



**MARKET FUNDAMENTALS**

	YOY Chg	Outlook
<b>4.6%</b> Vacancy Rate	▲	▼
<b>757.6K</b> YTD Net Absorption, SF	▲	▲
<b>\$7.98</b> Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▲	▲

**ECONOMIC INDICATORS**

	YOY Chg	Outlook
<b>727.7K</b> Richmond MSA Employment*	▲	▲
<b>3.5%</b> Richmond MSA Unemployment Rate*	▲	▬
<b>4.3%</b> U.S. Unemployment Rate	▲	▲

Source: BLS  
 \*Q4 2025

**ECONOMY: SUSTAINED JOB GROWTH**

The Richmond region saw sustained growth through the first quarter, both in terms of capital investment and job commitments. Greater Richmond has outperformed peer markets in job growth with an increase of 18.1% in postings since February of 2020, compared to the U.S. average of 13.4% over the same period. Multiple major company expansions were announced during the first quarter, topped by Solstice Advanced Materials' \$220 million investment in Chesterfield, and Eaton's \$50 million investment in Henrico County, adding more than 300 new jobs collectively. Rosendin will create a new \$14 million facility in Hanover County, creating an additional 250 new jobs. The region also continues to be named among top markets for investment, most recently ranked #5 in the nation for Corporate Headquarters Locations by Site Selection Magazine. Virginia Commonwealth University (VCU) was ranked #211 on 2025 of the World's Top Universities by Time Magazine.

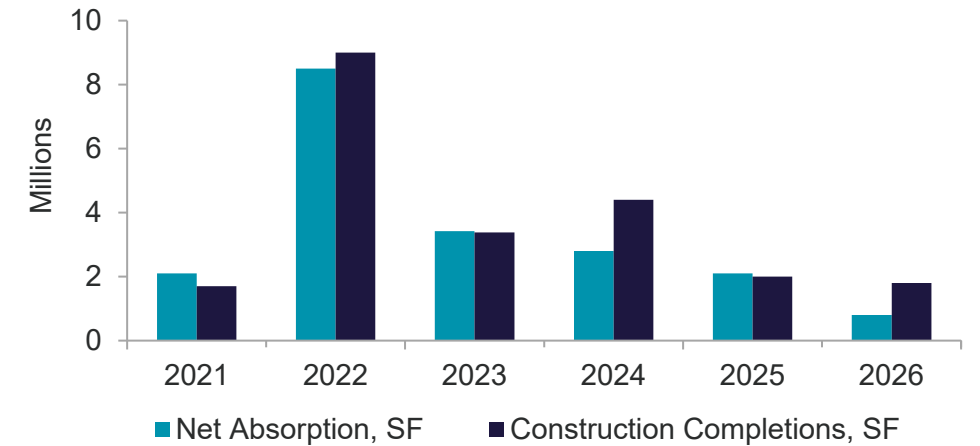
**SUPPLY AND DEMAND: LEASING ACTIVITY MODERATES**

First quarter leasing activity topped 860,000 square feet (sf), a drop from the same time period last year with the biggest softness in demand coming from larger second-generation Class B/C space. Deliveries edged absorption in the first quarter with the completion of two large speculative (spec) projects: the three-building Whitepine Logistics Center complex in Chesterfield, and the I-895 Logistics Center, Ashley Capital's new 582,000-sf development in the RIC Airport area. Completions also included 700,000 sf of data center space. Vacancy closed the quarter at 4.6% overall, an increase of 70 basis points (bps) quarter-over-quarter and 130 bps YOY due in large part to the spec projects mentioned above, both of which delivered vacant. The construction pipeline remains active and balanced with more than 2 million square feet (msf) of spec space currently underway. Prospect activity remains stable with significant demand for modern distribution space that is likely to offset the recent increased vacancy in newly delivered buildings over the next four quarters.

