MARKETBEAT
FREDERICKSBURG, VA
INDUSTRIAL Q2 2026

MARKET FUNDAMENTALS

	YOY Chg	Outlook
6.2% Vacancy Rate	▼	▼
1.17M YTD Net Absorption, SF	▼	▲
$10.80 Asking Rent, PSF	▲	▲

(Overall, Net Asking Rent)

ECONOMIC INDICATORS

	YOY Chg	Outlook
73.5K Fredericksburg MSA Employment*	▼	▲
3.9% Fredericksburg MSA Unemployment Rate*	▲	▼
4.2% U.S. Unemployment Rate	—	▲

Source: BLS

ECONOMY: TECHNOLOGY AND TALENT FUEL MOMENTUM

Fredericksburg's market continues to benefit from significant economic investment, infrastructure expansion, and workforce growth. The Fredericksburg Regional Alliance recently rebranded as Virginia's Innovation Crossroads Alliance at the University of Mary Washington, reinforcing the region's focus on global engagement and innovation. Mary Washington Healthcare was recognized by Newsweek as one of America's Greatest Workplaces for Entry-Level Employees in 2026, highlighting the strength of the area's labor market. The region's technology sector continues to expand, with STACK Infrastructure placing the final beam on the first building of its 500-acre Stafford Technology Campus, a development expected to generate approximately $80 million (M) in annual tax revenue at full buildout. Additionally, Virginia Railway Express (VRE) commuter rail ridership approached 2.0M riders in fiscal year 2025, a 25% increase over the prior year, reflecting growing regional connectivity and population movement.

SUPPLY AND DEMAND: DATA CENTER GROWTH CONTINUES

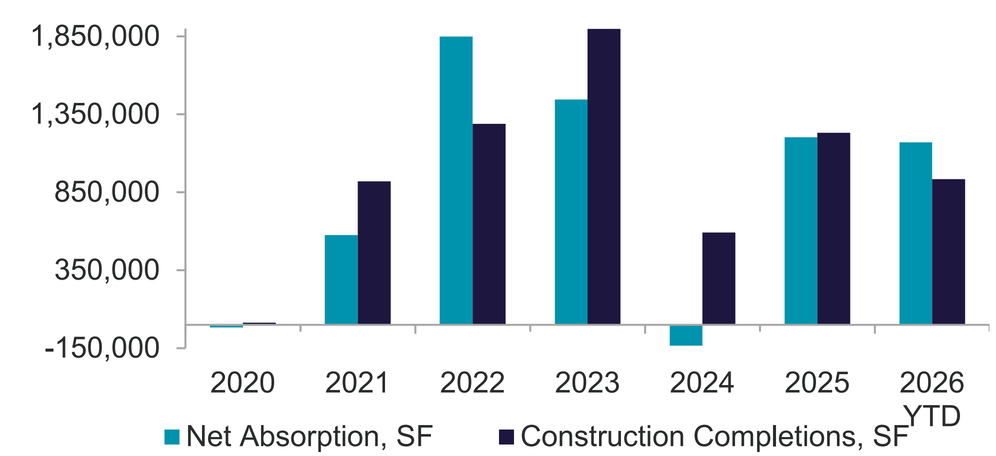
Overall vacancy increased 260 basis points (bps) quarter-over-quarter (QOQ) and has decreased 10 bps year-over-year (YOY). The Capital 95 Logistics building, developed by Flint Development delivered during the quarter, adding 934,523 sf of speculative warehouse space to Stafford County. Notably, more than 71.2% 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 244,968 sf for the quarter, an increase of over 13.8% compared to the same time last year. The largest transaction was located at Austin Ridge Logistics Center. Developed by NorthPoint Development and located at 2125 Austin Ridge Drive in Stafford County, an undisclosed tenant leased 147,379 sf of Class A distribution space.

