MARKETBEAT

RICHMOND, VA

INDUSTRIAL Q3 2026



CUSHMAN & WAKEFIELD THALHIMER

MARKET FUNDAMENTALS

	YOY Chg	Outlook
4.1% Vacancy Rate	▲	▼
2.7M YTD Net Absorption, SF	▲	▲
$7.78 Asking Rent, PSF *(Overall, Net Asking Rent)*	▲	▲

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. Collectively, these investments and accolades highlight the region's expanding industry mix and strong momentum across multiple sectors.

SUPPLY AND DEMAND: BALANCED FUNDAMENTALS

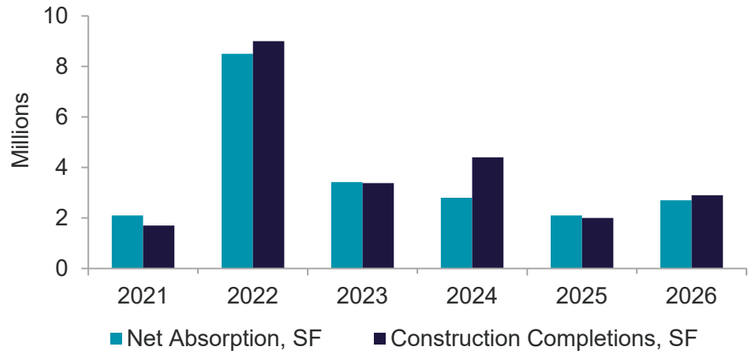
Year-to-date (YTD) leasing activity has topped 3.6 million square feet (msf), an increase of 20% compared to the same period last year. Overall net absorption surpassed 2.7 msf through the third quarter with speculative (spec) deliveries nearing 1.3 msf. With the addition of several large blocks of sublease space, overall vacancy closed the quarter at 4.1%, an increase of 30 basis points (bps) quarter-over-quarter and 10 bps YOY, and direct vacancy has dropped 70 bps QOQ to 3.1%. Both the former Coca-Cola facility in Chesterfield County and the Mondelez facility in Henrico have been vacated, adding almost 800,000 square feet (sf) to the sublease inventory collectively.

The construction pipeline remains active with 3.7 msf of spec space underway and limited preleasing activity to date. Prospect activity remains steady, supported by sustained demand for modern distribution space and an influx of manufacturing requirements from both expanding and new-to-market occupiers.

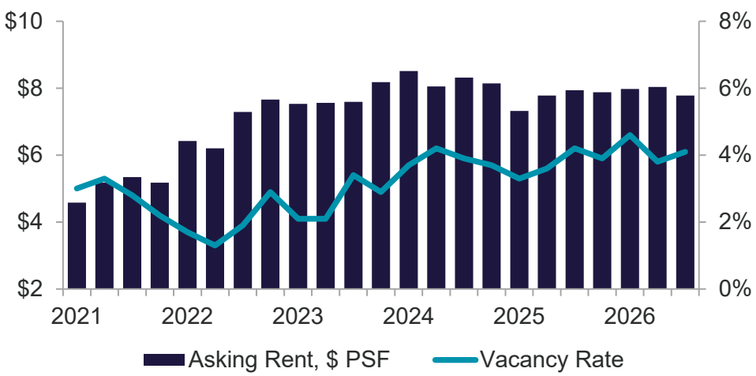
PRICING: RENT GROWTH STABLE

Overall quoted lease rates remained effectively flat YOY with asking rates for Class A product landing in the mid $9 per square foot range. While typically not published, market rates for new construction continue to range higher. Sales activity slowed in the third quarter, more an indication of limited offerings as opposed to lack of investor interest. Bolstered by significant second quarter activity, YTD sales volume has hit $574.4 million, $175 million of which is attributed to a portfolio transfer to LBA Logistics.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



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MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Downtown	72,229	0	0.0%	0	0	0	0	-	-	-
Northeast	16,072,933	408,601	2.5%	14,209	-4,781	1,051,600	0	$9.63	$15.00	$10.84
Northwest	24,213,369	1,578,738	6.5%	43,578	321,141	338,184	0	$8.87	$13.75	$11.99
Southeast	28,486,361	1,300,602	4.6%	-251,357	1,753,626	3,399,977	2,430,250	-	$11.45	$7.03
Southwest	51,753,466	1,643,825	3.2%	575,749	669,447	3,655,600	501,224	$6.56	$12.00	$6.21
RICHMOND TOTALS	**120,598,358**	**4,931,766**	**4.1%**	**382,179**	**2,739,433**	**8,495,361****	**2,931,474****	**$7.30**	**$13.59**	**$7.81**

MF = Manufacturing OS = Office Service/Flex W/D = Warehouse/Distribution

**Rental rates reflect weighted net asking $psf/year*

***Includes data center buildings: 2,984,345 sf under construction & 1,660,326 sf YTD completions*

KEY LEASE TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
11200 & 11300 Old Stage Road	I-95 S/I-295 S/Rt 10	Dominion Energy Virginia	375,000	New
TriPoint Distribution Center (5601 Chudoba Pkwy)	Prince George	Redhawk Global LLC	347,760	New
Airport Logistics Center (2724 Seven Hills Blvd)	Airport	Dominion Packaging	187,500	New
8401 Fort Darling Road	Jeff Davis Corridor	Atlantic Constructors	114,714	New
Whitepine Logistics Center (3)	Rt 288 Corridor	Superior Radiator	99,529	New
Whitepine Logistics Center (2)	Rt 288 Corridor	Worldwide Retail Solutions	91,496	New
3031 Transport Street	Jeff Davis Corridor	Old Dominion Warehousing	83,000	New

