

MARKET FUNDAMENTALS

	YOY Chg	Outlook
6.4% Vacancy Rate	▼	▲
-3.8K YTD Net Absorption, SF	▼	▲
\$29.29 Asking Rent, PSF <small>(Overall, All Property Classes)</small>	▼	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
115.7K Charlottesville Employment	▼	▲
3.4% Charlottesville Unemployment Rate	▲	▼
4.6% U.S. Unemployment Rate	▲	▲

Source: BLS

ECONOMY: INCREASING POPULATION

Since 2020, the Charlottesville area's population has grown by 3.2%, expanding at close to twice the rate of Virginia over overall during that period. In education, the University of Virginia led all Virginia schools for the sixth consecutive year in the 2026 U.S. News & World Report ranking of best national universities, placing #26 in the country. Major investments are also underway. Afton Scientific recently broke ground on a \$200 Million (M) expansion of its Albermarle County Facility, a project that will grow its square footage to eight times its current size. AstraZeneca announced plans to build a \$4.5 billion manufacturing hub at the Rivanna Futures Site in Albermarle County. This is the largest single manufacturing investment opportunity in the company's history, creating 600 permanent jobs.

SUPPLY AND DEMAND: INCREASED LEASING ACTIVITY

The vacancy rate decreased 80 basis points (bps) quarter-over-quarter (QOQ) and 10 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 48,980 square feet (sf) for the quarter, a significant increase compared to the previous quarter, and totaled 154,951-sf for the year. The largest lease transaction for the quarter was located at 630 Peter Jefferson Pky where an undisclosed tenant agreed to occupy 7,054 sf of space at this location.

While the construction pipeline is limited, the owner-occupied UVA Community Credit Union office building totaling 41,086 sf remains underway at 1201 Fifth Street SW.

PRICING: RATES REMAIN STABLE

Quoted lease rates increased slightly, up 1.5% QOQ, and 2.8%. The largest transaction for both the quarter and year was the sale of 2000 Holiday Dr. This 27,000-sf building was purchased by the City of Charlottesville and transacted for \$6.2 M or \$229.63 per square foot (psf). Sales volume for the year totaled \$9.1 M.

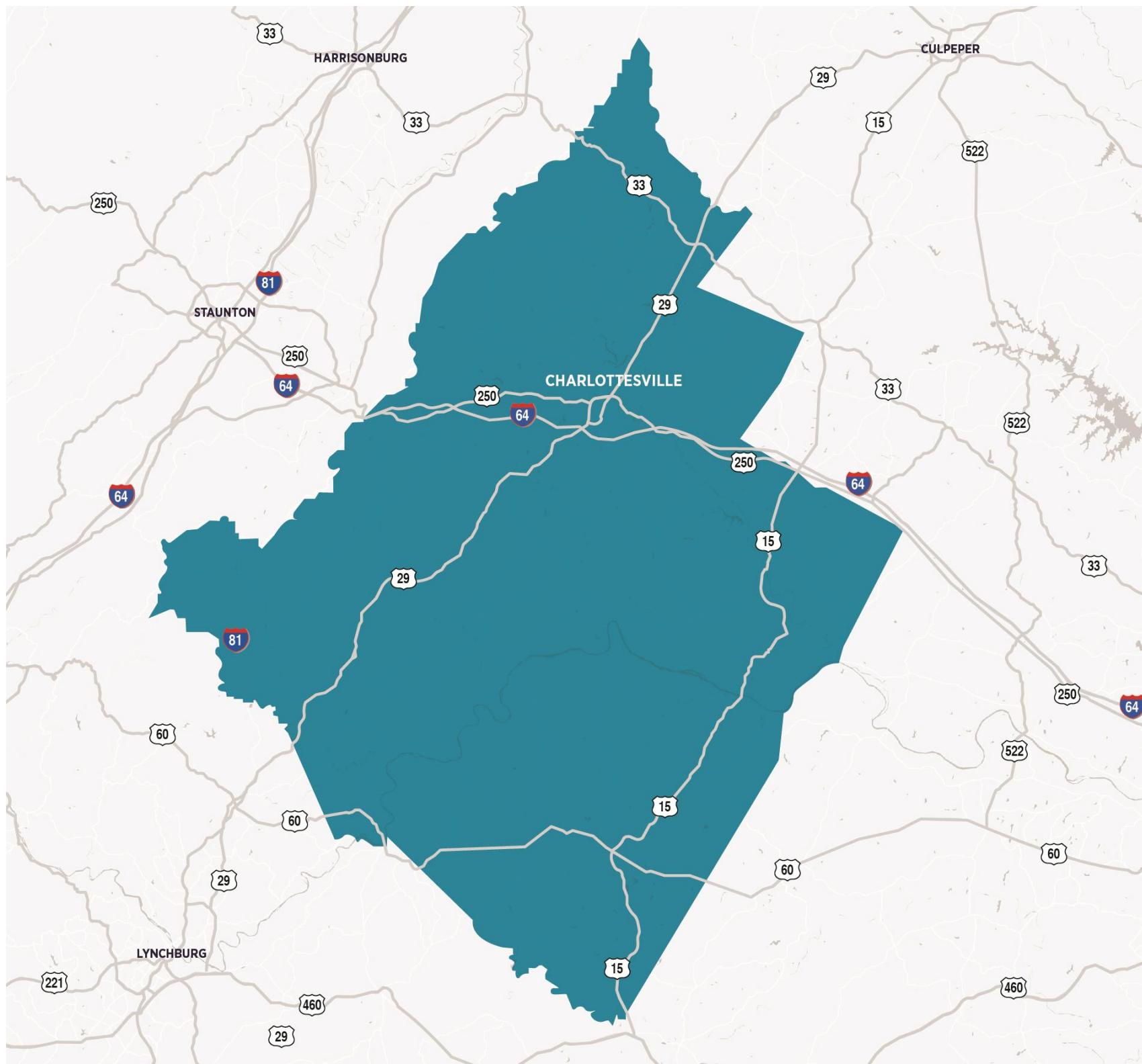
SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



OFFICE SUBMARKETS



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