



ECONOMY: REGIONAL RESILIENCE

The Richmond region maintained its economic strength through 2025 despite economic uncertainty on a national scale and is continuing to grow. The region's gross domestic product increased 37% between 2019 and 2024 along with the area population and average wages, which have increased 19% since 2020, well above the national average. Construction is now underway at the former Genworth campus which will be redeveloped into Midtown64 – a \$500 million mixed-use campus that will include 130,000 square feet (sf) of upscale retail, restaurant, and entertainment space, anchored by a premier grocery store and a new-to-market fitness concept. Development at the Diamond District and Caldwell Park are also underway with retail space scheduled to deliver beginning in early 2027.

SUPPLY AND DEMAND: VACANCY REMAINS COMPRESSED

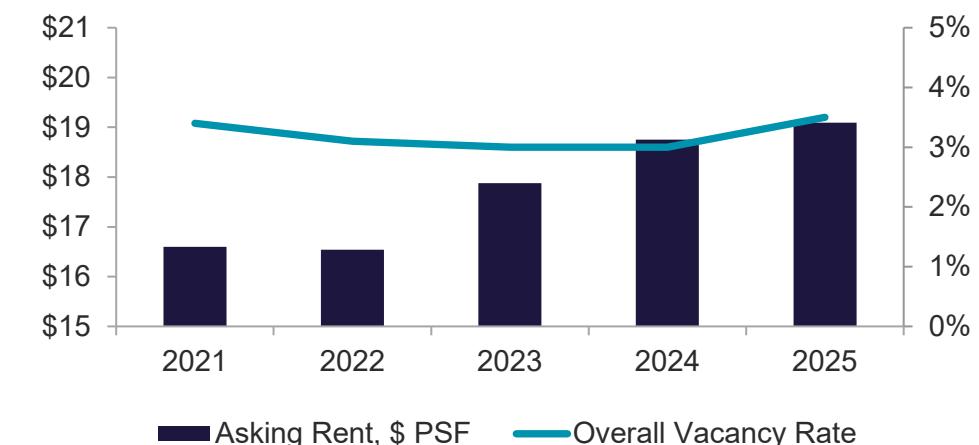
Overall vacancy closed the year at 3.5%, up 40 basis points (bps) quarter-over-quarter and up 50 bps year-over-year still hovering near historic lows. Year-to-date (YTD) leasing activity topped 2.3 million square feet (msf), up 18.9% compared to prior year numbers and robust given the limited inventory. Demand remains healthy with multiple new upscale restaurant concepts and premium fitness users circling the market.

YTD deliveries totaled just under 443,000 sf, with preleasing in place in 93.9% of the newly built product. More than 407,000 sf of active development is currently underway with the majority of speculative space centered around Midlothian Depot in Chesterfield County, the 13-acre mixed use project anchored by Whole Foods. The 123,000-sf Kroger Marketplace is well underway in Mechanicsville and scheduled to deliver in the second quarter of 2026.

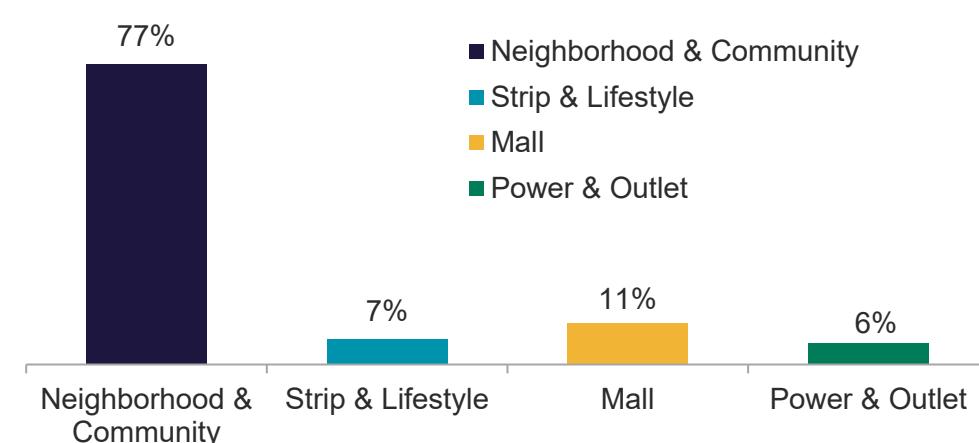
PRICING: GROWTH RATES STABLE

Compressed vacancy rates continue to apply upward pressure to lease rates with actual pricing for most submarkets well above quoted rates, which are published on only a portion of the lease offerings. Total sales volume has topped \$559.7 million for the year, with more than \$199 million closed in the fourth quarter. Chesterfield Towne Center, one of the region's remaining enclosed malls with more than 1 million square feet, traded from Brookfield Properties to JRE Partners and Anastacia AG for \$80 million with potential redevelopment under consideration.

