MARKETBEAT

RICHMOND, VA

OFFICE Q2 2026

CUSHMAN & WAKEFIELD

THALHIMER

MARKET FUNDAMENTALS

	YOY Chg	Outlook
11.1% Vacancy Rate	▼	▼
205.3K YTD Net Absorption, SF**	▲	▲
$23.69 Asking Rent, PSF	▲	▲

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	Outlook
727.3K Richmond MSA Employment	▼	▲
3.8% Richmond MSA Unemployment Rate	▲	▼
4.2% U.S. Unemployment Rate	▬	▲

Source: BLS

ECONOMY: DIVERSE INDUSTRY BASE

The Richmond region saw sustained growth through the first half of the year, with unemployment rates well below national numbers. Greater Richmond continues to outperform peer markets in job growth, and 2026 rankings from Fortune magazine name the region as one of the most corporate-headquarters-dense metros in the country with 12 locally headquartered companies in the Fortune 1000. The region's diverse industry base remains a key factor in the stability of the job market, and the expansive presence of VCU and VCU Health, which generates more than $15.8 billion in annual economic impact and supports more than 80,000 jobs, reinforces the talent pipeline and innovation ecosystem. Development from major anchors like Eli Lilly, who is planning a $5 billion manufacturing campus in West Creek, is likely to spur a wave of secondary demand from related consulting and research firms and to support the continued growth of skilled employment and talent inflow.

SUPPLY AND DEMAND: OCCUPANCY RATE RISE CONTINUES

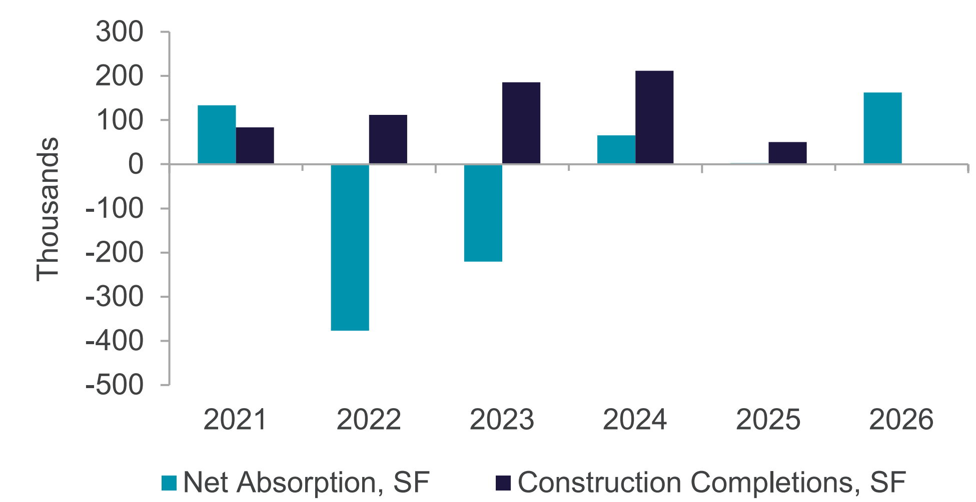
Overall vacancy closed the quarter at 11.1%, down 140 basis points (bps) year-over-year (YOY) and down 70 bps quarter-over-quarter (QOQ). Overall absorption numbers continue to trend upward totaling more than 543,000 square feet (sf) over the last four quarters. Sublease offerings continue to drop, down 44.5% QOQ in terms of available square footage, while sublease space currently accounts for just 0.05% of the total vacancy. Below-market sublease rates and unpriced offerings continue to impact average quoted pricing in several submarkets, pushing published Class A numbers below overall rates.

Leasing activity closed the quarter at just over 490,000 sf with more than 2 million square feet (msf) leased since the midyear mark of last year. Suburban Class A product has seen the lion's share of deals, accounting for more than 34.8% of activity over the last four quarters in terms of square footage. Speculative construction remains limited to one new 15,000 sf development near the highly desirable Libbie Avenue corridor in the West End. Two medical office projects are underway in Chesterfield County, totaling 93,000 sf, with limited residual space available for lease. Renovations continue to progress at Midtown 64, the former Genworth campus, which will bring more than 130,000 sf of modern office space online in a mixed-use setting. The appetite for well-located trophy office remains robust with Davenport & Company announcing plans to relocate its downtown headquarters to the Kinsale building in the West End, a move driven in large part to create more convenient access for clients.

