MARKETBEAT

CHARLOTTESVILLE, VA

OFFICE Q3 2026

CUSHMAN & WAKEFIELD THALHIMER

MARKET FUNDAMENTALS

	YOY Chg	Outlook
4.9% Vacancy Rate	▼	▼
117.8K YTD Net Absorption, SF	▲	▲
$26.90 Asking Rent, PSF *(Overall, All Property Classes)*	▼	▼

ECONOMIC INDICATORS

	YOY Chg	Outlook
115.8K Charlottesville Employment	▼	▲
3.8% Charlottesville Unemployment Rate	▼	▼
4.2% U.S. Unemployment Rate	▼	▲

Source: BLS

ECONOMY: ECONOMIC DRIVERS & DEVELOPMENT MOMENTUM

Charlottesville continues to benefit from strong economic momentum and growing regional investment activity. Tourism remains a key driver, with visitor spending in Charlottesville and Albemarle County surpassing $1 billion for the first time in 2025. Charlottesville's Downtown Mall celebrated its 50th anniversary, now attracting nearly 2.8 million (M) visitors annually. At the same time, the region is emerging as a major hub for technology and advanced manufacturing, supported by significant data center development in Louisa County, including multiple large-scale projects totaling millions of square feet, as well as more than $120M in commitments from leading pharmaceutical companies to establish workforce training initiatives. These investments are strengthening the area's economic foundation, supporting job growth, and reinforcing Central Virginia's appeal to businesses, residents, and investors alike.

SUPPLY AND DEMAND: VACANCY REMAINS STEADY

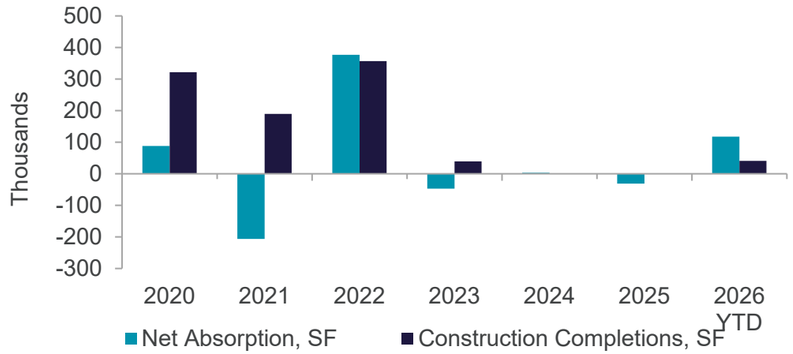
The vacancy rate remained flat quarter-over-quarter (QOQ) and decreased 90 basis points (bps) year-over-year (YOY). For reporting purposes, the class B sublease space in the former State Farm building has been excluded from the vacancy numbers. Large block availability remains constrained, making growth for tenants in the market difficult. Leasing activity topped 48,714 square feet (sf) for the quarter, an increase of over 23.2% compared to the previous quarter. The largest lease transaction was located at 946 Grady Ave where CoStar Group renewed 10,926 sf of space. Following behind was 316-318 E Main St, where an undisclosed tenant leased 5,690 sf of space.

PRICING: MEDICAL OFFICE INVESTMENT ACTIVITY

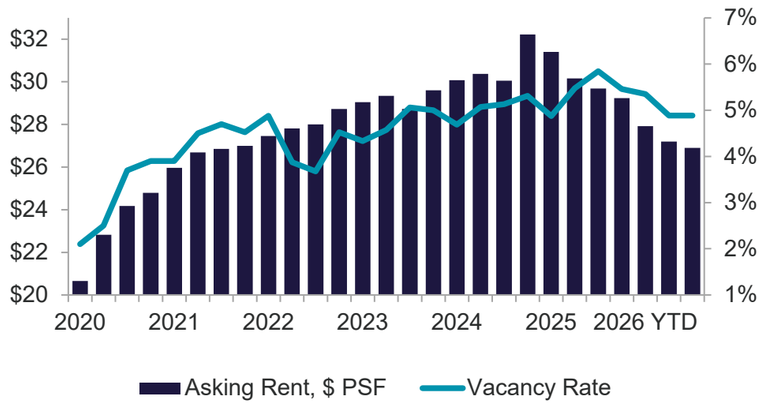
Quoted lease rates saw a slight drop, decreasing just over 1.1% QOQ. Sales volume for the quarter has reached over $40.7M and over $56.9M year-to-date (YTD). The largest transaction was the transfer of Riverside Medical Center.

