

MARKET FUNDAMENTALS

	YOY Chg	Outlook
4.3% Vacancy Rate	▼	▼
1.2M YTD Net Absorption, SF	▲	▲
\$10.44 Asking Rent, PSF <small>(Overall, Net Asking Rent)</small>	▼	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
73.8K Fredericksburg MSA Employment	▲	▲
3.5% Fredericksburg MSA Unemployment Rate	▲	▲
4.6% U.S. Unemployment Rate <small>Source: BLS</small>	▲	▲

ECONOMY: CONTINUED DEVELOPMENT INVESTMENTS

Fredericksburg's unemployment rate increased 60 basis points (bps) year-over-year (YOY), reaching 3.5%, yet remains well below the national average of 4.6%. Fredericksburg and the surrounding region continue to demonstrate strong economic growth and investment potential. Vantage Data Centers plans to invest \$2 billion (B) in a new data center campus in Stafford County, a project expected to generate 1,100 construction jobs. The region also benefits from a highly skilled workforce, highlighted by Virginia's Talent Accelerator Program, which Area Development magazine recently ranked as the #1 Workforce Training Program in the nation. Educational excellence further strengthens the area's appeal, with the University of Mary Washington earning a Top 10 spot in the 2026 U.S. News & World Report rankings and placing #8 nationally among Top Public Schools - National Liberal Arts Colleges.

SUPPLY AND DEMAND: DATA CENTER INTEREST INCREASES

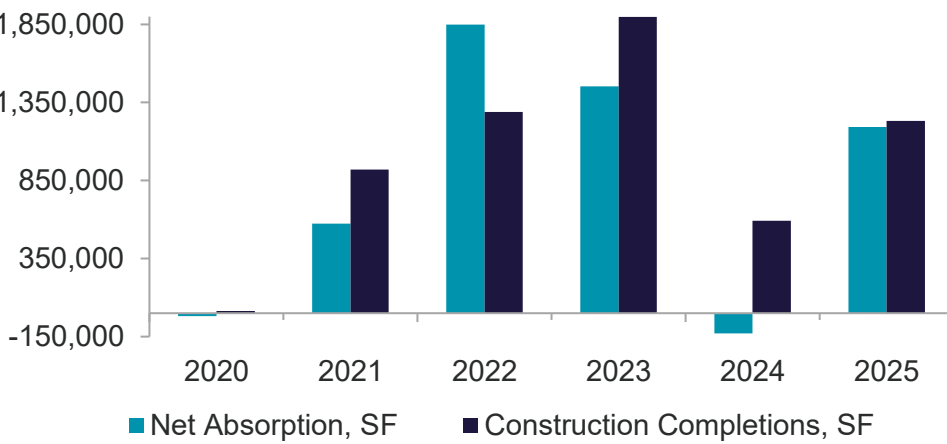
Overall vacancy continued to decrease throughout the fourth quarter, decreasing 130 bps quarter-over-quarter (QOQ), reflecting steady tenant demand and interest in the market. The construction pipeline remains robust, with over 2.5 million square feet (msf) in the works. The largest project in the pipeline is the Capital 95 Logistics building. This warehouse will consist of 934,523 square feet (sf) of space in Stafford County and is being developed by Flint Development. Notably, more than 51.5% of the active construction pipeline is comprised of new data center developments, reinforcing Fredericksburg's role as an emerging data center hub along the I-95 corridor.

Leasing activity topped 786,500 sf for the quarter, over a 260% increase QOQ. The largest transaction was located at 210 Centreport Pky in Stafford County. A&A Transfer leased 334,280 sf of class A distribution space.

PRICING: RENTAL RATES REMAIN STABLE

While overall industrial rates remained stable, increasing less than 1.0% QOQ, rates for new product saw an increase of almost 10.0% YOY due to strong tenant demand. Sales volume for the quarter topped \$4.9 million (M), and over \$145M year-to-date. Topping the sale transfers for the quarter was 670 Cambridge St in Fredericksburg City. Johnson Realty Advisors, Inc. purchased this 12,500-sf warehouse from Sunny, LLC for \$1.42M, or \$114.00 per-square-foot.

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	3,152,539	0	0.0%	0	384,000	900,000	0	\$8.20	-	-
Fredericksburg City	1,441,052	15,109	1.0%	25,571	25,871	0	0	-	-	\$9.70
King George County	541,409	0	0.0%	0	0	0	0	-	-	-
Spotsylvania County	6,766,383	103,850	1.5%	17,383	148,127	250,000	10,000	-	\$16.00	\$10.00
Stafford County	8,400,160	756,556	9.0%	-18,906	634,333	1,444,523	1,222,154	\$14.67	-	\$11.96
FREDERICKSBURG TOTALS	20,301,543	875,515	4.3%	24,046	1,192,331	2,594,523	1,232,154	\$10.65	\$16.00	\$10.37

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

KEY LEASE TRANSACTIONS Q4 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
210 Centreport Pky	Stafford County	A&A Transfer	334,280	New
1045 Richmond Hwy	Stafford County	DSV	219,456	New
210 Centreport Pky	Stafford County	JE Richards	112,600	New
8520 Jamison Ln	Spotsylvania County	Undisclosed	46,430	New
216-218 Central Rd	Fredericksburg City	RE Investment Company, LLC	40,480	New

