

MARKET FUNDAMENTALS

	YOY Chg	Outlook
<div>\$106,700</div> <div>Median HH Income</div>	▲	▲
<div>2.3%</div> <div>Population Growth</div>	▲	▲
<div>3.5%</div> <div>Unemployment Rate</div>	▲	▲

Source: BLS

ECONOMIC INDICATORS

	YOY Chg	Outlook
<div>1.7%</div> <div>GDP Growth</div>	▼	▲
<div>3.1%</div> <div>Consumer Spending Growth</div>	▲	▲
<div>0.5%</div> <div>Retail Sales Growth</div>	▼	▬

Source: BEA, Census Bureau

ECONOMY: CONTINUED DATA CENTER 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.

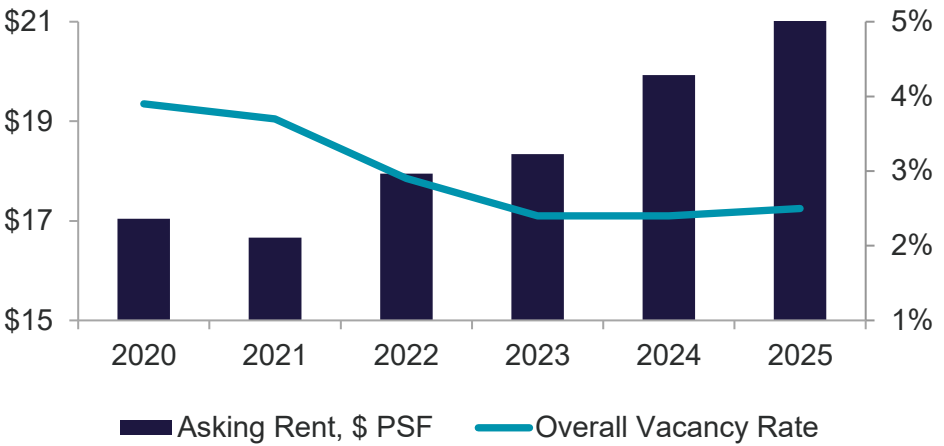
SUPPLY AND DEMAND: LEASING ACTIVITY INCREASES

Overall vacancy closed the quarter at 2.5%, reflecting an increase of 20 bps quarter-over-quarter (QOQ) and up 10 bps YOY. Despite the increase, overall vacancy continues to remain around historically low levels. Fourth quarter leasing activity saw a dramatic increase compared to the previous quarter with 145,538 square feet (sf) leased and 397,684 sf leased for the year. The top lease transaction for the quarter was Bob's Discount Furniture. The tenant leased 30,000 sf at 1591 Carl D. Silver Pky, located in Fredericksburg City. Th region saw multiple deliveries during the fourth quarter. The largest delivery was located at 16700 Monrovia Rd. This 12,480-sf convenience store will be fully occupied by DG Market.

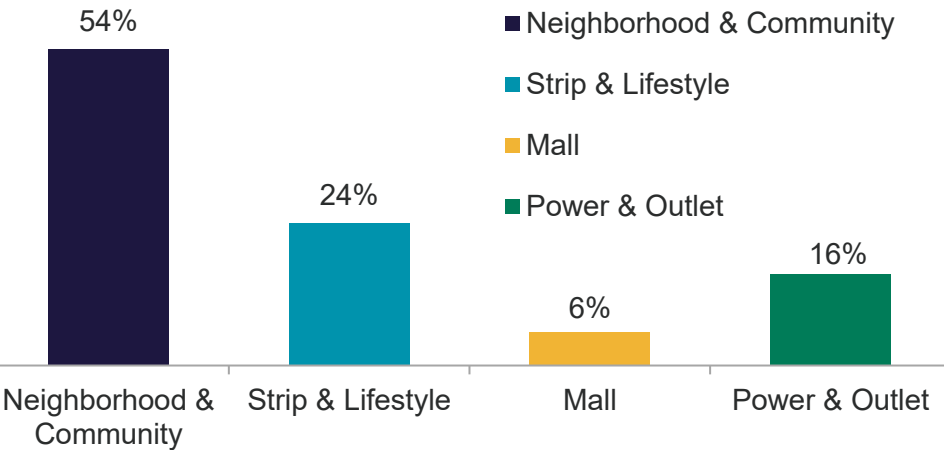
PRICING: POWER & OUTLET CENTERS IN HIGH DEMAND

While overall quoted rates saw a 2.2% decrease QOQ, rates increased 1.3% YOY. Power and outlet centers saw the most dramatic increase in pricing, increasing 21.5% YOY. Not only topping the largest delivery for the quarter, 16700 Monrovia Rd also topped the sale transfers. This 12,480-sf convenience store fully occupied by DG Market sold for \$2.6 million (M) or \$206 per square foot (psf). Following behind was 10004 Southpoint Pky. This 6,267-sf freestanding building fully occupied by BetterMed Urgent Care transferred for \$3.2M or \$503 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	897,344	13,190	0	1.5%	-11,070	-10,270	5,960	\$26.38
Fredericksburg City	5,390,217	112,076	11,860	2.3%	-6,788	-1,012	0	\$21.71
King George County	1,120,125	9,400	0	0.8%	0	65,498	0	\$18.66
Spotsylvania County	8,446,599	210,501	45,824	3.0%	-3,562	75,249	22,760	\$20.64
Stafford County	5,984,695	133,496	0	2.2%	17,929	16,062	0	\$21.04
FREDERICKSBURG TOTALS	21,838,980	478,663	57,864	2.5%	103,736	145,527	28,720	\$21.07

