



MARKET FUNDAMENTALS

	YOY Chg	Outlook
3.6% Vacancy Rate	▼	▼
459.8K YTD Net Absorption, SF	▼	▲
\$10.66 Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▼	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
73.7K Fredericksburg MSA Employment*	▲	▲
3.7% Fredericksburg MSA Unemployment Rate*	▲	▼
4.3% U.S. Unemployment Rate	▲	▲

Source: BLS
 *Q4 2025

ECONOMY: CONTINUED DATA CENTER INVESTMENTS

Fredericksburg's regional market is experiencing robust growth and development across multiple sectors. Fredericksburg's unemployment rate increased 70-basis-points (bps) year-over-year (YOY), reaching 3.7%, yet remains well below the national average of 4.3%. Caroline County, the fourth fastest growing county in Virginia, saw its population increase by 11.7% between 2020 and 2025. Major tourism and entertainment investment is underway with the \$900 million (M) Kalahari Resort under construction, which is now accepting bookings and slated to open in late 2026. Meanwhile, the data center industry continues to be a major driver, contributing \$40 billion (B) in statewide economic impact in 2025. In Stafford County, three data center projects totaling over 7 million square feet (msf) are under construction, including a \$2.2B campus by Vantage Data Centers.

SUPPLY AND DEMAND: DATA CENTERS ON THE RISE

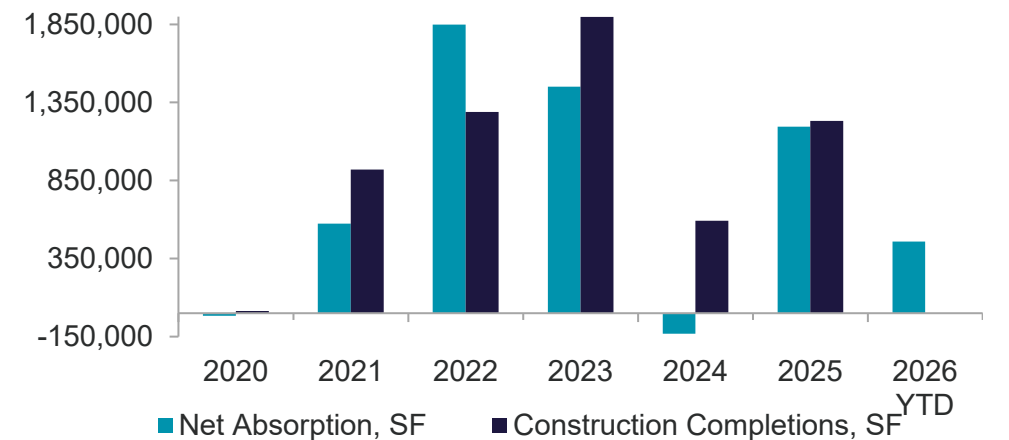
Overall vacancy continued its downward trend in the first quarter, decreasing 70 bps quarter-over-quarter (QOQ), signaling steady tenant demand and interest in the market. Development activity remains strong, with over 2.4 msf in the works. The largest project underway is the Capital 95 Logistics building. 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 61.6% 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 213,596 square feet for the quarter. The largest transaction was located at the recently completed Austin Ridge Logistics Center. Developed by NorthPoint Development and located at 2125 Austin Ridge Drive in Stafford County, an undisclosed tenant leased 145,009 square feet of Class A distribution space.

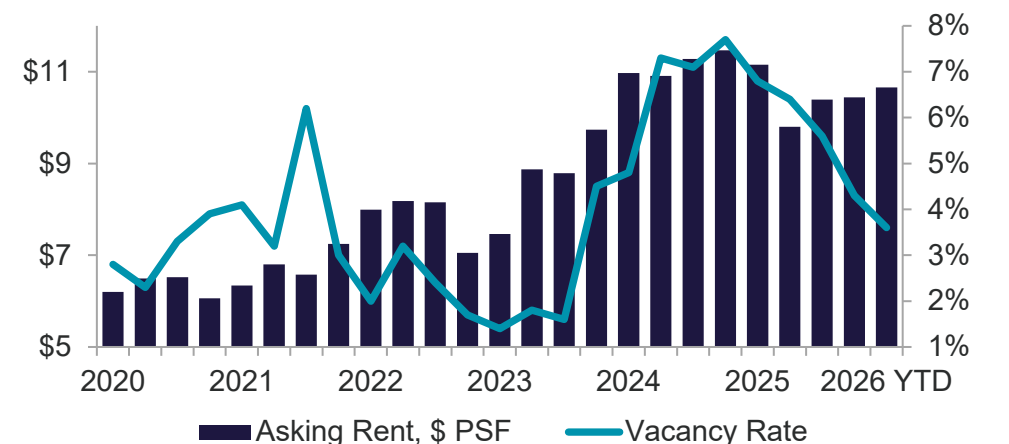
PRICING: RENTAL RATES REMAIN STABLE

Overall industrial rates remained stable, increasing just over 2.1% QOQ. Spotsylvania County saw an increase of 4.1% QOQ, and Fredericksburg City saw an increase of 6.3% QOQ. Sales volume for the quarter topped \$13.4M. Topping the sale transfers was 17253 Center Dr in Carolina County. Matan, Inc. purchased this 63,341-sf building from V2X, Inc. for \$8.0M, or \$126.33 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	63,341	2.0%	-63,341	-63,341	490,000	0	-	-	-
Fredericksburg City	1,438,087	15,109	1.1%	0	0	0	0	-	-	\$10.31
King George County	541,409	0	0.0%	0	0	0	0	-	-	-
Spotsylvania County	6,723,422	210,311	3.1%	-113,311	-113,311	250,000	0	-	\$16.00	\$10.45
Stafford County	8,387,190	443,765	5.3%	636,431	636,431	1,696,696	0	\$15.00	-	\$11.28
FREDERICKSBURG TOTALS	20,242,647	732,526	3.6%	459,779	459,779	2,436,696	0	\$15.00	\$16.00	\$10.56

