

**MARKET FUNDAMENTALS**

	YOY Chg	Outlook
<b>6.2%</b> Vacancy Rate	▲	▼
<b>29.4K</b> YTD Net Absorption, SF	▼	▲
<b>\$28.15</b> Asking Rent, PSF <i>(Overall, All Property Classes)</i>	▼	▲

**ECONOMIC INDICATORS**

	YOY Chg	Outlook
<b>115.1K</b> Charlottesville Employment*	▼	▲
<b>3.8%</b> Charlottesville Unemployment Rate*	▲	▼
<b>4.3%</b> U.S. Unemployment Rate	▲	▲

Source: BLS  
 \*Q4 2025

**ECONOMY: REGIONAL ECONOMIC MOMENTUM**

Long-term momentum in the region remains strong, with new projections from the Weldon Cooper Center for Public Service at University of Virginia (UVA) estimating population growth of 31.5% by 2050 across the Thomas Jefferson region, including Albemarle County, signaling significant residential expansion. Economic activity is also strengthening in the urban core, as Charlottesville's Downtown Mall saw visitation rise 4% in 2025 to an estimated 2.8 million (M) visitors, reinforcing its role as a key regional destination. On the investment side, Amazon Web Services acquired more than 1,900 acres in central Louisa County for \$72.5M in one of the largest land transactions in county history, highlighting significant infrastructure and data center development potential in the broader region. UVA's Weldon Cooper Center also estimates that defense and bioscience initiatives generate more than \$1 billion in regional economic impact, underscoring a diversified and expanding economic base anchored by education, technology, and life sciences.

**SUPPLY AND DEMAND: VACANCY DECREASING**

The vacancy rate decreased 20 basis points (bps) quarter-over-quarter (QOQ) and increased 30 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. Large block availability remains constrained, making growth for tenants in the market difficult. Leasing activity topped 21,093 square feet (sf) for the quarter. The largest lease transaction for the quarter was located at 650 Peter Jefferson Pkwy where TIAA agreed to renew 6,683 sf of space.

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 with an expected delivery of Q2 2026.

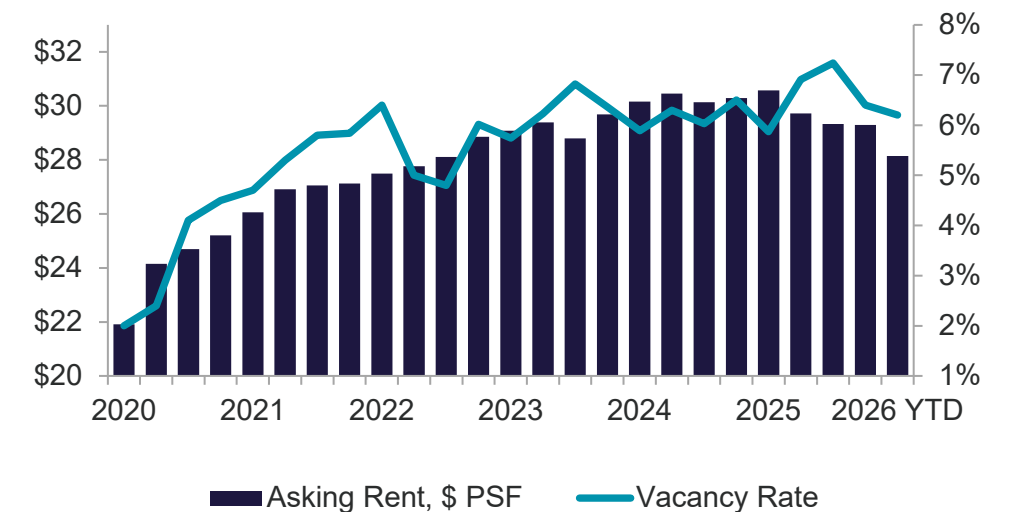
**PRICING: RATES REMAIN STABLE**

Quoted lease rates saw a slight decrease, decreasing almost 4.0% QOQ. While sales were limited or the quarter, the largest transaction was located at 943 Glenwood Station Ln. This 23,193-sf medical office building transacted for \$715K, or \$30.83 per square foot. The building was 84.4% leased at the time of sale and was sold to an undisclosed buyer.