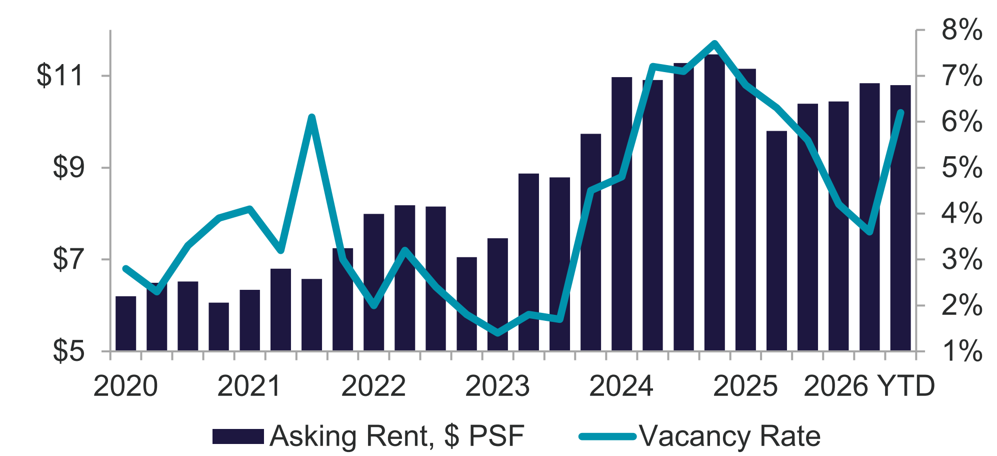
PRICING: RATE INCREASES FLATTEN & SALES PUSH LIMITS

Overall quoted rates remained essentially flat QOQ and increased over 10.2% YOY. Sales volume for the quarter topped $1.8M and $130M year-to-date (YTD). The sale of the 10,540-sf building at 17186 Alliance Dr in Caroline County led the transfers for the quarter, trading to Total Civil Construction & Millwork for $913.5K, or $86.86 per-square-foot (psf). Also notable for the region was the first quarter sale of Northern Virginia Gateway Phase II, which contributed to a majority of the yearly sales volume. This newly constructed 559,480-sf facility sold to Dogwood Industrial Properties for $111M, or $198.40 psf.

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	3,152,734	63,341	2.0%	0	-63,341	980,000	0	-	-	-
Fredericksburg City	1,438,087	15,109	1.1%	0	0	0	0	-	-	$10.01
King George County	540,797	12,000	2.2%	-12,000	-12,000	0	0	-	-	-
Spotsylvania County	6,723,148	266,997	4.0%	-48,970	-157,531	1,135,675	0	-	$16.00	$10.68
Stafford County	9,442,700	955,463	10.1%	625,659	1,403,599	1,264,346	934,523	$15.00	-	$11.46
FREDERICKSBURG TOTALS	**21,297,466**	**1,312,910**	**6.2%**	**564,689**	**1,170,727**	**3,380,021**	**934,523**	**$15.00**	**$16.00**	**$10.71**

Rental rates reflect weighted net asking $psf/year

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

KEY LEASE TRANSACTIONS Q2 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
2125 Austin Ridge Dr	Stafford County	Undisclosed	147,379	New
5160 Lad Land Dr	Spotsylvania County	Undisclosed	30,014	New
3010 Mine Rd	Spotsylvania County	Radley Imports, Inc.	24,000	Renewal
650 Corporate Dr	Stafford County	AMI Industries, USA Branch	10,845	New
202 Freedom Ct	Spotsylvania County	OHA	10,800	New