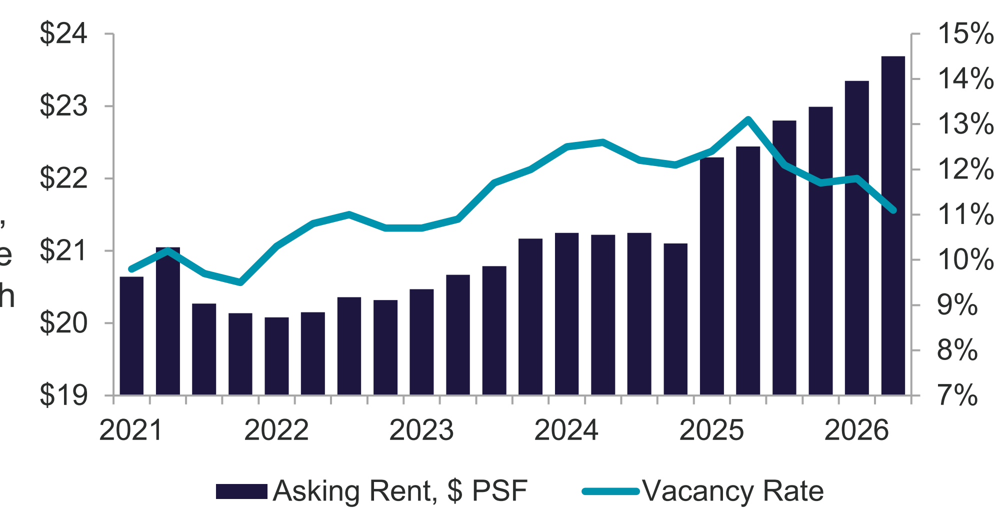
PRICING: RENT GROWTH STABLE

Overall quoted lease rates are up 5.5% YOY and up almost 9.2% since the start of 2024 with sustained demand for quality product. Class A rates for suburban product continue to climb, closing the quarter up 7.7% YOY while CBD Class A rates remained effectively flat.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

