

**MARKET FUNDAMENTALS**

	YOY Chg	Outlook
<b>\$86,900</b> Median HH Income	▲	▲
<b>0.7%</b> Population Growth	▼	▲
<b>3.5%</b> Unemployment Rate	▲	▬

Source: BLS  
 \*Q4 2025

**ECONOMIC INDICATORS**

	YOY Chg	Outlook
<b>2.2%</b> GDP Growth	▼	▲
<b>2.2%</b> Consumer Spending Growth	▼	▲
<b>1.3%</b> Retail Sales Growth	▼	▬

Source: BEA, Census Bureau

**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. Richmond National will also expand its Richmond headquarters in western Henrico, increasing its local headcount to over 275 employees. 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.

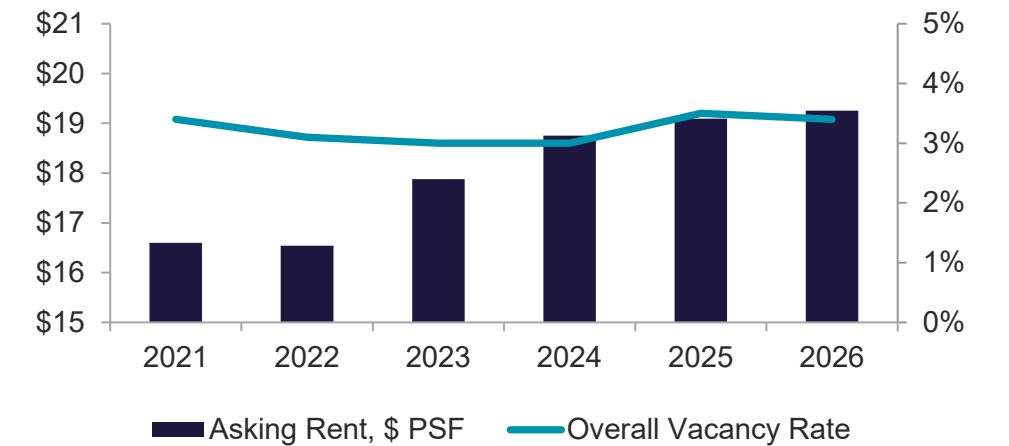
**SUPPLY AND DEMAND: VACANCY COMPRESSED**

Overall vacancy closed the quarter at 3.4%, down 10 basis points (bps) quarter-over-quarter and up 20 bps year-over-year. Leasing activity topped 277,000 square feet (sf), down compared to the same period last year, and more an indication of supply-side shortages than tenant interest in the market. Multiple new upscale restaurant concepts and premium fitness users continue to circle the market with a focus on the pipeline of new development projects both planned and currently underway. Just over 395,000 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. Preleasing is also well underway for the retail component of the Diamond District, a new mixed-use development anchored by minor league baseball stadium, CarMax Park, offering first generation space in a rare central infill location.

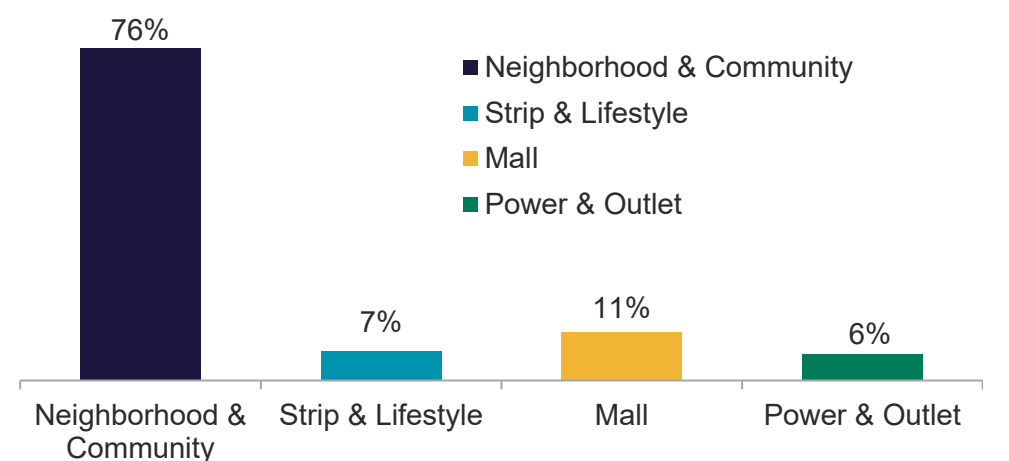
**PRICING: GROWTH RATES STABLE**

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. Asking rents for new development projects currently range from \$42 to \$55 per square foot in the Richmond market. Sales volume topped \$61 million for the quarter, including the sale of the Hobby Lobby location in Short Pump for \$9.7 million.