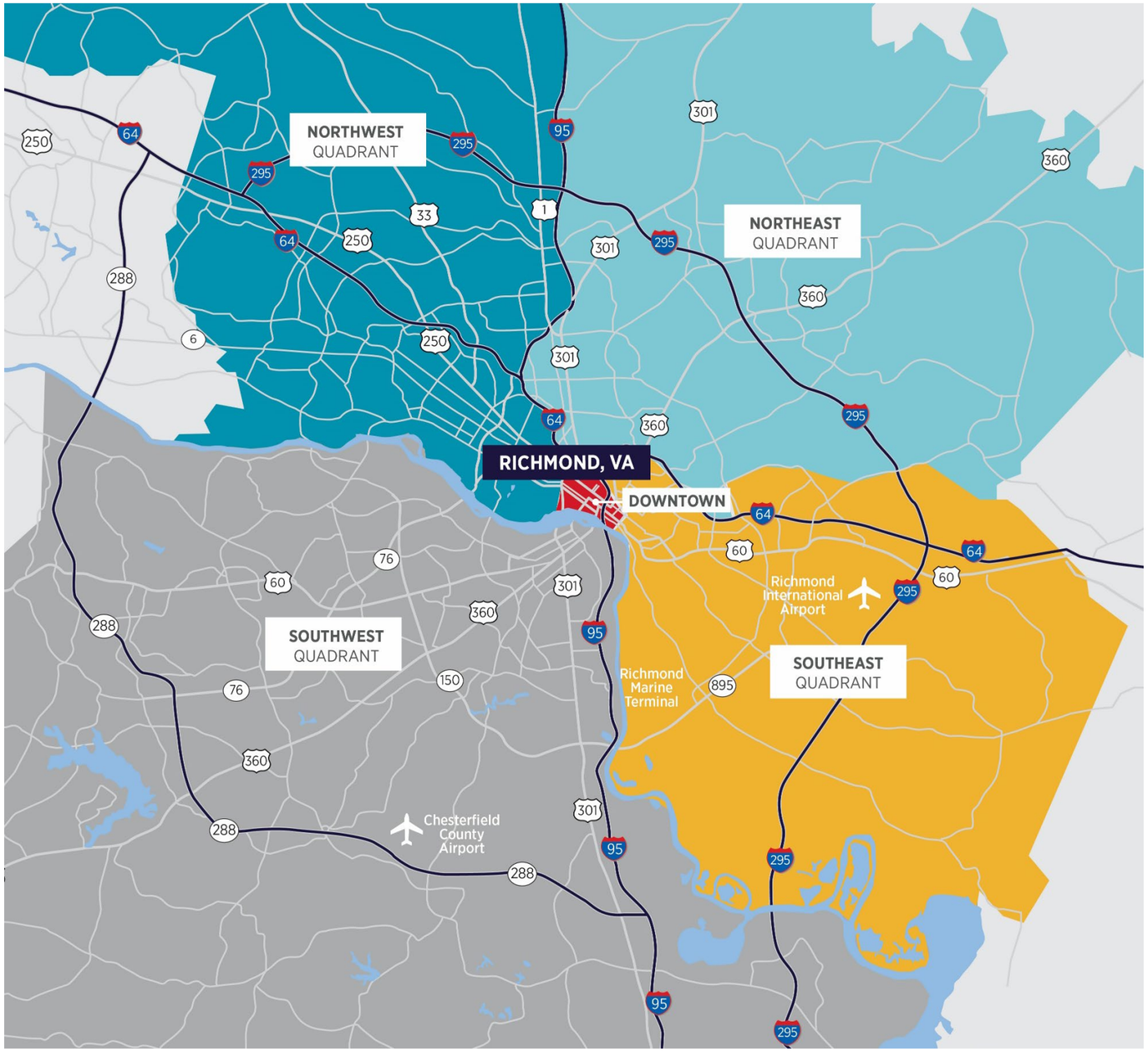
KEY CONSTRUCTION PIPELINE

PROPERTY	SUBMARKET	MAJOR TENANT	SF	DELIVERY DATE	OWNER/DEVELOPER
Meadowville Technology Park	I-95 S/I-295 S/Rt 10	LEGO Group	1,700,000	Q1 2027	LEGO Group
PNK Park Ashton	I-95 S/I-295 S/Rt 10	(Spec)	846,260	Q3 2026	PNK Holdings
South Richmond Business Center (1 & 2)	Jeff Davis Corridor	(Spec)	604,500	Q4 2027	Ashley Capital
River Point Commerce Center (1 & 3)	I-95 N/Mechanicsville	(Spec)	580,900	Q1 2027	Scannell Properties
Ruffin Mill Commerce Park (1 & 2)	I-95 S/I-295 S/Rt 10	(Spec)	465,800	Q3 2027	Portsmouth Real Estate Partners
White Oak Distribution Center (1 & 2)	Airport	(Spec)	373,360	Q4 2026	Lingerfelt
Seven Hills Distribution Center (1)	Airport	(Spec)	267,480	Q1 2027	Lingerfelt
16301 Walthall Industrial Pkwy (1 & 2)	I-95 S/I-295 S/Rt 10	(Spec)	249,540	Q1 2027	MacKenzie
West Creek Commerce Center	Goochland	(Spec)	221,231	Q4 2026	Summit Real Estate
Northlake II (D)	I-95 North/Ashland	(Spec)	202,608	Q4 2026	Matan

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INDUSTRIAL SUBMARKETS



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