

FIGURES | RICHMOND OFFICE | Q4 2025

Leasing Activity Remains Active, Led by Healthcare and Business Services Occupiers

▼ 10.7%

Overall Vacancy Rate

▲ 152,133

SF Net Absorption

▼ 0

SF Delivered

▲ \$21.64

Average FSG Asking Rate

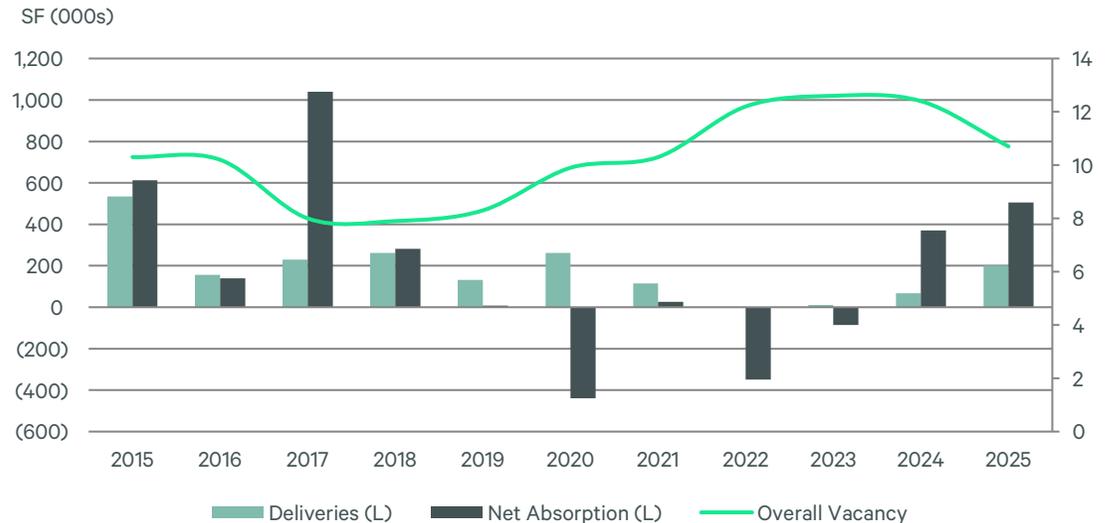
Note: Arrows indicate change from previous quarter.

The Richmond office market experienced a sixth consecutive quarter of positive net absorption, recording an occupancy gain of 152,000 sq. ft. Notable move-ins include Costar occupying an additional 22,970 sq. ft. at Riverfront Plaza in Richmond’s downtown. The real estate information and analytics company has been leasing swing space in the office tower while construction continues on its nearby corporate campus at 401 S 5th Street. Also taking occupancy this quarter was CSC Leasing Company, which moved into 33,431 sq. ft. at 6641 W Broad Street in the Glenside/Broad Street submarket.

As a result, total vacancy fell by 50 basis points (bps), reaching 10.7% for the quarter. Simultaneously, the average asking rate increased slightly to \$21.64 per sq. ft. per annum on a full-service basis.

Leasing activity remained active, with 60 tenants signing leases totaling 347,000 sq. ft. Of these transactions, ten were over 10,000 sq. ft. and 77% were relocations.

FIGURE 1: Historical Supply & Demand Dynamics



Source: CBRE

Leasing Snapshot

Healthcare

Healthcare tenants recorded strong activity this quarter. The largest deal of the quarter was Virginia Cardiovascular Specialists' 20,531 sq. ft. lease at 7515 Right Flank Road in the Mechanicsville submarket. They currently have eight other locations in the Richmond area where patients can visit for comprehensive heart care. Also leasing space this quarter was StarCity Behavioral Health, which signed for 13,289 sq. ft. at 1610 Forest Avenue in the Glenside/Broad Street submarket.

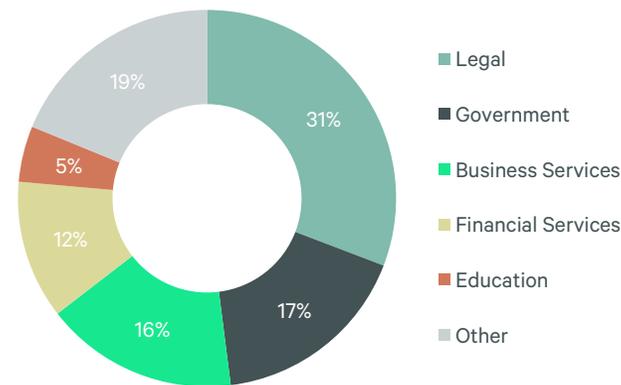
Business Services

Business services occupiers have also been active this quarter, contributing 16% to annual gross leasing activity. Most notable was an 18,110 sq. ft. lease by CBIZ at 4435 Waterfront Drive. This will be the accounting and tax advisory provider's first location in the Richmond area. Ernst & Young (EY), also a provider of accounting and tax-related services, renewed its 15,779 sq. ft. lease at 2100 E Cary Street.

