at 2.3%, reflecting an increase of 30 bps quarter-over-quarter (QOQ) and up 20 bps YOY, but continues to hover around historically low levels. Leasing activity reached over 232,600 square feet (sf) year-to-date (YTD). Topping the lease transactions for the quarter was 4521 Plank Road in Spotsylvania County, with an undisclosed tenant signing for 4,178 sf of space.

The region saw multiple deliveries throughout the quarter, helping ease the supply shortage. Building 1 at Embrey Mill Town Center delivered, and the 13,545-sf building will be occupied by Primrose Schools. Also delivering at Embrey Mill Town Center was Building 5. This 7,587-sf multi-tenant building will be occupied by My Home Thai, Impact Dental, and Wisdom Dental.

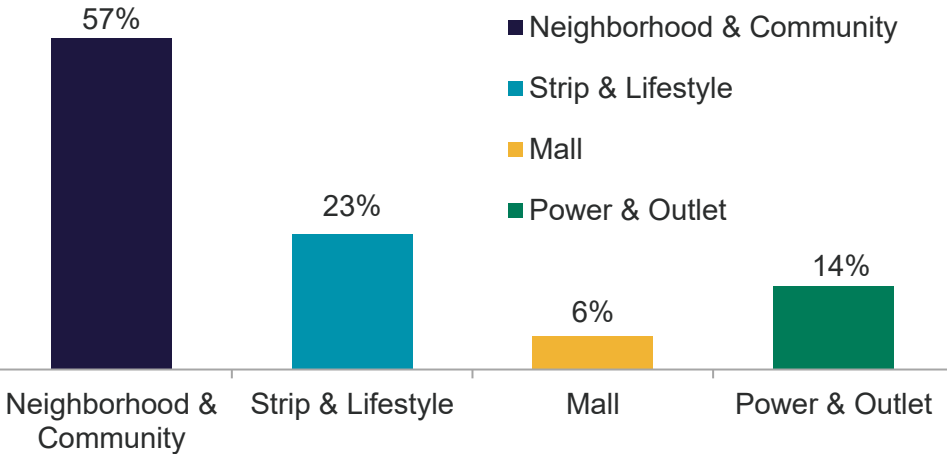
PRICING: RENTAL RATES REMAIN STABLE

Overall quoted rates saw a 3.5% increase QOQ, and an 8.5% increase YOY. Sale velocity was active through the third quarter. Topping the sale transactions in terms of deal size was the Chase Bank branch, located at 9659 Patriot Highway. This 3,500-sf building sold for \$3.76M, or \$1,074.96 per square foot (psf) with a 5.05% cap rate. Following behind is 1280 Central Park Blvd in Fredericksburg City. This 10,578-sf building is fully occupied by Chuck E. Cheese and transacted for \$2.1M, or \$198.53 psf.

SPACE DEMAND / DELIVERIES



AVAILABILITY BY PROPERTY TYPE



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)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (NNN)*
Caroline County	898,072	2,120	0	0.2%	2,325	800	5,960	\$34.70
Fredericksburg City	5,396,396	114,075	4,118	2.2%	10,121	5,821	0	\$21.63
King George County	1,115,995	9,400	0	0.8%	12,100	65,498	0	\$20.29
Spotsylvania County	8,407,401	191,104	37,824	2.7%	56,596	81,878	31,535	\$20.94
Stafford County	5,913,629	139,681	0	2.4%	22,594	-7,665	3,500	\$21.81
FREDERICKSBURG TOTALS	21,731,493	456,380	41,942	2.3%	103,736	146,332	40,995	\$21.49

*Rental rates reflect Triple Net asking \$PSF/Year

KEY LEASE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
4521 Plank Rd	Spotsylvania County	Undisclosed	4,178	New
5701-5769 Plank Rd	Spotsylvania County	Undisclosed	2,400	New
11513-11515 Tidewater Trl	Spotsylvania County	Gilma Iglesias and Nilson Garcia	2,100	New
4842-5132 Southpoint Pky	Spotsylvania County	Undisclosed	2,007	New
200 Bow Cv	Stafford County	Velasquez Catering & Events	2,000	New

