

MARKET FUNDAMENTALS

	YOY Chg	Outlook
\$90,700 Median HH Income	▲	▲
0.4% Population Growth	▼	▲
3.7% Unemployment Rate	▲	▲

Source: BLS

ECONOMIC INDICATORS

	YOY Chg	Outlook
1.6% GDP Growth	▲	▲
1.5% Consumer Spending Growth	▼	▲
1.0% Retail Sales Growth	▼	▬

Source: BEA, Census Bureau

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 in a step closer toward breaking ground on 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.

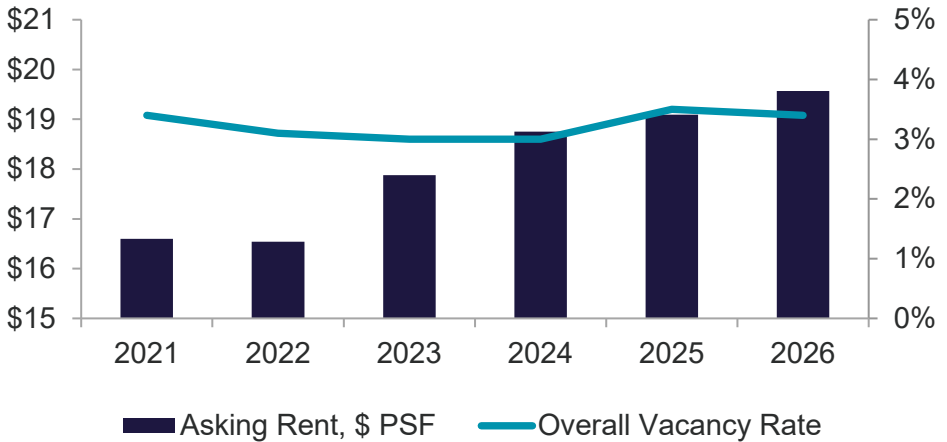
SUPPLY AND DEMAND: VACANCY TIGHT AMID HEALTHY DEMAND

Overall vacancy closed the quarter at 3.4%, down 10 basis points (bps) quarter-over-quarter and up 30 bps year-over-year, remaining at or below 4.0% mid-2021. Leasing activity has topped 1.3 million square feet (msf) since the start of the year, and year-to-date (YTD) net absorption had topped 240,000 square feet (sf) with sustained demand from both new-to-market and expanding concepts. The pipeline is limited to 379,000 sf with preleasing in place in 74.3% of those new projects. Grocery segment expansion continues with Kroger set to build a 120,000-sf location in Hanover County as the anchor for the planned Telegraph Commons center, set to begin construction in mid-2027. In Chesterfield, Publix announced plans for a 50,000-sf store in the planned Shoppes at Old Hundred, making it the chain’s 17th store in the region. Nordstrom is set to re-enter the Richmond market with a new Nordstrom Rack location planned for fall 2027 at Westpark Shopping Center, occupying the former 30,000-sf Painted Tree Boutiques anchor space. Makers Union Pub signed a lease for its first Richmond market location in the Diamond District anchored by CarMax Park.

