

MARKET FUNDAMENTALS

	YOY Chg	Outlook
7.8% Vacancy Rate	▼	▼
82.4K YTD Net Absorption, SF	▼	▲
\$26.62 Asking NNN Rent, PSF (Overall, All Property Classes)	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
725.4K Richmond MSA Employment	▼	▲
3.7% Richmond MSA Unemployment Rate	▲	▲
4.2% U.S. Unemployment Rate	▼	▲

Source: BLS

ECONOMY: REGIONAL GROWTH DRIVERS ACCELERATE

Richmond continues to strengthen its position as one of the mid-Atlantic’s most dynamic growth markets, backed by major economic development wins, infrastructure investments, and expanding talent attraction. Richmond International Airport (RIC) was recognized as North America’s most efficient airport serving fewer than 5 million passengers, while LinkedIn ranked the region second as the fastest-growing metro area for jobs and new talent. Pharmaceutical giant Eli Lilly closed on the purchase of 227 acres in Goochland County, marking a major milestone toward construction of its \$5 billion manufacturing campus in West Creek Business Park. Colonial Heights approved a \$180 million sports and entertainment complex with a mix of hospitality and retail components, and VCU Medical Center was named the top hospital in Virginia by U.S. News & World Report.

SUPPLY AND DEMAND: STABLE FUNDAMENTALS

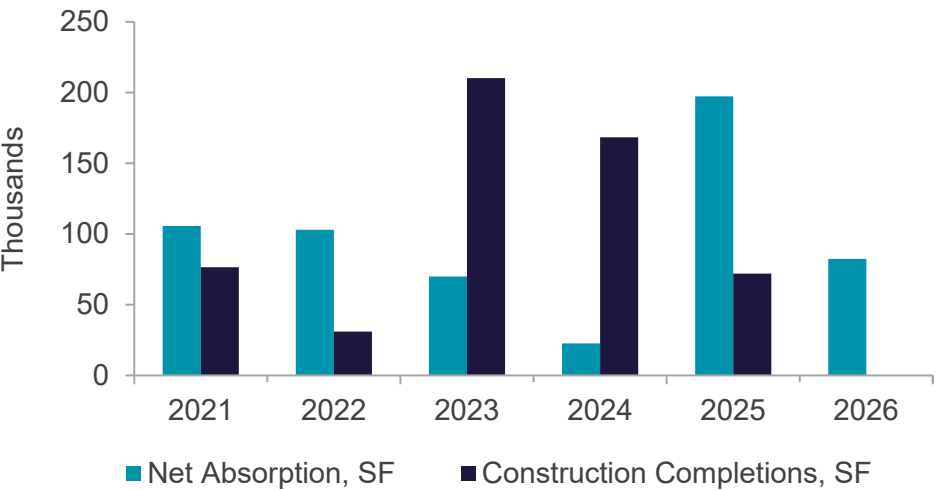
Overall vacancy closed the second quarter at 7.8%, down 10 basis points (bps) year-over-year (YOY) and flat quarter-over-quarter (QOQ). Leasing activity has topped 384,000 square feet (sf) since the start of 2025, with net absorption above 264,000 sf over the same period. Sublease offerings account for just 4.1% of the overall vacancy in terms of available square footage with asking rates above direct market rates in some cases. Unpriced offerings continue to impact average quoted pricing in several submarkets, and direct rates have remained effectively flat YOY.

Construction is progressing on the new office for Virginia Physicians for Women (VPFW) in western Henrico County. Demolition of the existing structure was completed in the third quarter, and the new 23,000-sf building is scheduled to open in the summer of 2027. VPFW is expanding its presence in Chesterfield County as well, with a new 28,000-sf building expected to be delivered in fall of 2026 on a site adjacent to the St. Francis Medical Center campus.

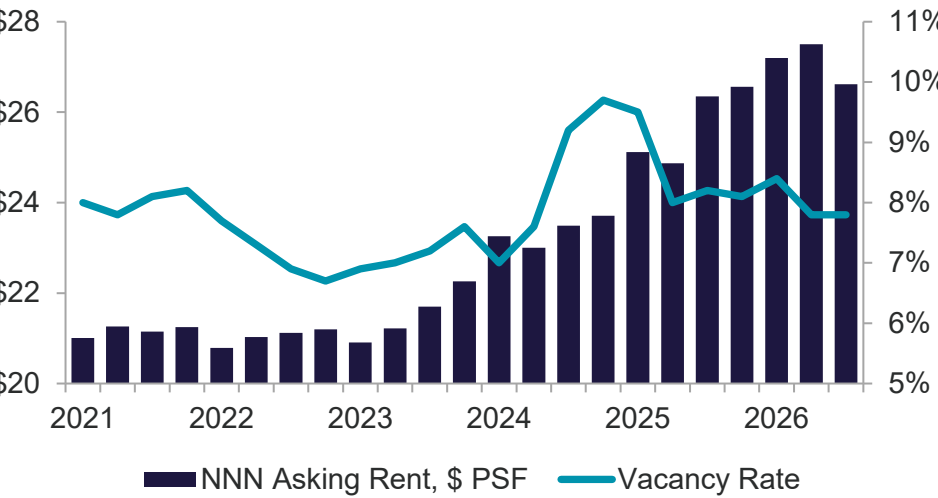
HEALTH SYSTEMS: FREESTANDING ER EXPANSION

