

FIGURES | RICHMOND INDUSTRIAL | Q2 2026

Net Absorption Gains Positive Momentum After Three Quarters of Occupancy Loss

▶ 5.5%
Vacancy Rate

▲ 135,935
SF Net Absorption

▼ 187,500
SF Construction Delivered

▲ 12.6M
SF Under Construction

▲ \$8.86
NNN/YR Direct Lease Rate

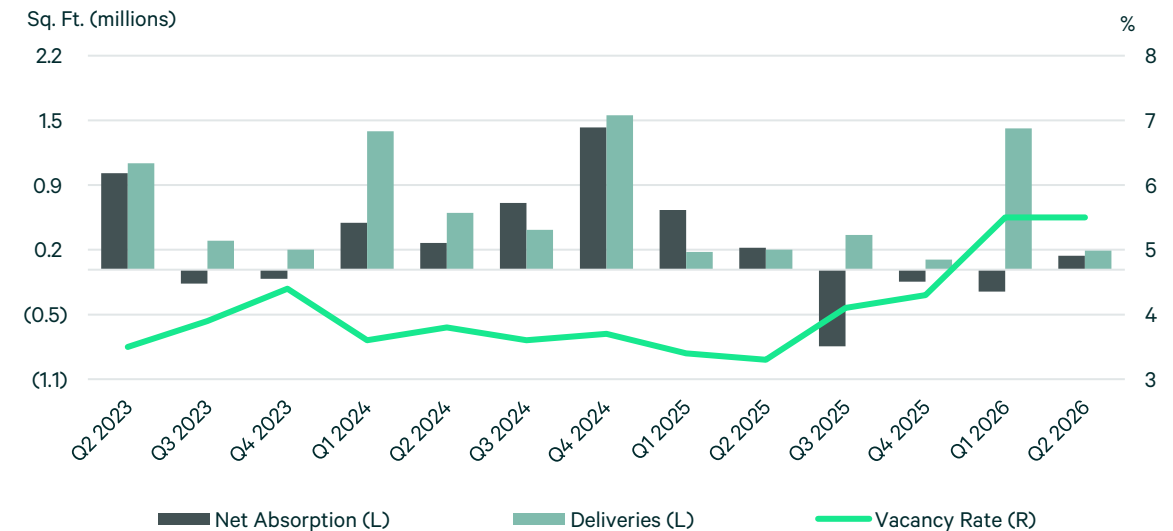
Note: Arrows indicate change from previous quarter.

Market Overview

The industrial market experienced strengthening fundamentals during Q2 2026 as construction and leasing remained active. Net absorption began to trend positively reaching a net gain of 136,000 sq. ft. for the overall market. Vacancy remained at 5.5% for the quarter. During the same period, availability saw an increase of 60 basis points (bps) to 6.7%, due to new completions and tenants giving back space in the market.

The construction pipeline expanded to 12.6 million sq. ft. during the second quarter, keeping future supply elevated. This volume is up from roughly 11.4 million sq. ft. in the prior quarter. Only one property delivered during Q2 2026, Building 4 at Airport Logistics Center, which added 187,500 sq. ft. of vacant-available space to the market. Construction deliveries for the first half of 2026 reached 1.5 million sq. ft., a stark increase compared to 379,000 sq. ft. recorded during the first half of 2025. This influx of newly-delivered, high-quality product has influenced the pricing dynamics within the market, with the average asking rate rising by 2.4% quarter-over-quarter to reach \$8.86 per sq. ft. by the end of Q2.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q2 2026

Vacancy Rate

Market-wide industrial vacancy remained at 5.5% in Q2 2026, seeing no meaningful change from the prior quarter. This was a significant slow-down compared to the 120 basis-point jump that occurred from Q4 2025 to Q1 2026 as the construction pipeline had only one completion this quarter which was balanced by major tenant move-ins. Construction activity has been the primary driver behind the increase in vacancy seen year-over-year, with many speculative projects delivering without any pre-leased tenants.