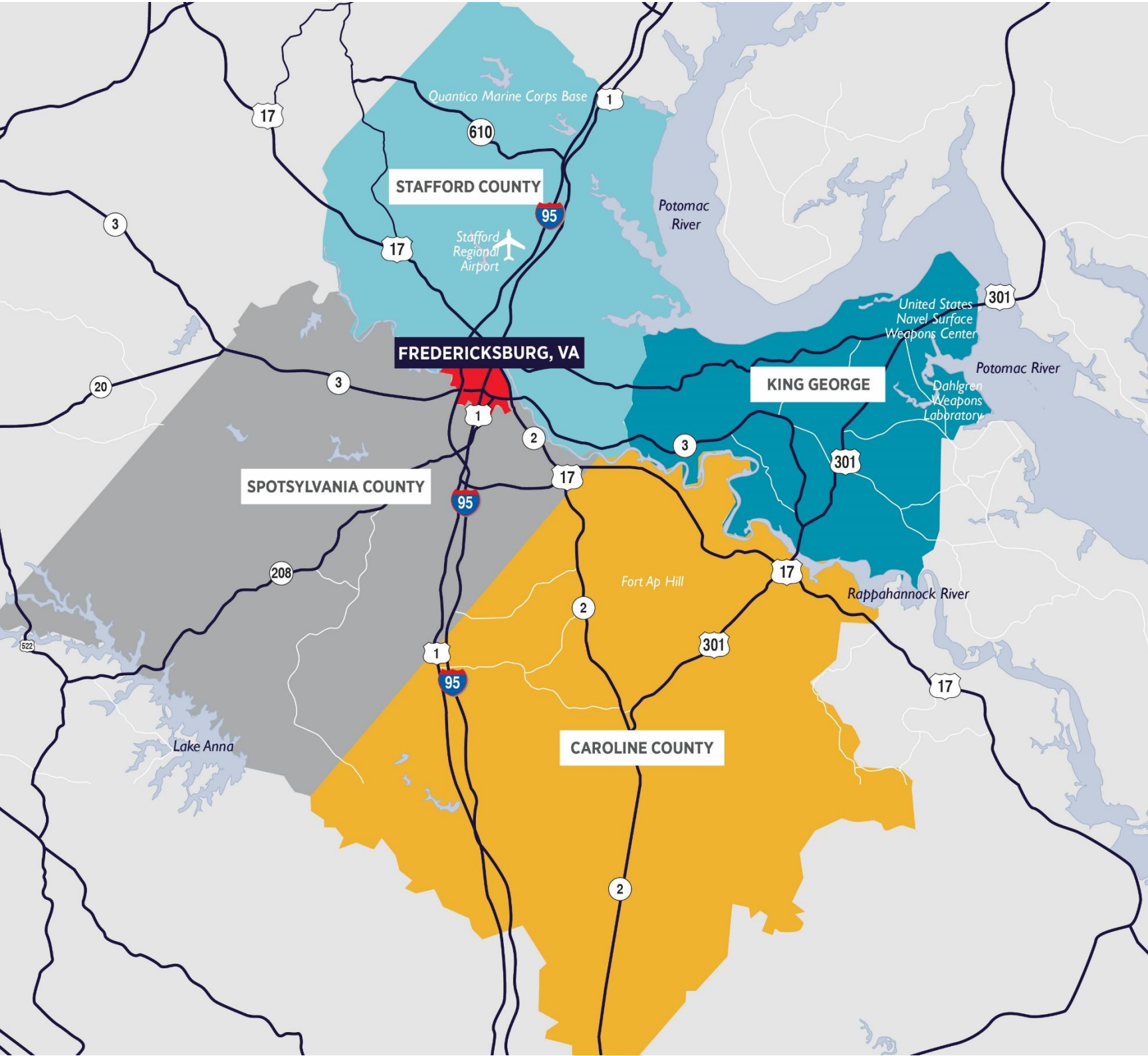
KEY SALES TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
9659 Patriot Hwy	Stafford County	B Kline Family, LLC / Green Hill Equities, LLC	3,500	\$3.76M / \$1,074.96
1280 Central Park Blvd	Fredericksburg City	Boojalas At Broadlands, LLC / Cyrus City Properties, LLC	10,578	\$2.1M / \$198.53
628 Cambridge St	Stafford County	Rathinasamy Family Trust / Callahan Properties Clc Two LLC	10,200	\$1.8M / \$176.47
2312 Plank Rd	Fredericksburg City	AMG-VA Properties, LLC / 2312 Plank Rd, LLC	6,158	\$1.55M / \$251.71
4703 Jefferson Davis Hwy	Spotsylvania County	Undisclosed / TMR Investments Jdavis, LLC	4,800	\$1.2M / \$250.00

KEY UNDER CONSTRUCTION 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER / DEVELOPER
8920 Patriot Hwy	Spotsylvania County	Undisclosed	13,760	N/A
12016 Old Salem Church Rd	Spotsylvania County	Undisclosed	9,000	N/A
9641 Patriot Hwy	Spotsylvania County	Undisclosed	8,775	Silver Companies

RETAIL SUBMARKETS



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