

FIGURES | RICHMOND INDUSTRIAL | Q4 2025

# Construction Pipeline Remains Robust in Richmond Industrial Market

▲ 4.4%

Overall Vacancy Rate

▲ (209,004)

SF Net Absorption

▲ 11.9M

SF Under Construction

▼ \$8.08

Average NNN Asking Rate

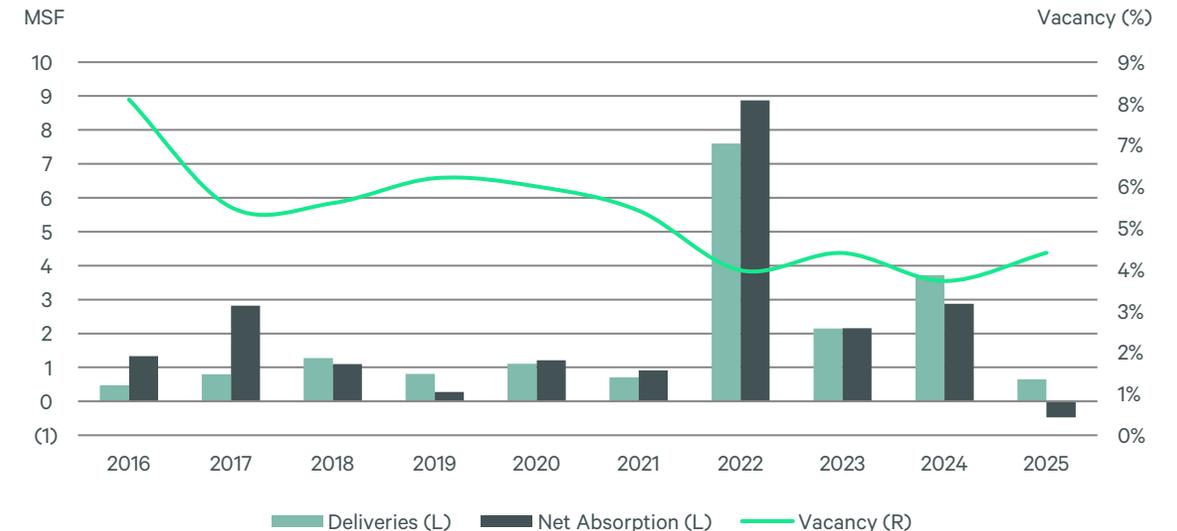
Note: Arrows indicate change from previous quarter.

The Richmond industrial market recorded 209,000 sq. ft. of occupancy loss during the fourth quarter. Vacancy rates increased by 20 basis points (bps) to 4.4% and overall asking rates decreased slightly to \$8.08 per sq. ft. per annum on a triple-net basis. New availabilities include 56,160 sq. ft. at 2320 Deepwater Terminal Road, which was listed for lease after the building sold in October 2025. Ashby's Brake & Truck Repair was the previous owner-user at this property.

Only two buildings delivered this quarter, Crescent Business Center Buildings VI and VII. Building VI added 72,000 sq. ft. of available space to the market, and Building VII was 100% preleased.

Tenants signed 38 leases totaling 3.5 million sq. ft. during the quarter. Of these, 68% were relocations and six were over 100,000 sq. ft. in size. The bulk of this gross leasing activity can be attributed to two renewals by a major e-commerce tenant that took place at 1901 Meadowville Technology Parkway and 5000 Commerce Way, both for 1.0 million sq. ft.

FIGURE 1: Historical Supply & Demand Dynamics



Source: CBRE

## Leasing Snapshot

### Building Materials & Construction

Building materials and construction occupiers contributed 15% to gross leasing in 2025. Notably, in Q4 2025, DPR Construction preleased 202,608 sq. ft. at 0 Harley Club Drive in Ashland. The property is currently under construction and is expected to deliver in Q3 2026. The construction firm has a nearly 30-year history in Richmond, working on projects such as the Meta Henrico Data Center, Children’s Hospital of Richmond at VCU, and the Polykon manufacturing facility in Henrico. They provide general contracting services, with a focus on technical projects with additional layers of complexity.

### Wholesale & Retail

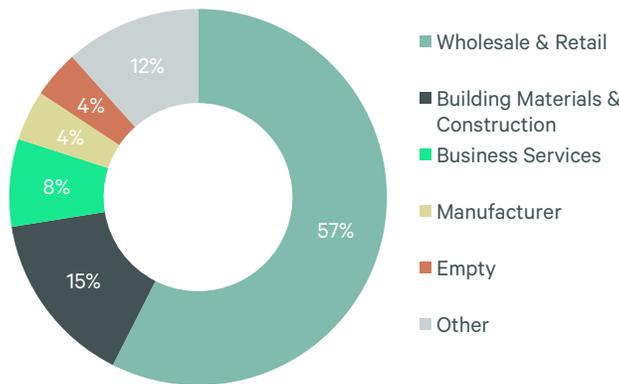
Two significant renewals for a major e-commerce tenant, each for over 1.0 million sq. ft., were signed this quarter at 1901 Meadowville Technology Parkway and 5000 Commerce Way respectively. Additionally, Walmart renewed 125,000 sq. ft. at 3880 Technology Court at the White Oak Technology Park in Sandston. The retail giant utilizes this location as a distribution center for their local stores. Wholesale and retail tenants made up 57% of gross leasing activity in 2025.