Among the submarkets, the Northeast quadrant had the lowest overall vacancy rate at 4.0%, while the Northwest posted the highest at 9.6%.

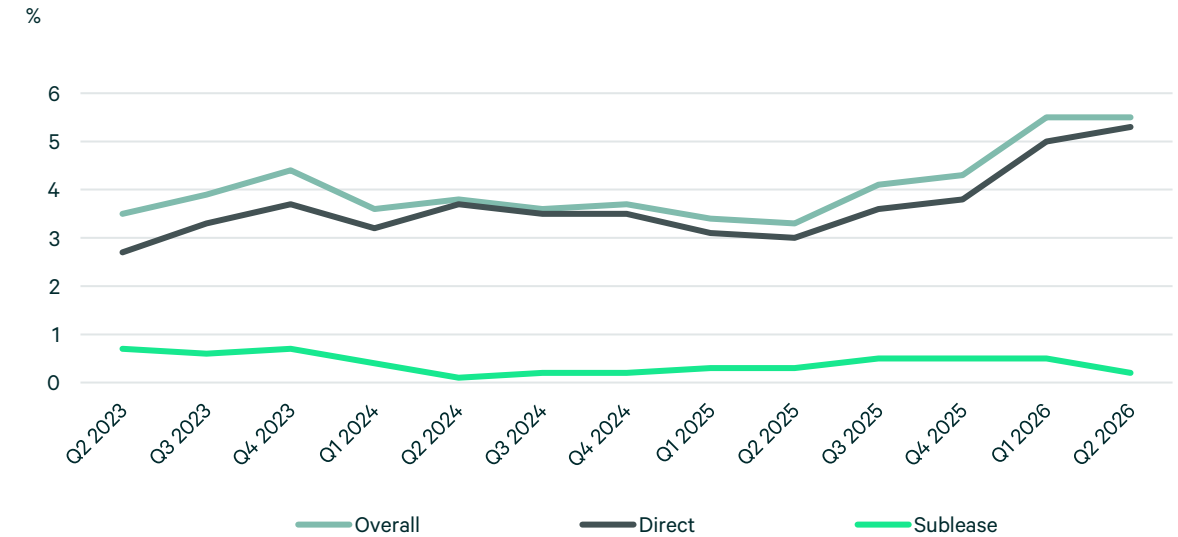
Sublease vacancy decreased to 0.2% in Q2 2026, down 24 bps from the prior quarter and accounting for only a small share of total market vacancy.

Asking Rent

Average industrial asking rent in the market was \$8.86 per sq. ft. in Q2 2026, up 2.4% quarter-over-quarter and 9.9% above the average rate in Q2 2023. Within the product mix, warehouse/storage space averaged \$8.44 per sq. ft., while R&D/flex space reached \$11.95 per sq. ft., with flex continuing to price above bulk warehouse.

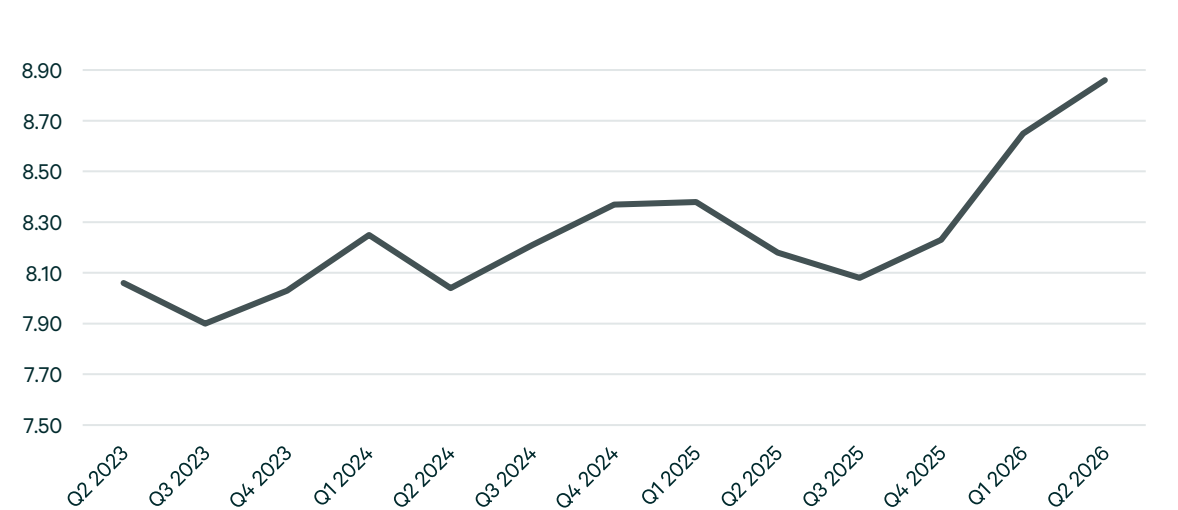
Within the Richmond industrial market, the Northeast submarket recorded the highest asking rent at \$11.65 per sq. ft. overall. The lowest average rate was recorded in the Southeast submarket, at \$7.86 per sq. ft., likely influenced by the amount of older bulk product listed in this section of the market.