This 111,316-sf medical outpatient campus sold to Boyd Watterson Global for $45.2M, or $406.05 per-square-foot (psf) and the building was fully leased at the time of sale. The second largest transaction was the transfer of Luxor Commercial Center, a 23,532-sf two building medical office portfolio. Southern Development homes purchased the asset for $6.6M, or $280.00 psf from Denstock Management, LLC.

SPACE DEMAND / DELIVERIES

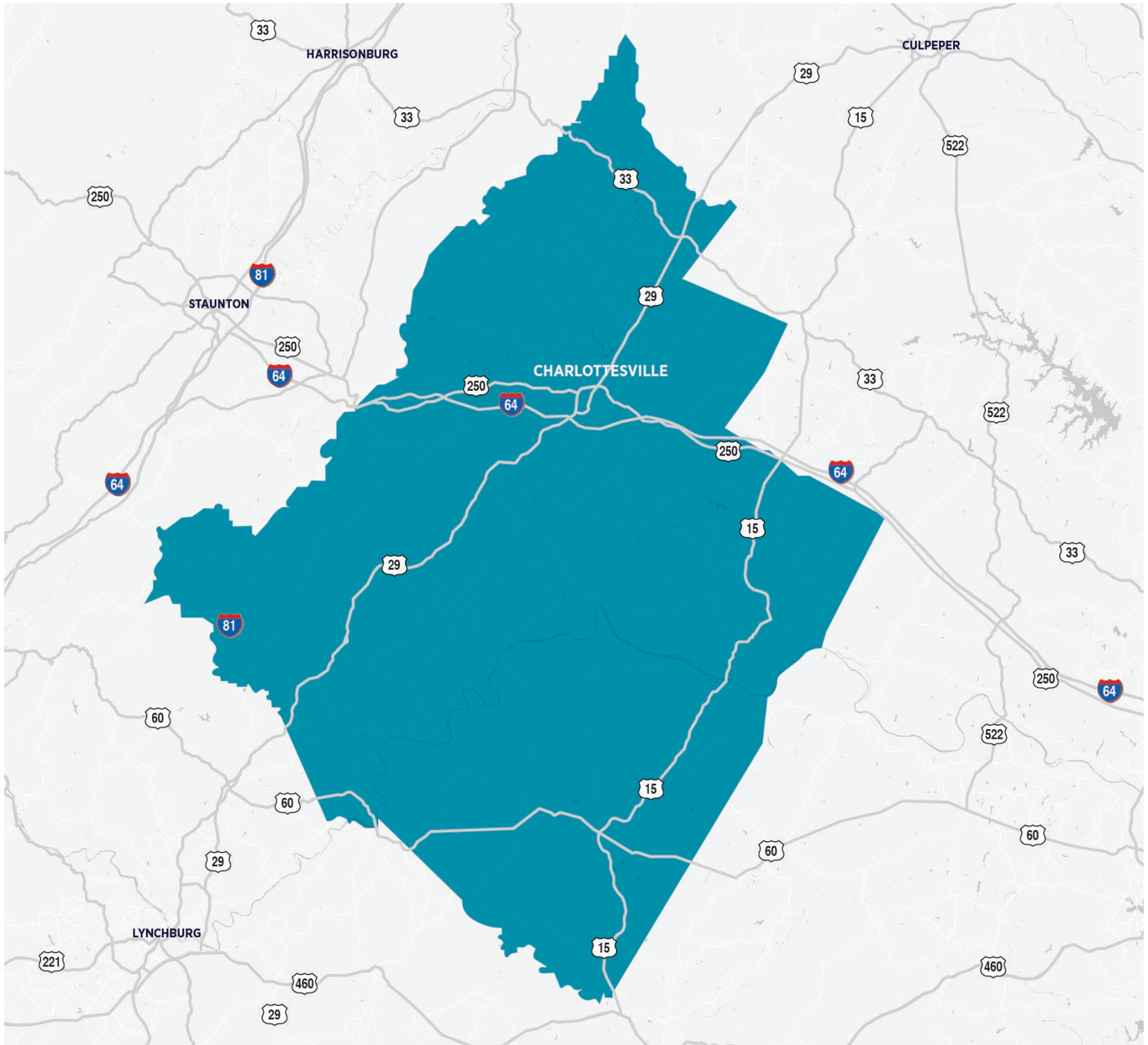


OVERALL VACANCY & ASKING RENT



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OFFICE SUBMARKETS



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