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

MF = Manufacturing OS = Office Service/Flex W/D = Warehouse/Distribution

KEY LEASE TRANSACTIONS Q1 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
2125 Austin Ridge Dr	Stafford County	Undisclosed	145,009	New
670 Cambridge St	Stafford County	Undisclosed	12,500	New
1600 Howard Ave	Fredericksburg City	Floors By Design, Inc.	9,900	Renewal
1600 Howard Ave	Fredericksburg City	William M Gonzalez	6,990	New
1600 Howard Ave	Fredericksburg City	Roofing Systems, Inc.	6,000	Renewal

*Renewals are included in leasing activity

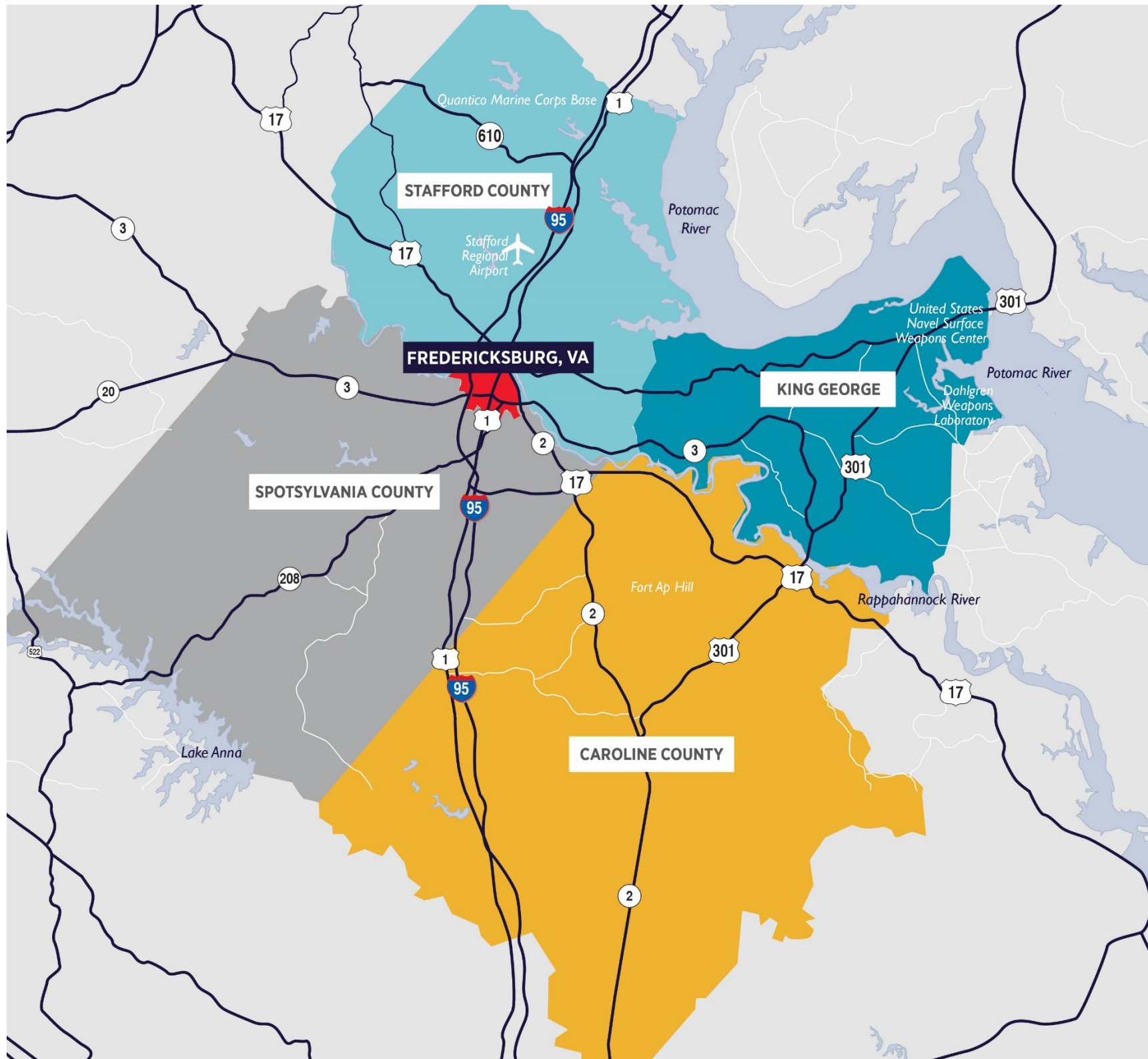
KEY SALE TRANSACTIONS Q1 2026

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
17253 Center Dr	Caroline County	V2X, Inc. / Matan, Inc.	63,341	\$8.0M / \$126.30
1117 International Pky	Stafford County	Realco-green Tree Plaza, LLC / 840 Wr, LLC	28,622	\$ \$1.7M / \$58.35

KEY UNDER CONSTRUCTION PROJECTS Q1 2026

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER / DEVELOPER
211 Centreport Pky	Stafford County	(Spec)	934,523	Capitol 95 Logistics LLC / Flint Development
125 Old Potomac Church Rd	Stafford County	Amazon	510,000	Amazon / Amazon
18191 Bazaar Ave	Caroline County	CleanArc Data Centers	490,000	CleanArc Data Centers Management, LLC

INDUSTRIAL SUBMARKETS



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