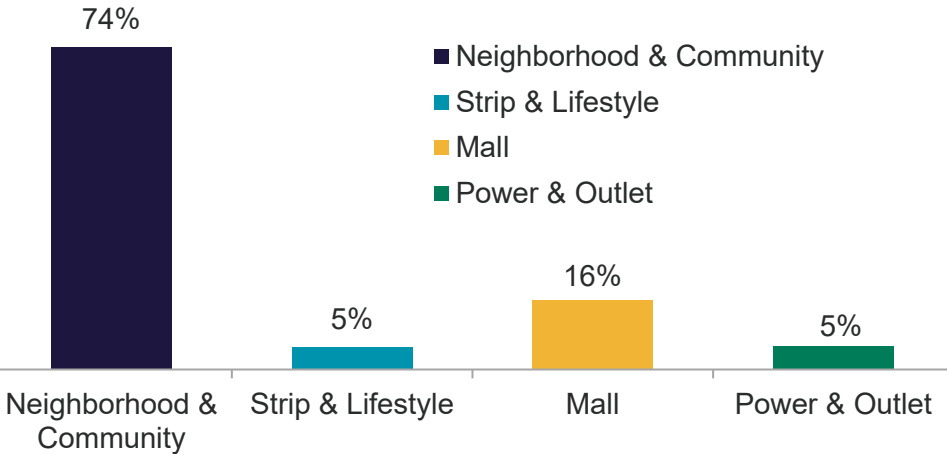
PRICING: INVESTMENT MARKET ACTIVE

Quoted rates continue to trend upward, with a significant portion of new construction and second-generation offerings unpriced. YTD sales volume has topped \$340 million including the third-quarter transfer of Ross-anchored Chesterfield Towne Center Plaza for \$11.5 million. JRE Partners sold the 63,000-sf strip center to Ross Realty Investors less than a year after acquiring it as part of its \$80 million purchase of the adjoining Chesterfield Towne Center mall.