Renewals are included in leasing activity

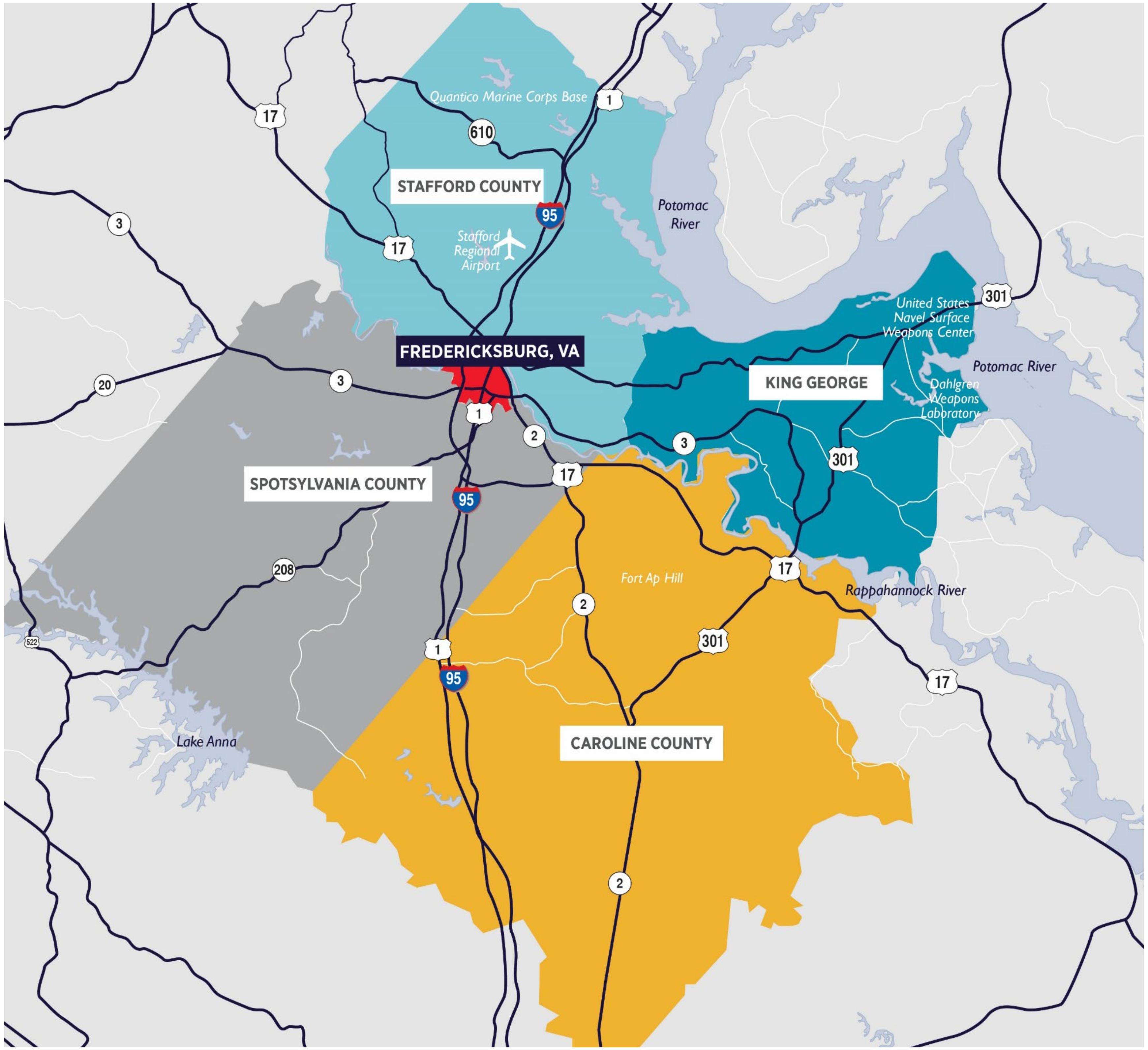
KEY SALE TRANSACTIONS Q2 2026

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
17186 Alliance Dr	Caroline County	Undiclosed / Total Civil Construction & Millwork	10,540	$913.5K / $86.67
39 McWhirt Loop	Stafford County	Just N-Tyme Automotive / DTC Enterprises Inc	4,033	$907.5K / $225.02

KEY UNDER CONSTRUCTION PROJECTS Q2 2026

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER / DEVELOPER
6241 Patriot Hwy – Patriot 5 Logistics	Spotsylvania County	Undisclosed	555,675	Flint Development / Vakos Real Estate Services
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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