Figure 2: Vacancy Rates



Source: CBRE Research, Q2 2026

Figure 3: Average Direct Asking Rate \$ / SF



Source: CBRE Research, Q2 2026

Net Absorption

Industrial occupancy increased by 136,000 sq. ft. during the second quarter, following three consecutive quarters of net loss. Over the past four quarters, the market still recorded an occupancy loss of 977,000 sq. ft., so the latest quarter only partially offset earlier givebacks.

On a submarket level, the Southeast experienced the most significant positive absorption with an occupancy gain of 360,000 sq. ft. during the second quarter. Much of this can be attributed to Jabil subleasing 292,000 sq. ft. at 8800 Wells Station Road and occupying during the same quarter.

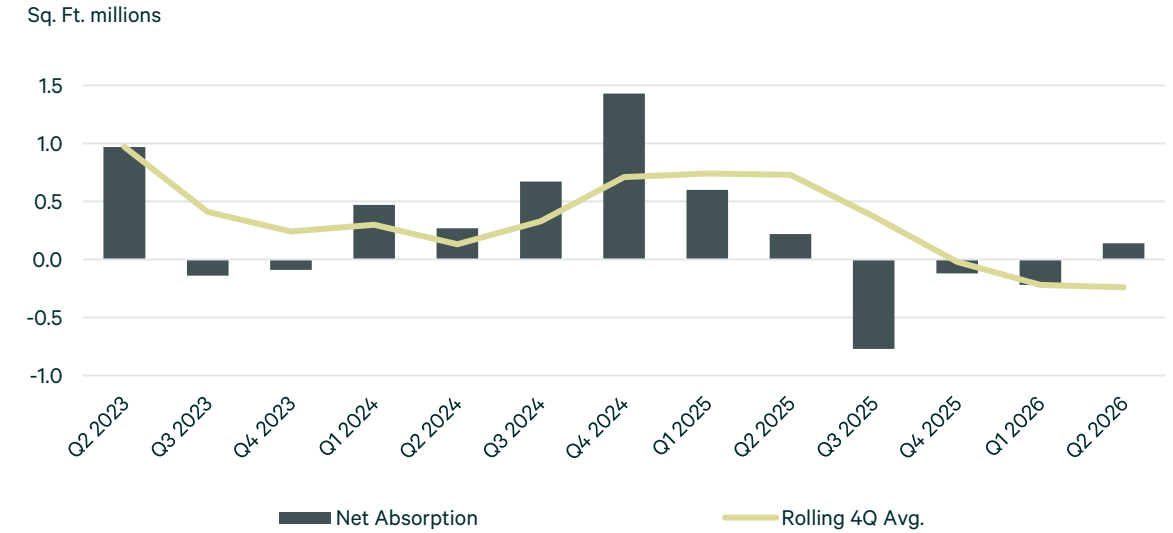
Construction Activity

Construction activity remained elevated in Q2 2026, with 12.6 million sq. ft. currently under construction and 187,500 sq. ft. delivered during the quarter. The current pipeline now sits 39% above one year ago and far exceeds last year's completion volume, indicating a substantial tranche of space scheduled to come online after the slow delivery rate in 2025.