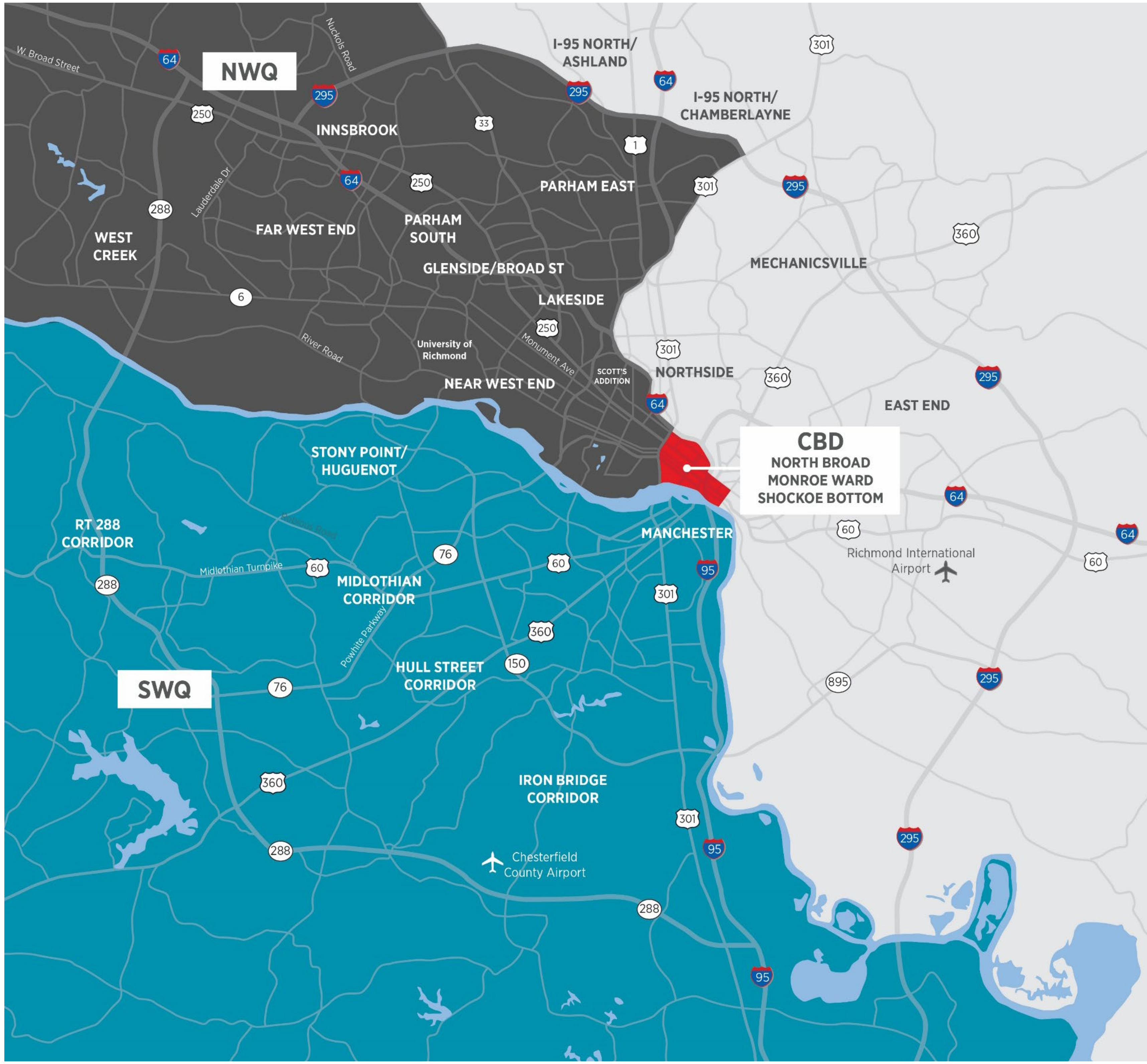
SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)**	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
CBD	5,512,000	766,936	6,469	14.0%	18,429	5,981	90,851	-	$25.64	$26.76
East End	557,470	14,717	0	2.6%	30,421	-1,002	3,000	-	-	-
Far West End	686,136	112,795	0	16.4%	2,555	0	5,080	-	$23.72	-
Glenside/Broad St	4,051,580	624,325	75,849	17.3%	113,971	107,244	64,956	-	$21.18	-
Hull Street Corridor	839,340	2,200	0	0.3%	27,700	27,700	900	-	$23.08	-
I-95 N/Ashland	329,396	39,128	0	11.9%	-264	-37,528	389	-	$15.17	-
I-95 N/Chamberlayne	158,061	2,500	0	1.6%	6,000	3,500	0	-	$19.04	-
Innsbrook	6,058,769	742,379	73,327	13.5%	-120,186	-65,074	242,673	-	$22.98	$24.26
Iron Bridge Corridor	924,107	103,915	6,318	11.9%	3,707	4,207	16,307	-	$21.80	$21.00
Lakeside	211,595	5,916	0	2.8%	-272	6,791	10,660	-	$20.11	-
Manchester	647,463	22,585	0	3.5%	3,834	4,543	13,720	-	$25.09	$25.39
Mechanicsville	895,573	97,454	0	10.9%	-1,967	-40,255	17,760	-	$20.50	-
Midlothian Corridor	3,340,286	426,388	4,611	12.9%	-9,333	43,272	103,492	-	$22.64	$23.38
Monroe Ward	966,547	118,770	0	12.3%	-8,640	-8,376	5,075	-	$20.56	$23.50
Near West End	1,174,381	33,729	7,020	3.5%	22,844	53,605	27,737	-	$30.05	-
North Broad	1,236,834	130,754	9,000	11.3%	-75,181	-75,181	49,572	-	$26.58	-
Northside	123,005	0	0	0.0%	0	0	0	-	-	-
Parham East	2,130,360	71,559	0	3.4%	-9,166	-6,303	5,420	-	$19.65	$19.95
Parham South	679,956	49,158	0	7.2%	17,814	30,042	29,455	-	$18.37	-
Rt 288 Corridor	956,874	62,251	0	6.5%	7,130	7,725	17,451	93,000	$35.38	$40.23
Shockoe Bottom	616,158	107,946	0	17.5%	5,395	-30,833	22,321	-	$23.57	-
Stony Point/Huguenot	1,132,644	54,029	4,148	5.1%	6,466	37,352	34,364	-	$26.44	$24.95
West Creek	788,027	38,967	0	4.9%	1,712	1,712	1,800	-	$37.87	-
West End	2,501,155	208,107	11,969	8.8%	183,052	136,205	170,215	15,000	$21.15	-
RICHMOND TOTALS	**36,517,717**	**3,836,508**	**198,711**	**11.1%**	**226,021**	**205,307**	**933,198**	**108,000**	**$23.69**	**$25.55**

*Rental rates reflect full service asking
**Total does not match US MarketBeat table

KEY LEASE TRANSACTIONS Q2 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Marwaha Business Plaza (9954 Mayland Dr)	Innsbrook	McKesson Medical-Surgical Inc.	119,779	Renewal
2035 Maywill St	West End	Davenport & Company	117,860	New
9881 Mayland Dr	Innsbrook	Next Frontier Recovery	42,774	New
600 East Broad St	East Broad	VA Department of Veterans Services	34,051	New
2151 Old Brick Road	Far West End	South University	32,987	Renewal
Lake Brook Commons (4851 Lake Brook Dr)	Innsbrook	Autism Society of Central Virginia	22,074	New
Two James Center (1021 E Cary St)	CBD	Morgan & Morgan DC	17,166	New
1610 Forest Ave	Glenside/Broad St	StarCity Behavioral Health	13,289	New

OFFICE SUBMARKETS



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