Bon Secours acquired a 20-acre site near Iron Bridge Road and Chippenham Parkway in Chesterfield County from Ukrop’s for \$8.9 million, with plans to develop a \$33.7 million freestanding emergency room. The property formerly housed a 44,000-sf Ukrop’s grocery store, which has since been demolished. Once redeveloped, the location will be home to the sixth freestanding format facility operated by Bon Secours in the region. HCA opened its new \$17.8 million freestanding ER at Scott’s Walk early in the third quarter across from the Diamond District and CarMax Park. The two-story 16,600-sf facility will operate under the umbrella of Henrico Doctors’ Hospital. HCA is moving forward with another similar location in eastern Henrico on an outparcel at White Oak Village and plans to demolish the existing restaurant building.

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)	DIRECT AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (ALL CLASSES)*
East End	153,551	1,002	0	0.7%	0	-1,022	0	-	-	-
Far West End	389,021	2,350	0	0.6%	8,206	8,206	2,555	-	\$24.76	\$24.76
Glenside/Broad St	947,043	98,866	0	10.4%	4,704	10,287	12,749	-	\$23.89	\$23.89
Hull Street Corridor	34,360	7,200	0	21.0%	0	0	0	-	-	-
I-95 N/Ashland	26,829	11,017	0	41.1%	2,220	-8,797	2,220	-	-	-
I-95 N/Chamberlayne	17,143	0	0	0.0%	0	0	0	-	-	-
Innsbrook	199,934	24,221	3,793	14.0%	4,704	11,061	17,240	-	\$20.14	\$19.67
Iron Bridge Corridor	113,262	14,770	0	13.0%	4,090	4,090	4,090	100,000	\$29.00	\$29.00
Lakeside	29,808	2,810	0	9.4%	0	6,791	6,985	-	\$19.50	\$19.50
Manchester	43,481	0	0	0.0%	0	0	0	-	-	-
Mechanicsville	530,539	37,022	0	7.0%	1,071	13,186	11,471	-	\$23.78	\$23.78
Midlothian Corridor	450,933	3,400	5,064	1.9%	-5,064	-5,064	0	-	\$26.50	\$34.89
Near West End	68,500	0	1,615	2.4%	0	-1,615	0	-	-	-
North Broad	249,523	19,003	0	7.6%	0	-1,833	0	-	\$24.00	\$24.00
Parham East	363,749	23,614	0	6.5%	-1,290	-534	0	7,000	\$19.50	\$19.50
Parham South	23,384	0	0	0.0%	0	1,850	0	-	\$18.39	\$18.39
Rt 288 Corridor	718,964	71,240	4,075	10.5%	15,800	31,996	13,024	67,000	\$34.80	\$34.80
Stony Point/Huguenot	413,165	7,261	0	1.8%	0	17,134	0	-	\$26.56	\$26.56
West Creek	172,980	32,173	0	18.6%	1,364	21,109	7,230	-	\$29.68	\$29.68
West End	543,640	55,092	2,298	10.6%	-4,407	-24,467	10,218	23,000	\$26.27	\$23.25
RICHMOND TOTALS	5,489,809	411,041	16,845	7.8%	31,398	82,378	87,782	197,000	\$26.43	\$26.62