*Renewals not included in leasing activity

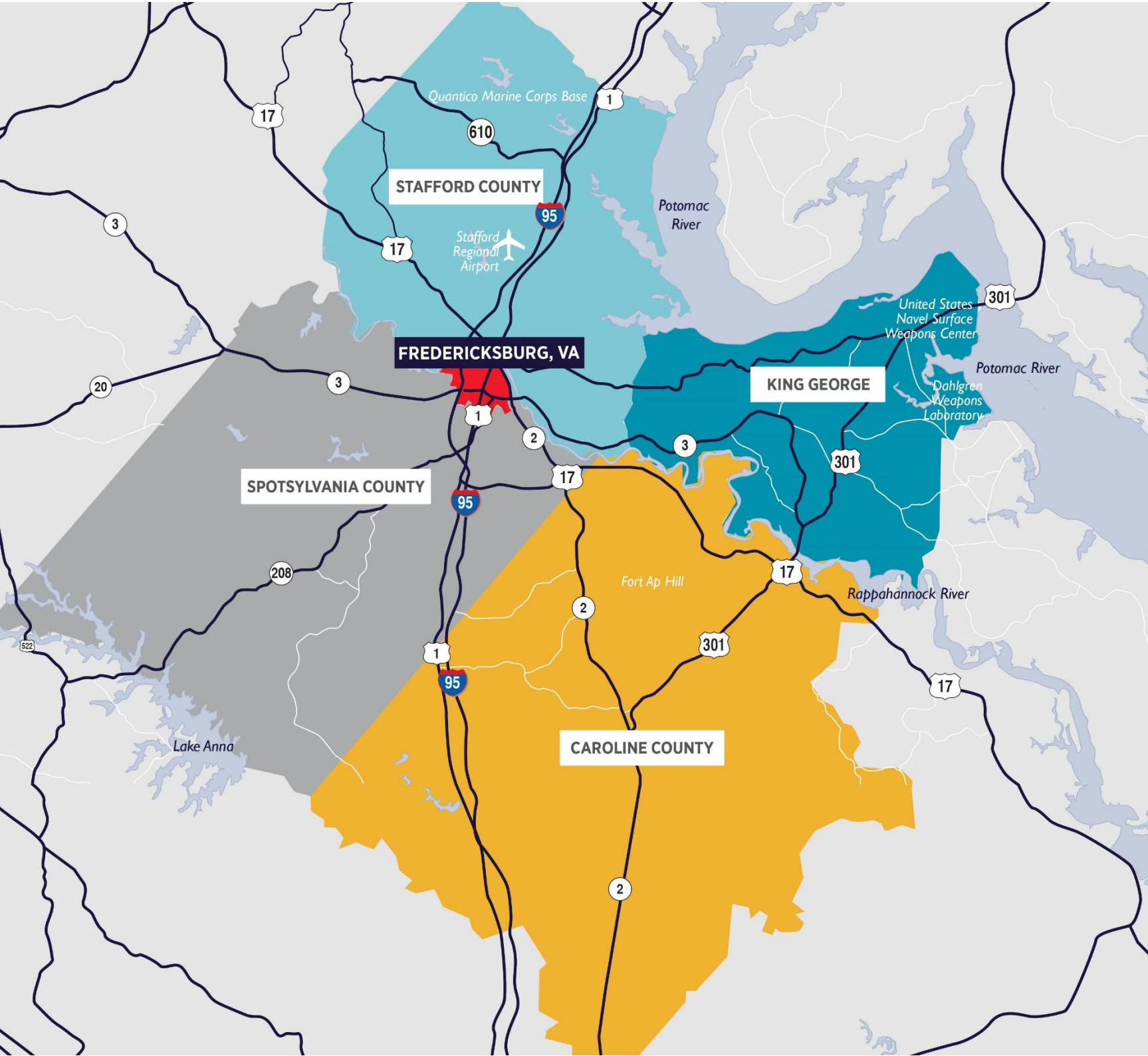
KEY SALE TRANSACTIONS Q4 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
11030 Dennis Kerns Pky	King George County	New Home Media / Undisclosed	75,000	\$1.01M / \$46
1600 Howard Ave (Part of a Portfolio)	Fredericksburg City	Mayfield-Howard, LLC / Howard Ave, LLC	29,792	\$1.2M / \$40
1500 Howard Ave (Part of a Portfolio)	Fredericksburg City	Mayfield-Howard, LLC / Howard Ave, LLC	29,606	\$1.05M / \$35
670 Cambridge St	Fredericksburg City	Sunny, LLC / Johnson Realty Advisors, Inc.	12,500	\$1.43M / \$114

KEY CONSTRUCTION COMPLETIONS Q4 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER / DEVELOPER
2125 Austin Ridge Dr	Stafford County	(Spec)	498,337	NorthPoint Development / NorthPoint Development

INDUSTRIAL SUBMARKETS



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