OVERALL VACANCY & ASKING RENT



AVAILABILITY BY PRODUCT TYPE



MARKET STATISTICS

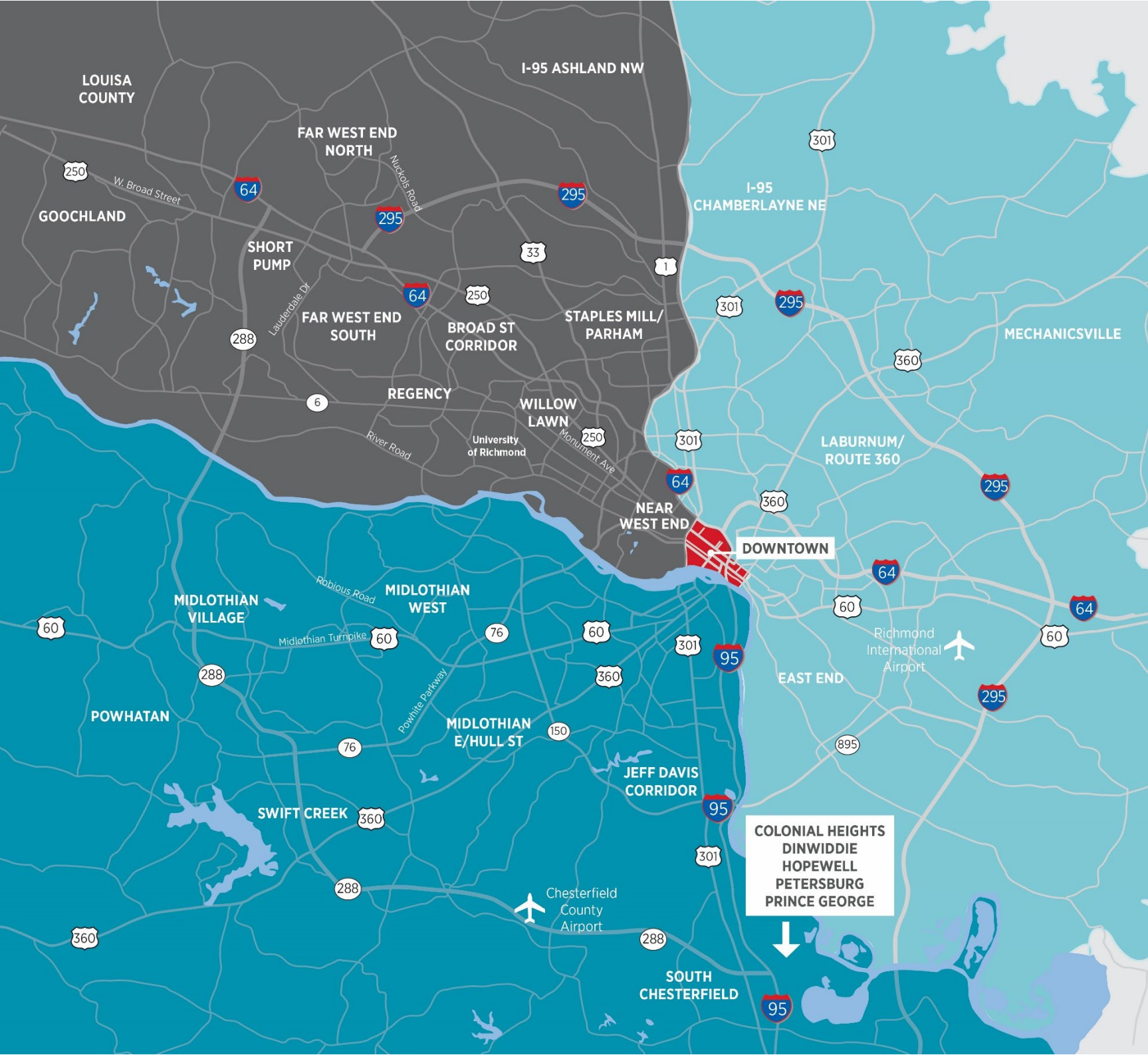
SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (NNN)*
Broad St Corridor	4,729,243	77,149	0	1.6%	43,648	17,697	20,400	\$24.98
Colonial Heights	3,427,855	104,244	3,600	3.1%	-12,946	-47,836	-	\$19.49
Dinwiddie	564,342	21,144	0	3.7%	0	-2,035	3,000	-
Downtown	2,237,189	90,814	0	4.1%	-17,593	-37,705	-	\$20.36
East End	4,142,379	111,111	0	2.7%	9,205	12,312	-	\$18.05
Far West End North	316,257	0	0	0.0%	3,528	0	-	-
Far West End South	1,291,816	51,686	0	4.0%	6,874	9,366	-	\$14.00
Goochland	574,589	10,539	0	1.8%	-3,138	-2,539	-	\$19.45
Hopewell	1,296,971	160,232	0	12.4%	-14,313	1,971	-	\$13.51
I-95 Ashland/NW	2,341,127	68,009	0	2.9%	3,398	36,398	-	\$17.00
I-95 Chamberlayne/NE	1,288,363	5,840	0	0.5%	7,563	21,099	80,400	\$19.28
Jeff Davis Corridor	2,982,284	20,435	2,528	0.8%	12,358	-3,516	2,808	\$18.21
Laburnum/Route 360	2,892,895	116,920	41,117	5.5%	-72,609	5,138	-	\$15.10
Louisa County	1,021,189	28,492	0	2.8%	1,438	1,300	7,000	\$8.70
Mechanicsville	3,129,254	105,200	0	3.4%	6,194	143,519	10,000	\$15.34
Midlothian E/Hull St	6,588,612	439,801	10,958	6.8%	-31,305	-66,685	-	\$14.69
Midlothian Village	2,023,151	114,302	0	5.6%	1,872	32,484	25,110	\$33.44
Midlothian West	6,887,166	188,605	146,097	4.9%	48,885	-2,936	92,507	\$20.19
Near West End	3,593,951	122,828	0	3.4%	2,011	-5,478	10,000	\$27.98
New Kent County	628,365	0	0	0.0%	1,250	2,250	-	\$34.00
Petersburg	2,939,690	88,296	0	3.0%	28,160	28,753	-	\$14.45
Powhatan	863,416	12,200	0	1.4%	8,550	14,782	-	\$22.18
Prince George	1,276,672	27,381	0	2.1%	-3,570	-12,458	-	\$18.00
Regency	2,078,311	117,474	0	5.7%	-14,312	-6,289	-	\$27.88
Short Pump	4,587,248	56,965	0	1.2%	-14,102	136,068	6,500	\$34.00
South Chesterfield	4,035,205	48,014	41,117	2.2%	-8,024	15,822	9,600	\$17.36
Staples Mill/Parham	4,299,716	104,601	0	2.4%	-9,491	3,900	33,617	\$27.89
Swift Creek	4,142,072	89,135	0	2.2%	6,358	-13,420	20,200	\$29.77
Willow Lawn	3,126,229	61,446	42,775	3.3%	-32,684	-38,665	58,313	\$30.06
RICHMOND TOTALS	79,305,557	2,442,863	288,192	3.4%	-42,795	243,297	379,455	\$19.57

*Rental rates reflect Triple Net asking \$PSF/Year

KEY LEASE TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Fountain Square (8020-8032 W Broad St)	Broad St Corridor	Goodwill	32,343	New
Westpark Shopping Center (9809-9819 W Broad St)	Broad St Corridor	Nordstrom Rack	29,962	New
Glen Lea Centre (3800-3824 Mechanicsville Tnpk)	Laburnum/Route 360	Crunch Fitness	29,916	New

RETAIL SUBMARKETS



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