KEY LEASE TRANSACTIONS Q3 2026

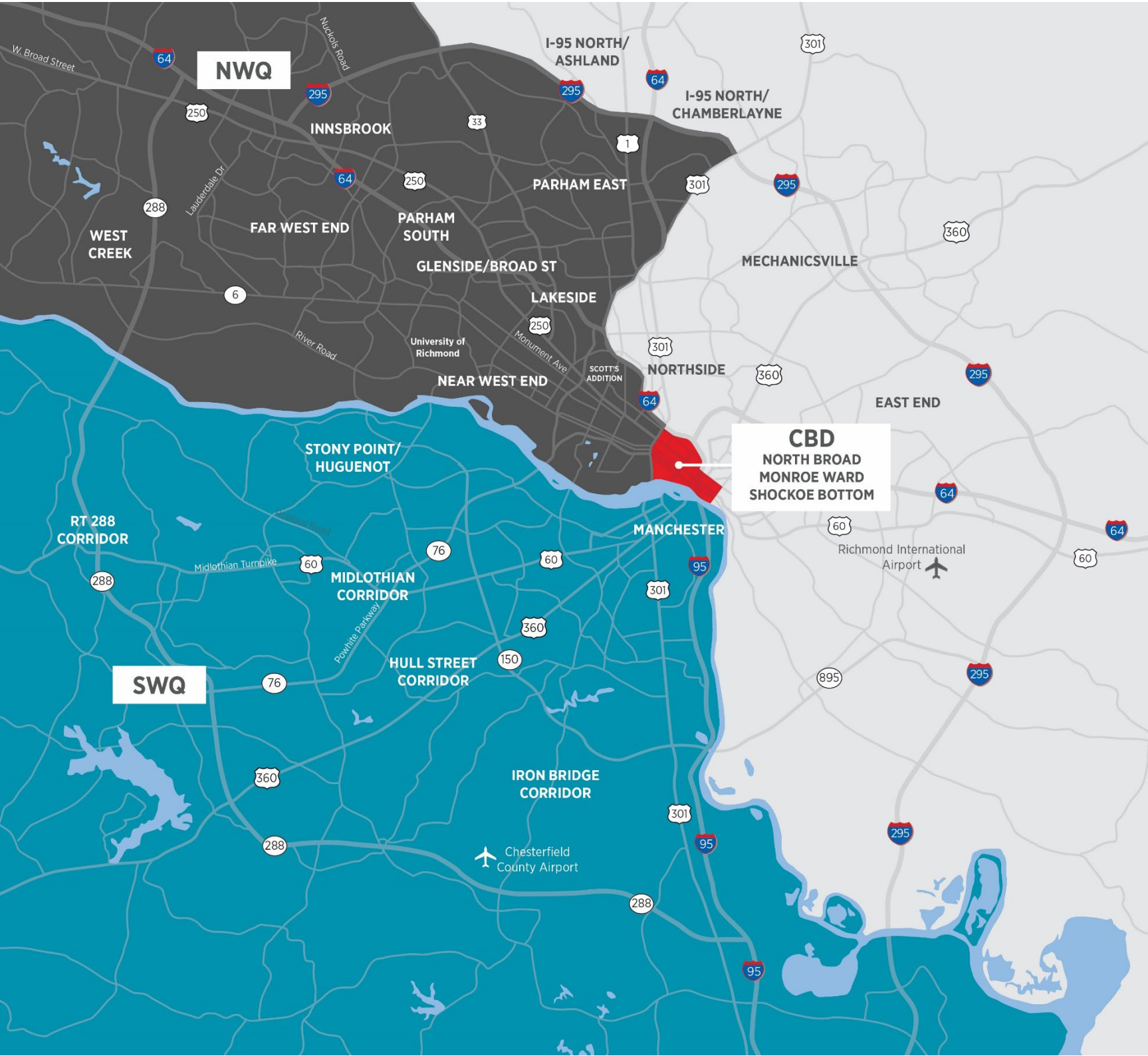
*Rental rates reflect NNN asking

PROPERTY	SUBMARKET	TENANT	SF	TYPE
9930 Independence Park Dr	Innsbrook	Behavioral Framework	8,381	New
Regency (1420 N Parham Rd)	Far West End	Grove Eye Care Center	7,110	New
Ironbridge Medical Park (11601 Iron Bridge Rd)	Iron Bridge Corridor	Ellie Mental Health	4,090	New
Winding Brook (11601 Lakeridge Pkwy)	I-95 North/Ashland	Ivy Rehab Network	2,220	New

KEY SALE TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
Discovery MOB (8006 Discovery Dr) – Multi-State Portfolio	Glenside/Broad St	Elliott Bay Capital Trust LLC / Redico	54,379	\$19.1M / \$352
1000 Boulders Pkwy – Multi-State Portfolio	Midlothian Corridor	Elliott Bay Capital Trust LLC / Redico	34,700	\$9.3M / \$269

MEDICAL OFFICE SUBMARKETS



LIZ GREVING
Associate Director, Research
Tel: +1 804 697 3560
liz.greving@thalhimer.com

Independently Owned and Operated / A Member of the Cushman & Wakefield Alliance

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for occupiers and investors with approximately 53,000 employees in over 350 offices and nearly 60 countries. In 2025, the firm reported revenue of \$10.3 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that Better never settles, the firm receives numerous industry and business accolades for its award-winning culture. For additional information, visit www.cushmanwakefield.com.

©2026 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable, including reports commissioned by Cushman & Wakefield (“CWK”). This report is for informational purposes only and may contain errors or omissions; the report is presented without any warranty or representations as to its accuracy.

Nothing in this report should be construed as an indicator of the future performance of CWK’s securities. You should not purchase or sell securities—of CWK or any other company—based on the views herein. CWK disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CWK as well as against CWK’s affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.