**OVERALL VACANCY & ASKING RENT**



**AVAILABILITY BY PRODUCT TYPE**



MARKET STATISTICS

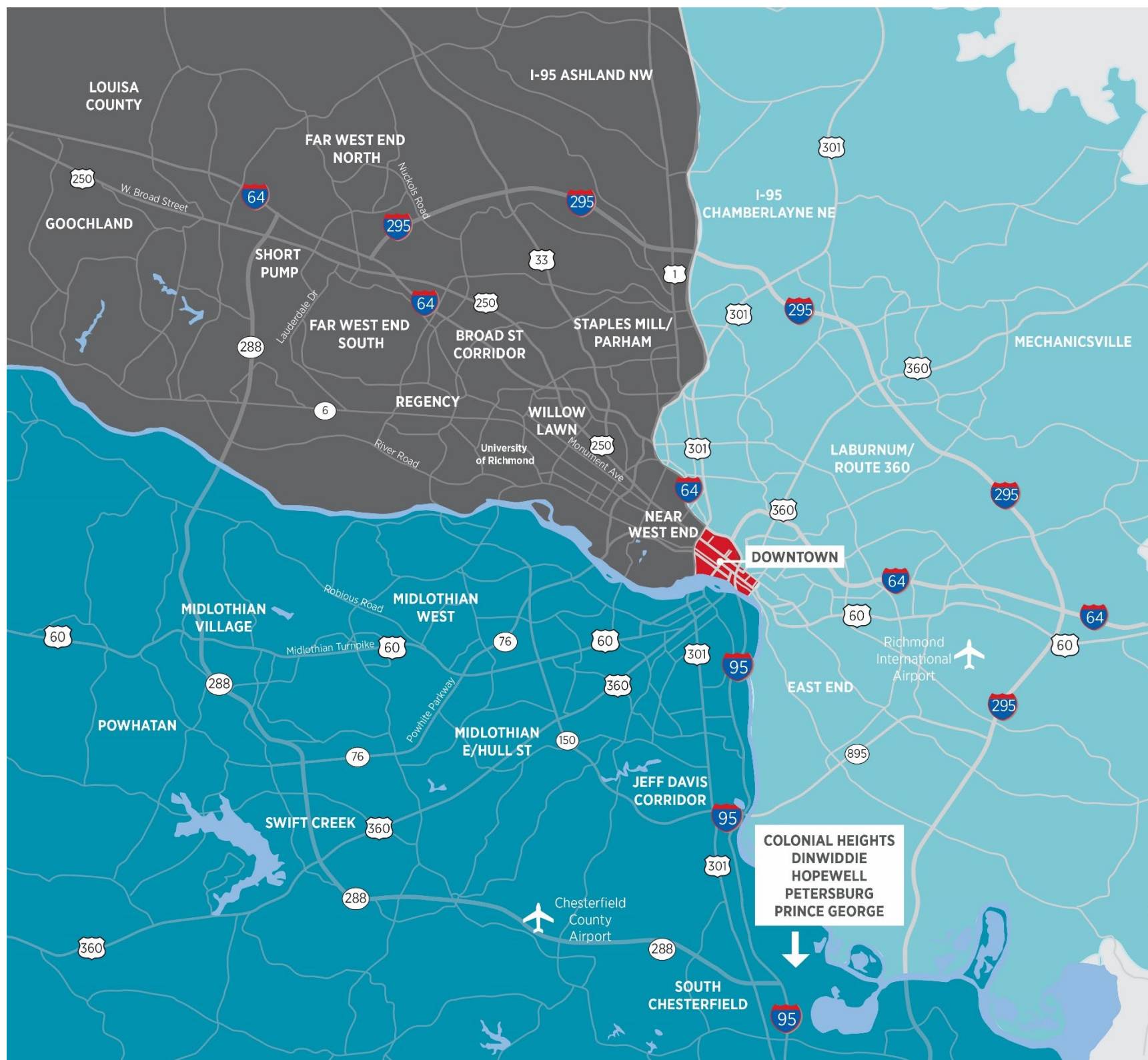
SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (NNN)*
Broad St Corridor	4,799,338	222,360	0	4.6%	-19,224	-19,224	8,400	\$24.73
Colonial Heights	3,422,335	94,818	3,600	1.9%	-36,170	-36,170	20,645	\$18.78
Dinwiddie	546,830	19,109	0	3.5%	0	0	-	-
Downtown	2,287,600	72,945	0	3.2%	-20,208	-20,208	1,620	\$23.40
East End	4,216,787	128,574	0	3.0%	-6,782	-6,782	-	\$18.25
Far West End North	316,257	2,028	0	0.6%	-2,028	-2,028	-	-
Far West End South	1,349,393	60,960	0	4.5%	-2,518	-2,518	-	\$18.15
Goochland	569,563	9,441	0	1.7%	-1,441	-1,441	-	-
Hopewell	1,268,871	153,828	0	12.1%	7,175	7,175	-	\$17.83
I-95 Ashland/NW	2,343,045	82,966	0	3.5%	14,181	14,181	4,760	\$15.23
I-95 Chamberlayne/NE	1,272,314	12,339	0	1.0%	6,500	6,500	2,500	\$12.66
Jeff Davis Corridor	3,003,347	36,567	0	1.2%	-9,121	-9,121	2,808	\$17.37
Laburnum/Route 360	2,865,486	98,619	0	3.4%	83,110	83,110	9,255	\$16.03
Louisa County	1,011,873	28,492	0	2.8%	0	0	-	\$9.28
Mechanicsville	3,025,335	119,685	0	4.0%	6,034	6,034	133,000	\$14.70
Midlothian E/Hull St	6,781,031	411,196	10,958	6.2%	24,019	24,019	7,000	\$14.69
Midlothian Village	2,025,502	124,929	0	6.2%	18,109	18,109	14,000	\$25.31
Midlothian West	6,902,202	164,878	147,657	4.5%	18,951	18,951	96,507	\$26.94
Near West End	3,549,563	101,212	4,332	3.0%	7,810	7,810	2,550	\$24.92