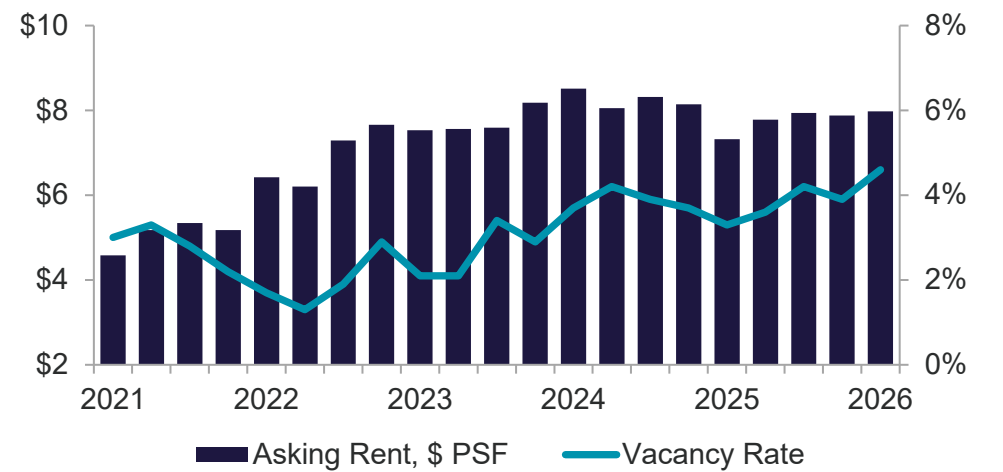
**PRICING: RENT GROWTH STABLE**

Quoted lease rates for warehouse space ticked up 5.5% YOY with warehouse rents up 8.1% in the same time period. Asking rates for Class A product continue to land in the mid \$9 per square foot range, and while typically not published, market rates for new construction range higher. Sales slowed in the first quarter with \$44.5 million in total volume after an active fourth quarter, less a sign of waning investor interest than a limited supply of quality offerings. Sales activity is forecast to increase significantly through 2026 with multiple larger offerings on the market and receiving extremely strong interest.

**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)
Downtown	72,229	0	0.0%	0	0	0	0	-	-	-
Northeast	16,177,548	446,927	2.8%	-126,235	-126,235	37,500	0	\$10.75	\$15.00	\$9.50
Northwest	24,335,358	1,983,861	8.2%	-128,669	-128,669	307,000	0	\$8.41	\$13.49	\$11.65
Southeast	27,344,273	978,396	3.6%	883,927	883,927	2,795,761	1,282,424	-	\$11.45	\$8.09
Southwest	51,464,354	2,093,186	4.1%	128,546	128,546	3,011,760	501,224	\$6.49	\$12.00	\$6.55
<b>RICHMOND TOTALS</b>	<b>119,393,762</b>	<b>5,502,370</b>	<b>4.6%</b>	<b>757,569</b>	<b>757,569</b>	<b>6,152,021**</b>	<b>1,783,648**</b>	<b>\$7.07</b>	<b>\$13.32</b>	<b>\$8.13</b>

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

\*\*Includes data center buildings: 2,252,061 sf under construction & 700,000 sf YTD completions

KEY LEASE TRANSACTIONS Q1 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Lakeridge Logistics Center (10383 Lakeridge Pkwy)	I-95 North/Ashland	Rosendin Electric	124,750	New
River's Bend (701 Liberty Way)	I-95 S/I-295 S/Rt 10	DPR Construction	123,980	New
1703 Ruffin Mill Road	I-95 S/I-295 S/Rt 10	Gaylor Electric	104,000	New
14174 N Washington Highway	I-95 North/Ashland	Dematic	96,725	New
2400 Elliham Avenue	Jeff Davis Corridor	Wholesale Millwork, Inc.	70,000	New