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

KEY LEASE TRANSACTIONS Q4 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
1591 Carl D. Silver Pky	Fredericksburg City	Bob’s Discount Furniture	30,000	New
1800 Carl D. Silver Pky	Fredericksburg City	Undisclosed	30,000	New
1260-1280 Carl D. Silver Pky	Fredericksburg City	Boot Barn	12,000	New
4842-5132 10600-10697 Courthouse Rd Pky	Spotsylvania County	Spirit Halloween	8,300	New
2312 Plank Rd	Fredericksburg City	Yummy Bowl	6,158	New

KEY SALES TRANSACTIONS Q4 2025

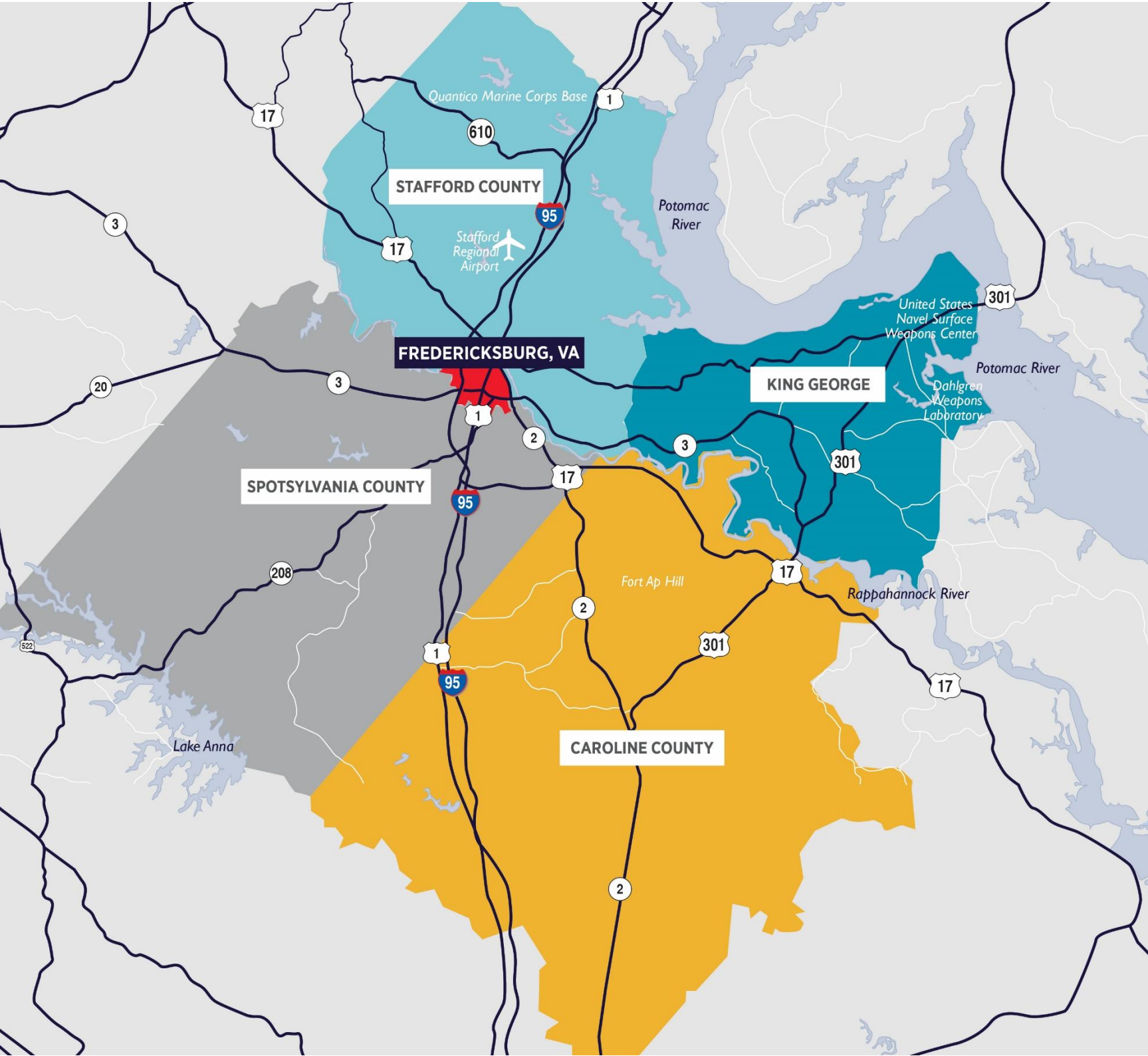
PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
16700 Monrovia Rd	Spotsylvania County	Rheston Companies, Inc. / Brentwood Properties, LLC	12,480	\$2.6M / \$206
10004 Southpoint Pky	Spotsylvania County	American Hinge, LLC / Barber Property Management, LLC	6,267	\$3.2M / \$503
4625 Harrison Rd	Spotsylvania County	Diamond & Associates, Inc. / Undisclosed	5,734	\$4.0M / \$703
35 Banks Ford Pky	Stafford County	Alterman Commercial Real Estate / Vaquero Ventures	4,051	\$3.3M / \$802
203 Landsdowne Rd	Fredericksburg City	203 Landsdowne Road, LLC / Undisclosed	3,914	\$645K / \$165

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
0 Ladysmith Rd	Caroline County	Undisclosed	5,960	N/A



RETAIL SUBMARKETS



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