OVERALL VACANCY & ASKING RENT



AVAILABILITY BY PRODUCT TYPE



MARKET STATISTICS

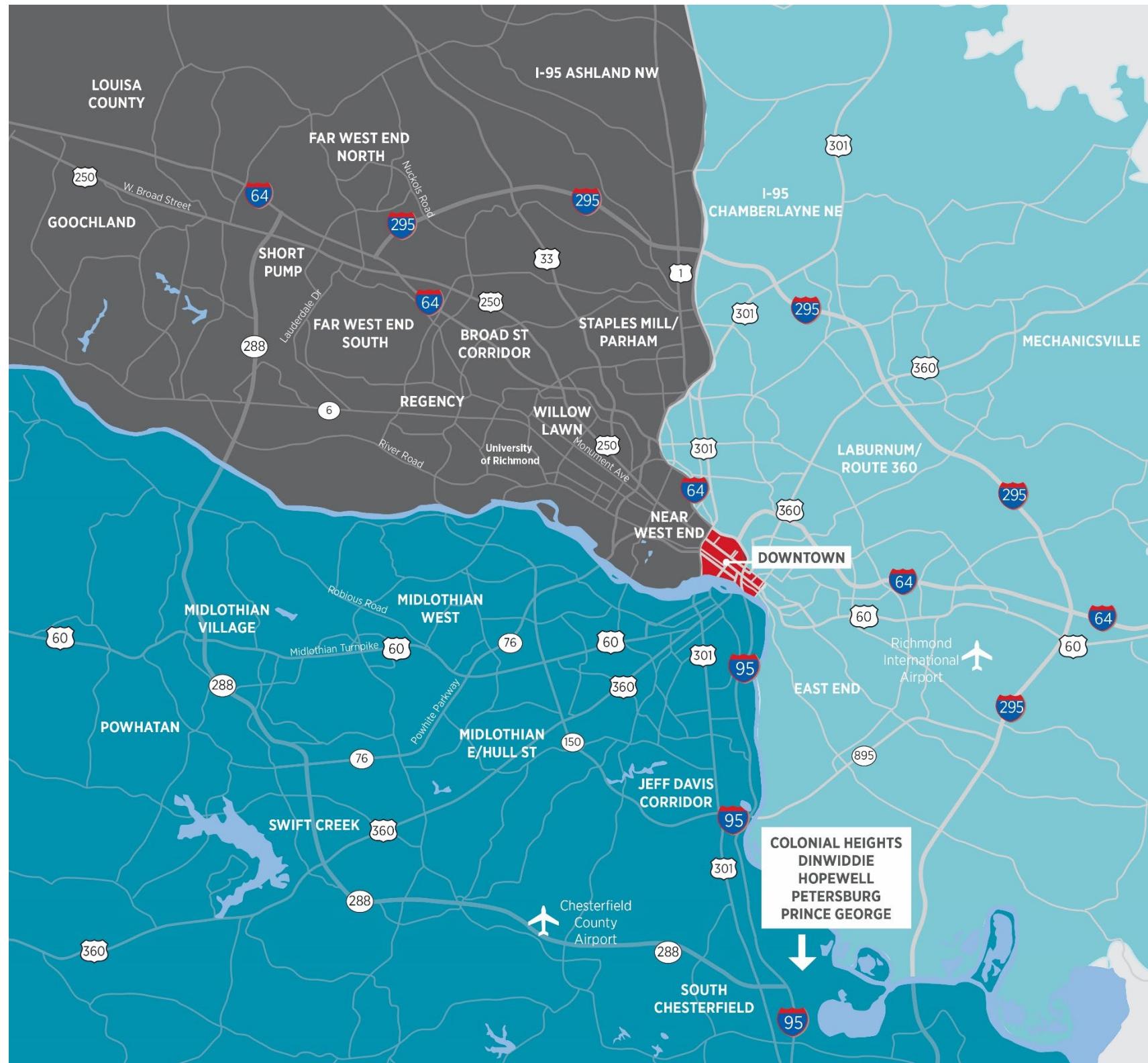
Submarket	Inventory (SF)	Direct Vacant (SF)	Sublet Vacant (SF)	Overall Vacancy Rate	Current Qtr Overall Net Absorption (SF)	YTD Overall Net Absorption (SF)	Under Cnstr (SF)	Overall Avg Asking Rent (NNN)*
Broad St Corridor	4,810,633	197,207	0	4.1%	-34,118	-13,521	-	\$24.73
Colonial Heights	3,423,676	64,613	0	1.9%	-22,122	23,292	20,645	\$18.43
Dinwiddie	538,479	19,109	0	3.5%	0	8,450	-	-
Downtown	2,291,044	60,394	0	2.6%	-10,730	-31,682	1,620	\$19.73
East End	4,245,435	104,754	0	2.5%	5,268	-572	-	\$25.95
Far West End North	316,257	0	0	0.0%	0	1,600	-	-
Far West End South	1,359,307	62,228	0	4.6%	-13,495	-23,878	-	\$19.18
Goochland	555,972	8,000	0	1.4%	3,050	21,302	-	-
Hopewell	1,266,430	162,203	0	12.8%	-29,179	-45,554	-	\$17.83
I-95 Ashland/NW	2,299,820	84,707	0	3.7%	34,787	46,211	5,260	\$16.12
I-95 Chamberlayne/NE	1,272,314	11,138	0	0.9%	3,813	90,207	2,500	\$12.66
Jeff Davis Corridor	3,001,384	17,847	0	0.6%	7,123	-84,400	-	\$16.08
Laburnum/Route 360	2,879,082	179,968	0	6.3%	-39,482	-92,145	4,000	\$15.11
Louisa County	999,266	29,792	0	3.0%	1,000	0	-	\$9.28
Mechanicsville	3,029,325	118,137	0	3.9%	-5,282	-90,440	123,000	\$16.29
Midlothian E/Hull St	6,779,987	443,723	10,958	6.7%	-74,052	-124,561	7,000	\$15.59
Midlothian Village	2,008,752	124,322	0	6.2%	5,624	-10,284	32,307	\$25.20