The Southeast is the most active submarket, with two built-to-suit projects for LEGO, a 1.7 million sq. ft. manufacturing facility and a 2.0 million sq. ft. distribution warehouse to complement the new production capacity. The Northwest follows with Amazon Project Rocky, another built-to-suit project that will span 3.2 million sq. ft. in total.

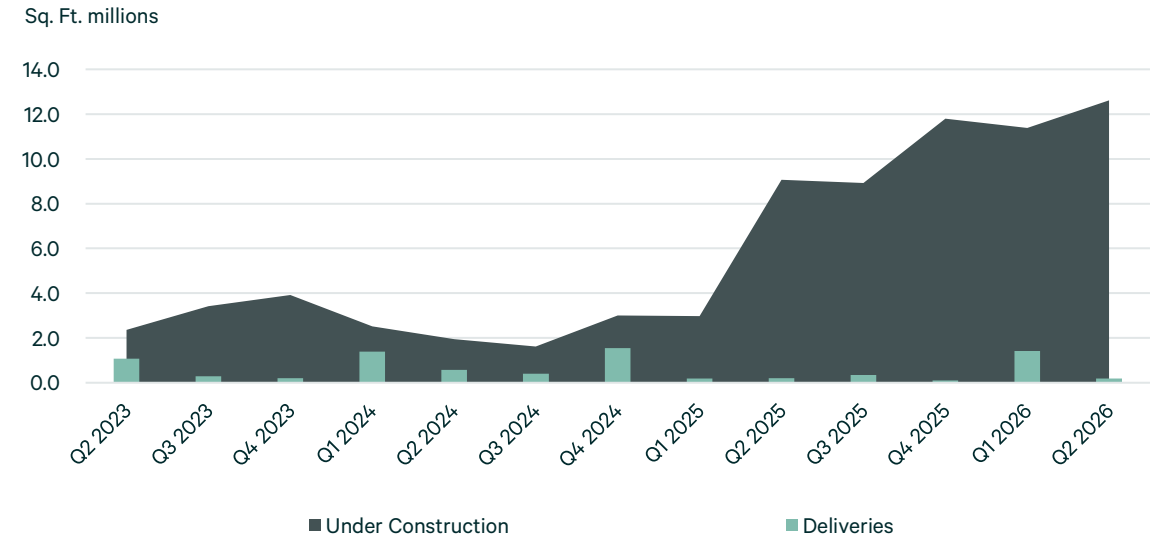
Speculative development has maintained momentum as well, with Buildings 1 and 3 breaking ground in the River Point Commerce Center in Richmond's Northeast submarket which will add 581,000 sq. ft. to the market in Q3 2027.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q2 2026