FIGURE 2: Select Notable Q4 2025 Lease Transactions

Tenant	Industry	Address	Submarket	Quadrant	SF	Lease Type
Virginia Cardiovascular Specialists	Healthcare	7515 Right Flank Rd	Mechanicsville	NE	20,531	New Lease
Confidential Tenant	Other	4144 Innslake Dr	Innsbrook	NW	19,355	New Lease
CBIZ Accounting, Tax & Advisory Services	Business Services	4435 Waterfront Dr	Innsbrook	NW	18,110	New Lease
Undisclosed Tenant	Other	808 Moorefield Park Dr	Midlothian Corridor	SW	17,261	New Lease
Undisclosed Tenant	Other	4860 Cox Rd	Innsbrook	NW	16,416	New Lease
Ernst & Young (EY)	Business Services	2100 E Cary St	Shockhoe Bottom	NW	15,779	Renewal
StarCity Behavioral Health	Healthcare	1610 Forest Ave	Glenside/Broad St	NW	13,289	New Lease

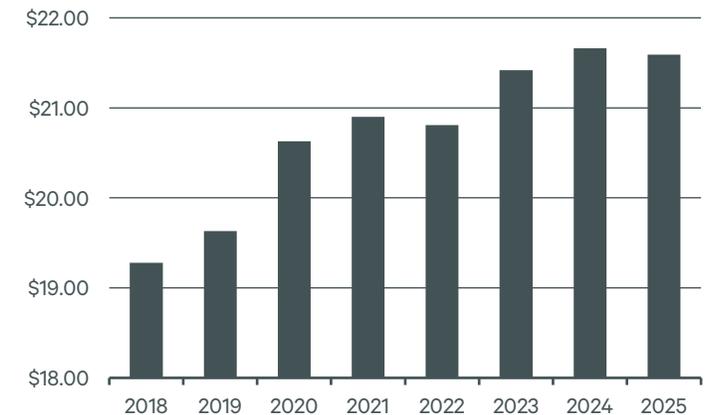
FIGURE 3: 2025 Gross Leasing by Sector (Share by SF)



Source: CBRE

FIGURE 4: Historical Rent Growth

Source: CBRE



Source: CBRE

Economic Outlook

The U.S. economy is sending some mixed signals. Financial markets are focused on the upside, particularly AI's sizable contribution to growth in recent quarters. Some indicators of business activity, such as capital goods orders, are improving, and strengthening credit markets are helping to usher real estate into a new cycle.

The picture gets more melancholy when looking at households. Consumer confidence remains weak, with spending reportedly driven by a smaller segment of affluent households. This mosaic of data suggests that annual average GDP growth will be steady in 2026, at 2%, but a touch softer than in 2025. A key catalyst is a softer labor market, as companies are 'slow to hire, slow to fire'—a trend that is likely to last a few quarters. A consequence of this outlook is softer inflation and long-term bond yields trending just below 4% by H2 2026.