Midlothian West	7,089,555	168,654	147,657	4.5%	34,074	55,009	96,572	\$24.94
Near West End	3,566,825	107,449	4,332	3.1%	54,094	7,864	-	\$24.58
New Kent County	629,410	2,250	0	0.4%	3,029	1,779	-	-
Petersburg	2,943,379	118,549	0	4.0%	-6,459	-25,338	-	\$13.86
Powhatan	873,030	26,982	0	3.1%	-14,650	-7,850	12,750	\$21.95
Prince George	1,189,973	14,923	0	1.3%	0	0	-	-
Regency	2,141,868	108,745	0	5.1%	-41,355	-46,654	-	\$27.47
Short Pump	4,595,256	30,680	0	0.7%	-2,806	74,304	27,400	\$34.00
South Chesterfield	4,009,718	67,874	41,117	2.7%	25,729	47,129	12,815	\$14.01
Staples Mill/Parham	4,369,451	109,073	0	2.5%	429	3,455	32,340	\$24.31
Swift Creek	4,142,052	74,609	0	1.8%	8,782	31,153	29,000	\$23.57
Willow Lawn	3,055,970	64,056	0	2.1%	-5,900	41,543	-	\$23.50
RICHMOND TOTALS	79,683,650	2,581,986	204,064	3.5%	-112,828	-143,581	407,209	\$19.09

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

KEY LEASE TRANSACTIONS Q4 2025

Property	Submarket	Tenant	SF	Type
Midlothian Crossing Shopping Center	Midlothian E/Hull St	Nova Trampoline Park	45,000	New
Arch Village Shopping Center	Midlothian West	Savers	28,926	New
3807 Mechanicsville Turnpike	Laburnum/Rte 360	Schewels Furniture Company	25,039	New
Midlothian Crossing Shopping Center	Midlothian E/Hull St	Goodwill	19,000	New
Oxbridge Square Shopping Center	Midlothian E/Hull St	Pleasants Hardware	15,000	New

RETAIL SUBMARKETS



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