Figure 5: Construction Activity



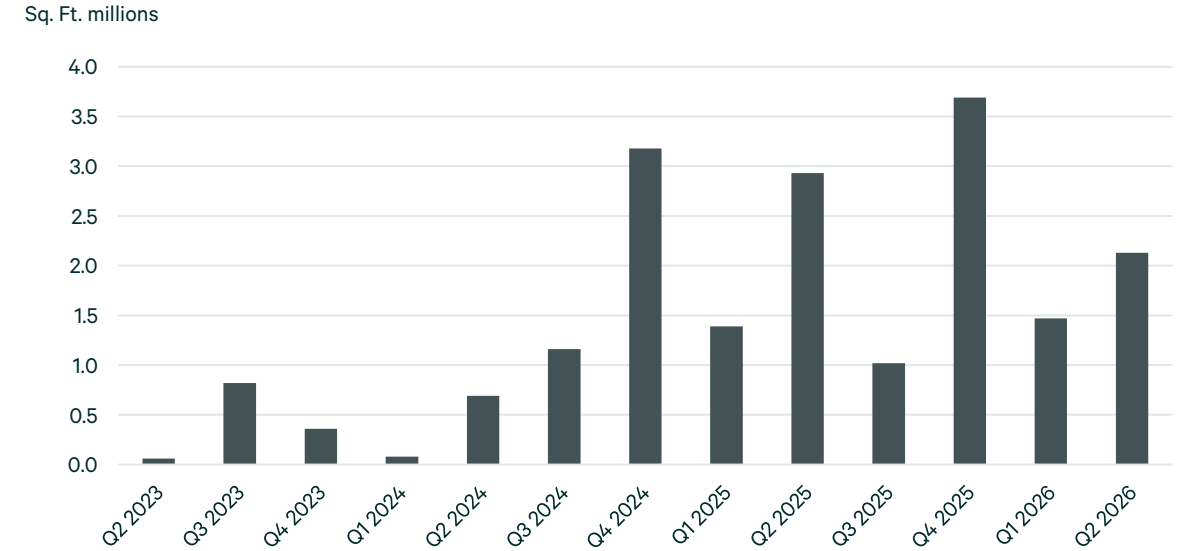
Source: CBRE Research, Q2 2026

Leasing Activity

In the latest quarter, industrial gross leasing volume totaled 2.1 million sq. ft., a 43% increase from the prior quarter but a 28% decline from the same period a year earlier. Among the ten largest reported transactions, new leases and renewals were evenly balanced and averaged roughly 158,000 sq. ft., with the largest being ID Logistics Warehousing’s new lease for 582,000 sq. ft. in the Southeast and another new lease by Jabil in the same submarket.

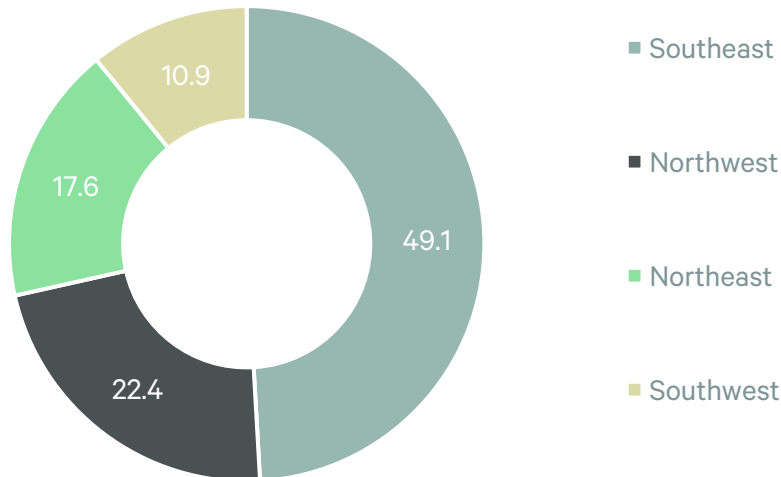
The Southeast submarket recorded the highest leasing volume in the second quarter, accounting for 49.1% of total leasing volume. By tenant industry, 3PL users were the most active during the first half of 2026 and have contributed 29% of gross leasing volume year-to-date.

Figure 6: Leasing Activity Trend



Source: CBRE Research, Q2 2026

Figure 7: Leasing Activity by Submarket (% of Total Activity)



Source: CBRE Research, Q2 2026

Figure 8: Select Notable Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
ID Logistics Warehousing	582,000	New Lease	7011 S Laburnum Ave	Southeast
Jabil	292,000	New Lease	8800 Wells Station Rd	Southeast
Owens & Minor	177,000	Renewal	11900-11990 N Lakeridge Pkwy	Northwest
Ivy Technology	132,000	New Lease	2901 Bells Rd	Southwest
Auto Part Source	126,000	Renewal	4601-4643 Carolina Ave	Northeast
Kreilkamp Trucking	66,000	New Lease	10134 Kings Dominion Blvd	Northeast
Confidential Tenant	63,000	New Lease	17253 Center Dr	Northwest
Omicare	52,000	Renewal	8575 Magellan Pkwy	Northeast