FIGURE 5: Employment Growth by Industry, 12-Month Percent Change

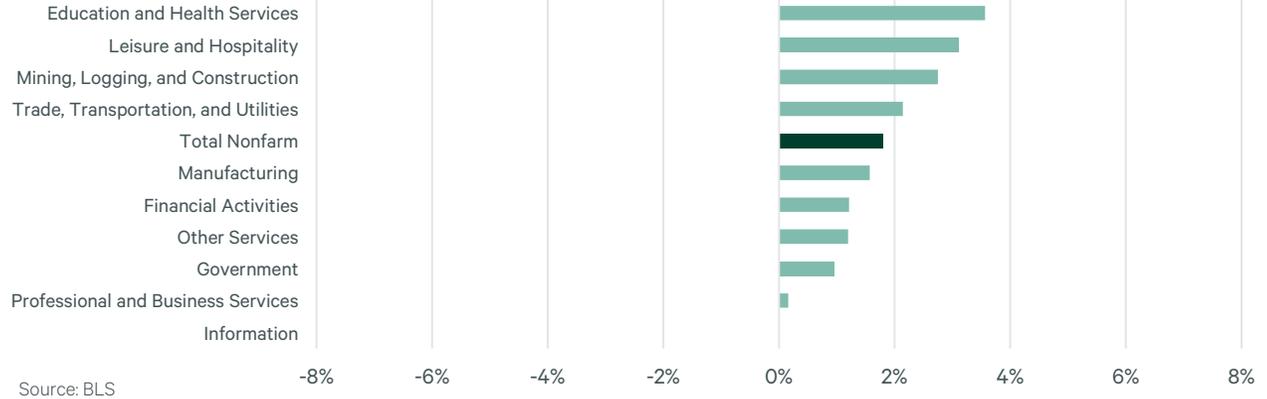


FIGURE 6: Unemployment Rate

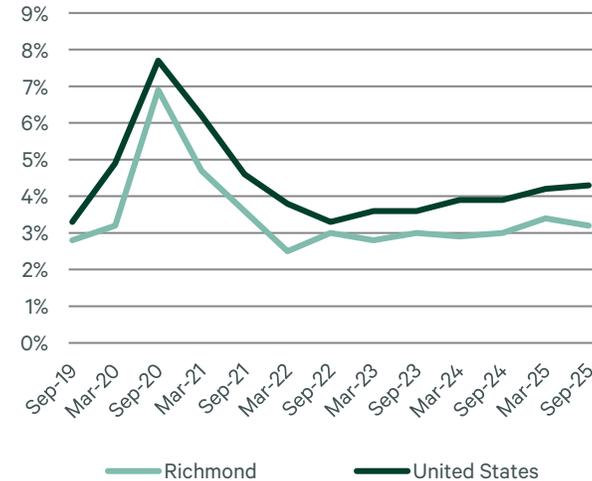


FIGURE 7: Consumer Price Index, 12-Month Percent Change

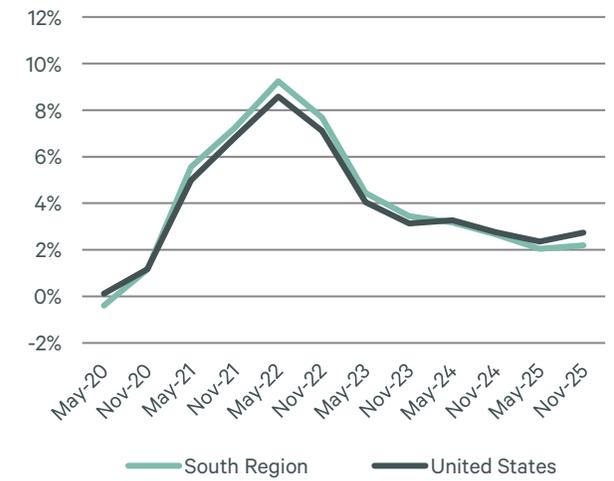


FIGURE 8: Key Market Statistics

	Number of Buildings	Inventory (SF)	Direct Vacancy Rate (%)	Overall Vacancy Rate (%)	Q4 2025 Net Absorption (SF)	2025 Net Absorption (SF)	Gross Asking Rent (\$/SF)	Under Construction (SF)
Northwest Quadrant	483	25,827,857	10.4	11.1	243,023	486,984	22.25	-
CBD	38	5,647,280	13.6	14.1	74,947	129,318	23.74	-
Glenside/Broad St	63	3,601,379	13.2	15.0	133,101	183,455	22.33	-
Innsbrook	99	5,956,769	10.7	11.6	46,601	(36,831)	22.80	-
Near West End	46	1,353,797	3.2	5.4	(1,225)	32,320	21.65	-
North Broad	13	1,387,508	7.8	8.5	0	(14,128)	23.32	-
Parham East	33	1,716,419	4.6	4.6	6,059	2,159	18.79	-
West End	82	2,794,459	4.7	4.8	(21,900)	95,178	20.36	-
Southwest Quadrant	213	7,458,296	10.0	10.4	(80,300)	27,640	20.53	-
Midlothian Corridor	71	3,430,556	16.8	17.4	(68,428)	43,926	20.64	-
Northeast Quadrant	62	1,411,992	5.1	5.4	(9,966)	(12,445)	19.65	-
Southeast Quadrant	33	1,157,261	10.5	10.5	(624)	2,714	18.84	-
Overall	791	35,855,406	10.1	10.7	152,133	504,893	21.64	-

Source: CBRE | Chart includes select key submarkets in the Northwest and Southwest Quadrants.

CBRE Mid-Atlantic Research began using a proprietary database for office properties in mid-2024. Beginning Q3 2024, statistics and trends reported in previous reports likely changed due to our revised data methodologies. The information contained in this report references office properties 10,000 square feet or larger (excluding owner-occupied) located in submarkets shown on the above map.

Contacts

Katrina Subick
 Research Analyst
 katrina.subick@cbre.com

Erin Janacek
 Research Manager
 erin.janacek@cbre.com

Stephanie Jennings
 Research Director
 stephanie.jennings@cbre.com

