FREDERICKSBURG, VA

RETAIL Q2 2026

CUSHMAN & WAKEFIELD THALHIMER

MARKET FUNDAMENTALS

	YOY Chg	Outlook
$108,500 Median HH Income	▲	▲
1.6% Population Growth	▼	▲
3.9% Unemployment Rate	▲	▼

Source: BLS

ECONOMIC INDICATORS

	YOY Chg	Outlook
2.2% GDP Growth	▲	▲
2.1% Consumer Spending Growth	▼	▲
1.5% Retail Sales Growth	▼	▲

Source: BEA, Census Bureau

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: LEASING ACTIVITY INCREASES

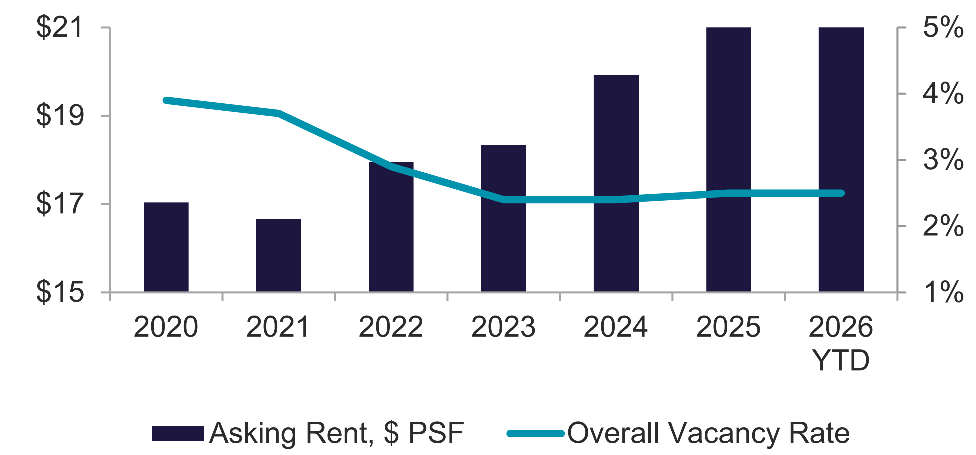
Overall vacancy closed the quarter at 2.7%, increasing 20 basis points (bps) quarter-over-quarter (QOQ) and up 10 bps year-over-year (YOY). Despite the increase, overall vacancy continues to remain around historically low levels. Second quarter leasing activity saw a 26.7% increase in activity compared to the previous quarter totaling 135,569 square feet (sf). The top lease transaction for the quarter was located at 3501-3545 Plank Rd in Spotsylvania County where Floor & Décor leased 50,000 sf of space.

The region saw 25,843 sf of deliveries throughout the quarter. The largest delivery was KinderCare Education located at 923 Maple Grove Dr. This 14,147-sf day care center is located in Spotsylvania County.

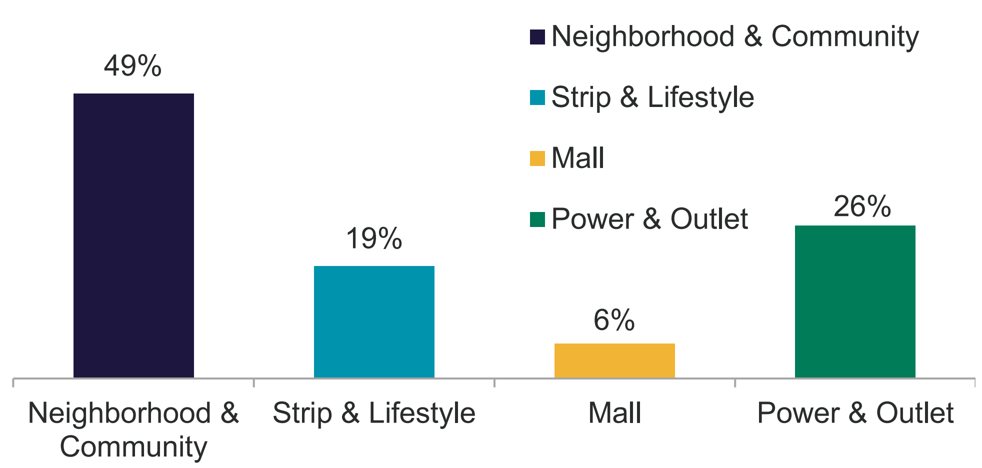
PRICING: INCREASED RETAIL INVESTMENT ACTIVITY

While overall quoted rates remained essentially flat QOQ, and increased 7.4% YOY. Rates for neighborhood and community center space remained flat QOQ and strip centers and lifestyle centers saw a 5.7% increase QOQ. Sales volume for the quarter reached over $24.0M with the largest transaction being located at 10901 Courthouse Rd. This 6,464-sf auto repair shop transacted for $2.0M, or $309.41 per-square-foot (psf).