Source: CBRE Research, Q2 2026

Market Statistics by Size

Figure 9

Size Range	Net Rentable Area (MSF)	Total Availability (%)	Total Vacancy (%)	Direct Vacancy (%)	Sublease Vacancy (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (MSF)
Under 100,000 sq. ft.	48.94	4.1	4.3	4.2	0.1	10.74	(63,000)	(476,000)	-	0.37
100,000-199,999 sq. ft.	26.81	10.6	7.7	7.6	0.1	7.66	42,000	386,000	188,000	1.00
200,000-299,999 sq. ft.	15.22	10.9	11.0	9.5	1.5	8.22	511,000	362,000	-	0.98
300,000-499,999 sq. ft.	16.48	11.2	5.2	5.2	-	7.38	(354,000)	(359,000)	-	1.08
500,000-749,999 sq. ft.	8.82	13.6	12.9	12.9	-	-	-	-	-	-
750,000+ sq. ft.	26.52	-	-	-	-	-	-	-	-	9.20
Total	142.79	6.7	5.5	5.3	0.2	8.86	136,000	(87,000)	188,000	12.61

Source: CBRE Research, Q2 2026

Market Statistics by Product Type

Figure 10

Product Type	Net Rentable Area (MSF)	Total Availability (%)	Total Vacancy (%)	Direct Vacancy (%)	Sublease Vacancy (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (MSF)
Distribution/Logistics	131.38	6.8	5.5	5.3	0.2	8.44	92,000	(64,000)	188,000	12.60
R&D/Flex	11.41	5.2	4.8	4.5	0.3	11.95	44,000	(23,000)	-	0.02
Total	142.79	6.7	5.5	5.3	0.2	8.86	136,000	(87,000)	188,000	12.61

Source: CBRE Research, Q2 2026

Market Statistics by Submarket

Figure 11

Submarket	Net Rentable Area (MSF)	Total Availability (%)	Total Vacancy (%)	Direct Vacancy (%)	Sublease Vacancy (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (MSF)
Northeast	24.42	3.8	4.0	3.9	0.1	11.65	(156,000)	(355,000)	-	1.98
Northwest	27.53	10.1	9.6	8.8	0.8	10.28	(64,000)	117,000	-	3.82
Southeast	51.37	7.3	4.7	4.6	0.1	7.86	360,000	302,000	188,000	6.00
Southwest	39.47	5.3	4.6	4.6	0.1	8.12	(4,000)	(151,000)	-	0.81
Total	142.79	6.7	5.5	5.3	0.2	8.86	136,000	(87,000)	188,000	12.61

Source: CBRE Research, Q2 2026

Market Area Overview



Definitions

Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. **Availability Rate:** Total Available Sq. Ft. divided by the total building Area. **Average Asking Lease Rate:** A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. **Building Area:** The total floor area sq. ft. of the building, typically taken at the "drip line" of the building. **Gross Activity:** All sale and lease transactions completed within a specified time period. Excludes investment sale transactions. **Gross Lease Rate:** Rent typically includes real property taxes, building insurance, and major maintenance. **Net Absorption:** The change in Occupied Sq. Ft. from one period to the next. **Net Lease Rate:** Rent excludes one or more of the "net" costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. **Occupied Sq. Ft.:** Building Area not considered vacant. **Vacancy Rate:** Total Vacant Sq. Ft. divided by the total Building Area. **Vacant Sq. Ft.:** Space that can be occupied within 30 days. **Class A industrial** are buildings built after 2000, with 32' or greater clear height and ESFR sprinklers.

Survey Criteria

CBRE's market report analyzes all classes of competitive single and multi-tenant industrial buildings that total 10,000+ sq. ft., including owner-occupied buildings, that are located within the submarket boundaries shown on the accompanying map. Owner-occupied buildings were first included in survey criteria starting Q1 2024.

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