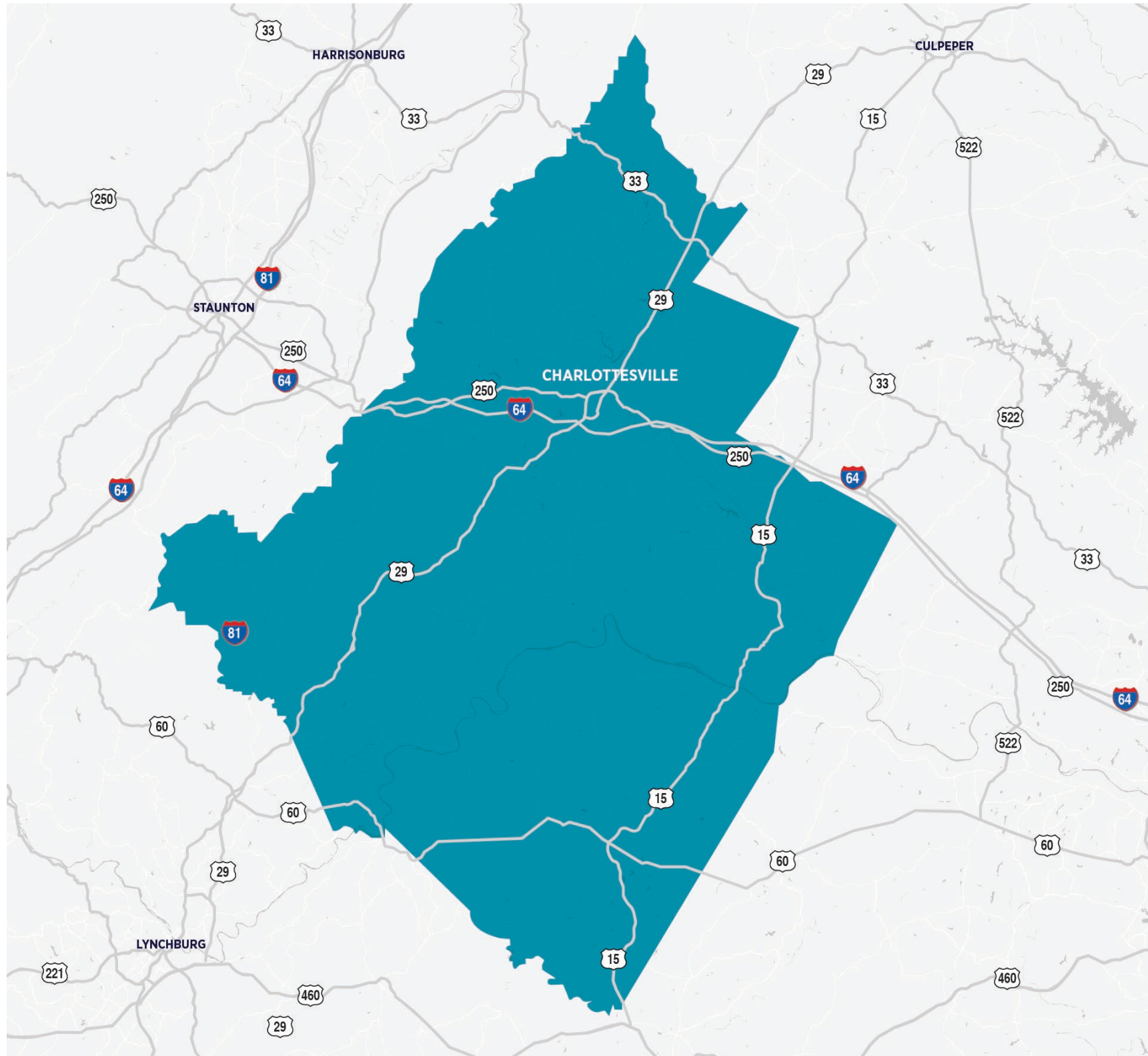
**SPACE DEMAND / DELIVERIES**



**OVERALL VACANCY & ASKING RENT**



OFFICE SUBMARKETS



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