SPACE DEMAND / DELIVERIES



AVAILABILITY BY PROPERTY 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)*
Caroline County	960,962	13,190	0	1.4%	6,020	14,020	0	$26.72
Fredericksburg City	5,372,792	129,348	7,742	2.6%	22,494	-22,312	0	$27.17
King George County	1,145,783	10,900	0	1.0%	-1,500	-1,500	0	$31.00
Spotsylvania County	8,516,636	266,594	45,824	3.7%	1,327	-37,419	12,693	$21.76
Stafford County	5,858,697	107,159	0	1.8%	17,624	30,410	2,265	$21.13
FREDERICKSBURG TOTALS	**21,854,870**	**527,131**	**53,566**	**2.7%**	**45,965**	**-16,811**	**14,958**	**$22.38**

Rental rates reflect Triple Net asking $PSF/Year

KEY LEASE TRANSACTIONS Q2 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
3501-3545 Plank Rd	Spotsylvania County	Floor & Décor	50,000	New
5041-5099 Patriot Hwy	Spotsylvania County	Latino Market	10,753	New
736 Warrenton Rd	Stafford County	D-BAT	8,450	New
930 Garrisonville Rd	Stafford County	Chick-Fil-A	5,736	New
26-32 Doc Stone Rd	Stafford County	Burn Boot Camp	4,800	New

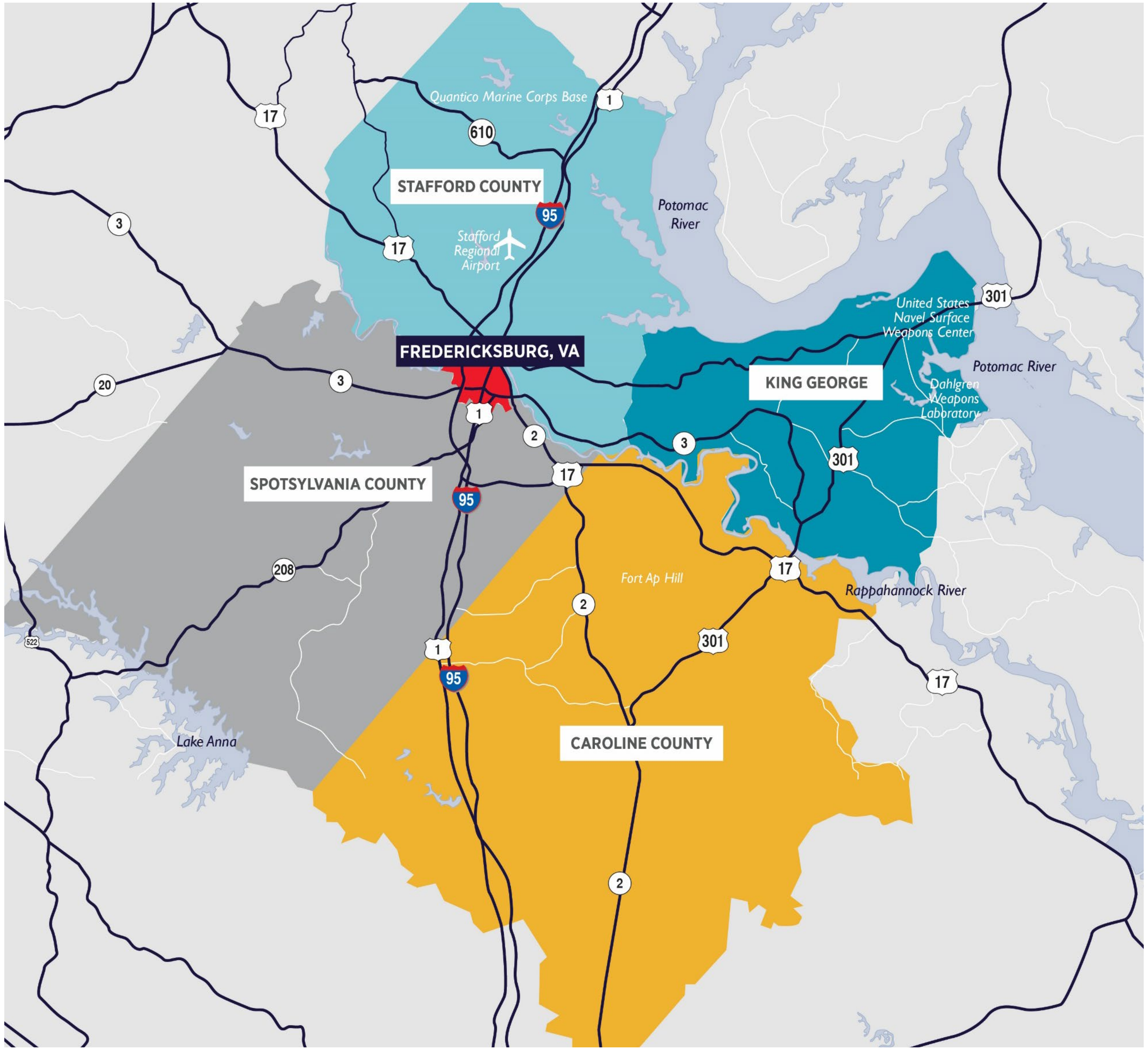
KEY SALES TRANSACTIONS Q2 2026

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / $ PSF
10901 Courthouse Rd	Spotsylvania County	Systech Automotive Group Inc. / 10901 Courthouse Road LLC	6,464	$2.0M / $309.41
1171 Garrisonville Rd	Stafford County	UCC Retrievals / Undisclosed	5,798	$3.7M / $629.80
7110 Harrison Rd	Spotsylvania County	Undisclosed / Undisclosed	4,493	$4.9M / $1,090.59
5801 Plank Rd	Spotsylvania County	A J Holdings Group LLC / Getty Realty Corp.	3,735	$2.6M / $686.39
1980 Carl D Silver Pky	Fredericksburg City	MCB Real Estate / Topside Federal Credit Union	3,650	$1.9M / $506.85

KEY UNDER CONSTRUCTION 2026

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER / DEVELOPER
12016 Old Salem Church Rd	Spotsylvania County	Undisclosed	9,000	N/A
2000 New Post Blvd	Spotsylvania County	Mcdonald's	3,693	N/A
950 Wonder Rd	Stafford County	Popeyes	2,265	B.M. Smith & Associates, Inc. / B.M. Smith & Associates, Inc.

RETAIL SUBMARKETS



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