New Kent County	628,365	1,250	0	0.2%	1,000	1,000	-	-
Petersburg	2,949,251	119,650	0	4.1%	-2,801	-2,801	-	\$14.11
Powhatan	870,430	16,750	0	1.9%	9,232	9,232	12,750	\$21.86
Prince George	1,183,800	21,071	0	1.8%	-6,148	-6,148	-	\$18.00
Regency	2,140,740	107,967	0	5.0%	3,218	3,218	-	\$27.47
Short Pump	4,590,620	31,449	0	0.7%	27,598	27,598	7,000	\$34.00
South Chesterfield	4,018,289	60,391	41,117	2.5%	8,648	8,648	10,315	\$17.65
Staples Mill/Parham	4,364,890	84,223	0	1.9%	23,441	23,441	33,440	\$23.93
Swift Creek	4,142,486	72,196	0	1.7%	-5,567	-5,567	29,000	\$23.69
Willow Lawn	3,040,472	72,948	0	2.4%	-13,714	-13,714	-	\$22.31
<b>RICHMOND TOTALS</b>	<b>79,486,015</b>	<b>2,532,841</b>	<b>207,664</b>	<b>3.4%</b>	<b>133,304</b>	<b>133,304</b>	<b>395,550</b>	<b>\$19.25</b>

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

KEY LEASE TRANSACTIONS Q1 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Parham One Shopping Center	Staples Mill/Parham	Burlington	23,525	New
3511 West Broad Street	Near West End	Premier Choreography	9,800	New
Stony Point Village	Midlothian West	Vicious Biscuit	3,678	New
Short Pump Station	Short Pump	Kura Sushi	3,200	New
Harbour Pointe Station	Midlothian West	Shake Shack	3,200	New

RETAIL SUBMARKETS



**LIZ GREVING**  
Associate Director, Research  
Tel: +1 804 697 3560  
[liz.greving@thalhimer.com](mailto:liz.greving@thalhimer.com)

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