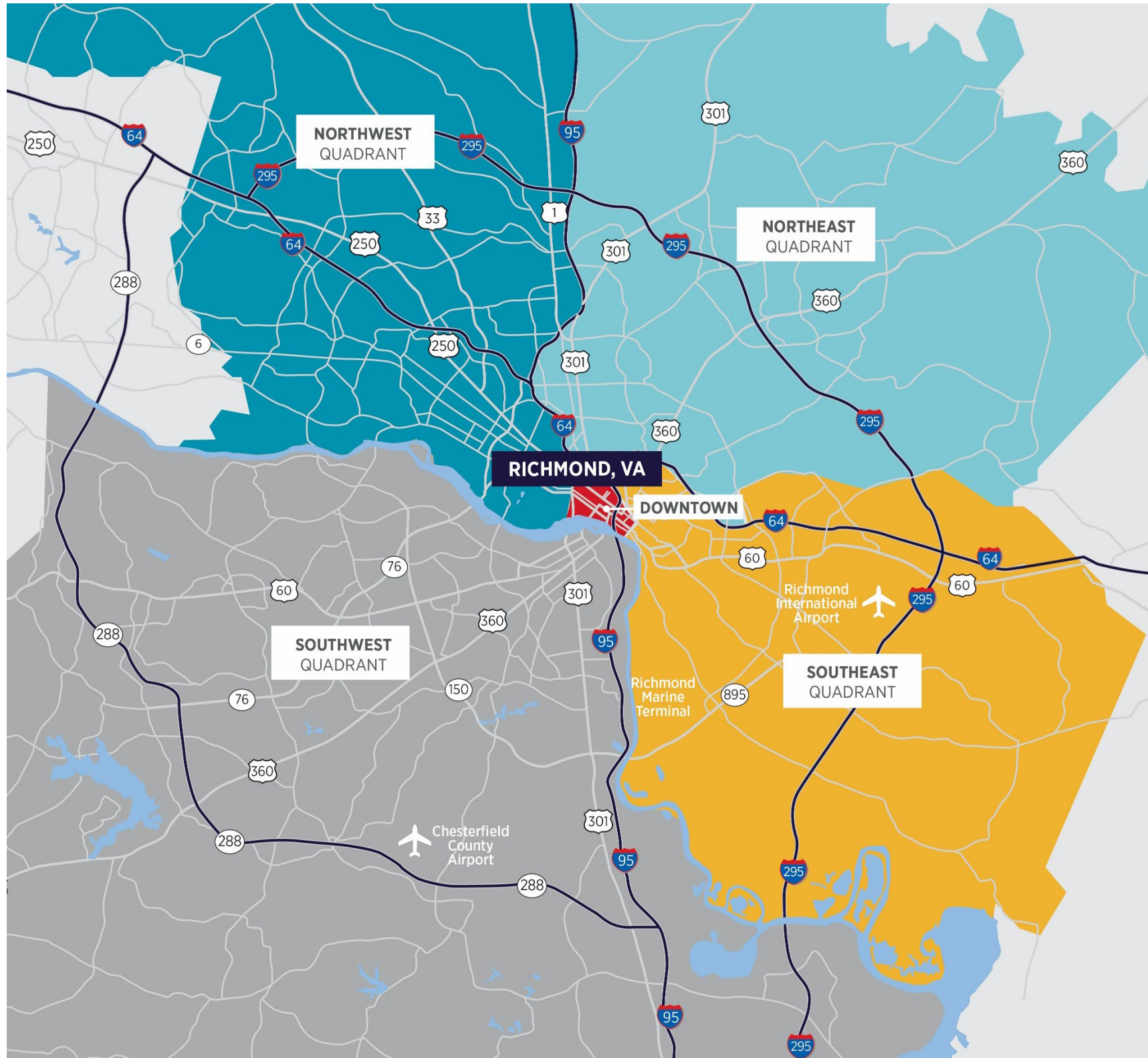
KEY SALE TRANSACTIONS Q1 2026

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
Falling Creek Warehouse (2-Building Portfolio)	Midlothian Corridor	IWH Capital / Feldman Bergin Development	220,693	\$22M / \$100

KEY CONSTRUCTION PIPELINE

PROPERTY	SUBMARKET	MAJOR TENANT	SF	DELIVERY DATE	OWNER/DEVELOPER
Meadowville Technology Park	I-95 S/I-295 S/Rt 10	LEGO Group	1,700,000	Q1 2027	LEGO Group
PNK Park Ashton	I-95 S/I-295 S/Rt 10	(Spec)	846,260	Q3 2026	PNK Holdings
I-895 Logistics Center	Airport	(Spec)	582,424	Q1 2026	Ashley Capital
Whitepine Logistics Center (1, 2 & 3)	Rt 288 Corridor	(Spec)	501,224	Q1 2026	Frampton Construction
White Oak Distribution Center (1 & 2)	Airport	(Spec)	373,360	Q4 2026	Lingerfelt
Axial Rockville 64 (1 & 2)	Goochland	(Spec)	335,300	Q1 2026	AXIAL Industrial
West Creek Commerce Center	Goochland	(Spec)	221,231	Q4 2026	Summit Real Estate
Northlake II (D)	I-95 North/Ashland	(Spec)	202,608	Q4 2026	Matan
Airport Logistics Center (4)	Airport	(Spec)	187,500	Q2 2026	Ares Industrial

INDUSTRIAL SUBMARKETS



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