FIGURE 2: Q4 2025 Select Notable Lease Transactions

Tenant	Industry	Address	Quadrant	Lease Type	SF
Major E-Commerce Tenant	Wholesale & Retail	1901 Meadowville Technology Pky	SE	Renewal	1,016,281
Major E-Commerce Tenant	Wholesale & Retail	5000 Commerce Way	SW	Renewal	1,016,065
Confidential Tenant	Manufacturing	6380 Miller Rd	SE	New Lease	352,800
DPR Construction	Building Materials & Construction	Harley Club Dr	NW	New Lease	202,608
Walmart	Wholesale & Retail	3880 Technology Ct	SE	Renewal	125,000
Riverside Logistics	Third Party Logistics	11093 Washington Hwy	NW	New Lease	100,125
Design Ready Controls	Manufacturing	4201 4261 Carolina Ave	NE	Expansion	67,500
Bimbo Bakeries USA	Food & Beverage	500 580 Hp Way	SE	Renewal	57,800

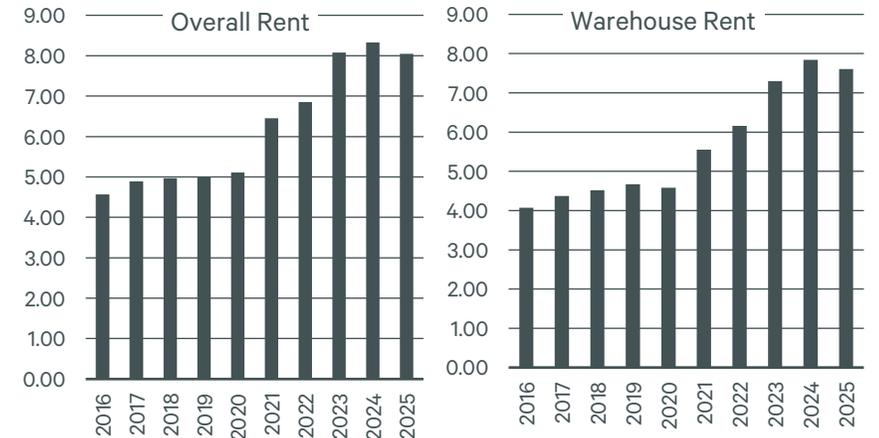
Source: CBRE

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



Source: CBRE

FIGURE 4: Historical Rent Growth (\$/SF)



Source: CBRE

## Development Activity

The fourth quarter saw just two deliveries, both speculative properties. Crescent Business Center Building VI and Building VII delivered 72,000 sq. ft. and 32,400 sq. ft., respectively. Building VI is fully available, and Building VII is leased to Agiliti and CB Flooring, both of which took occupancy upon delivery.

Several new speculative projects broke ground in Q4. 3001 Seven Hills Boulevard, Building 2 of the Seven Hills Distribution Center, is now underway and is expected to deliver 267,840 sq. ft. in Q4 2026. Airport Logistics Center Building 4, which is also located on Seven Hills Boulevard, began construction on 187,500 sq. ft. Finally, Buildings 1 and 2 of the White Oak Distribution Center broke ground and will deliver 196,500 sq. ft. and 176,800 sq. ft., respectively at 1100 and 1101 Tech Park Place in Sandston.

In total, 19 properties totaling 11.9 million sq. ft. are under construction in Richmond. Speculative projects account for less than one-third of the development pipeline, with 3.4 million sq. ft. currently under construction. The bulk of the square footage under construction belongs to owner-occupied projects. LEGO’s Regional Distribution Center at 8800 Wells Station Road broke ground this quarter, adding 2.0 million sq. ft. to the pipeline. This location is meant to compliment the nearby 1.7 million sq. ft. manufacturing plant currently under construction, and both are expected to begin operations in 2027.

FIGURE 5: Notable Warehouse Projects Under Construction

Address	Project Name	Quadrant	SF	Preleased	Tenant(s)	Estimated Delivery	Developer(s)
2022 Ashland Rd	Amazon Project Rocky	NW	3,248,265	Owned	Amazon	Q2 2027	Panattoni
8800 Wells Station Rd	LEGO Regional Distribution Center	SE	2,003,640	100%	LEGO	Q1 2027	The Silverman Group   Hillwood Construction
1400 Meadowville Rd	LEGO Manufacturing Plant	SE	1,700,000	Owned	LEGO	Q1 2027	Gray   Hourigan
Emmaus Church Rd	Forge Logistics Center	NE	1,400,000	Owned	Target	Q4 2026	Scannell
1640 Ashton Park Dr	PNK Park Ashton	SE	846,260	0%	-	Q3 2026	PNK Group
7001 S Laburnum Ave	I-895 Logistics Center	SE	583,100	0%	-	Q1 2026	Ashley Capital
8800 Whitepine Rd	Whitepine Logistics Center - Bldgs 1,2,3	SW	501,224	0%	-	Q1 2026	Mixson
1100 & 1101 Tech Park Pl	White Oak Distribution Center – Bldgs 1 & 2	SE	373,360	0%	-	Q3 2026	Lingerfelt
2200 & 2212 Ashland Rd	AXIAL Rockville 64 – Bldgs 1 & 2	NW	335,300	0%	-	Q1 2026	Axial Industrial by Crescent Communities   Atapco Properties
3001 Seven Hills Blvd	Seven Hills Distribution Center – Bldg 2	SE	267,840	0%	-	Q4 2026	Lingerfelt
Harley Club Dr	Northlake II – Bldg D	NW	202,600	0%	-	Q3 2026	Matan
2724 Seven Hills Blvd	Airport Logistics Center – Bldg 4	SE	187,500	0%	-	Q2 2026	Ares REIT

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 6: Employment Growth by Industry, 12-Month Percent Change

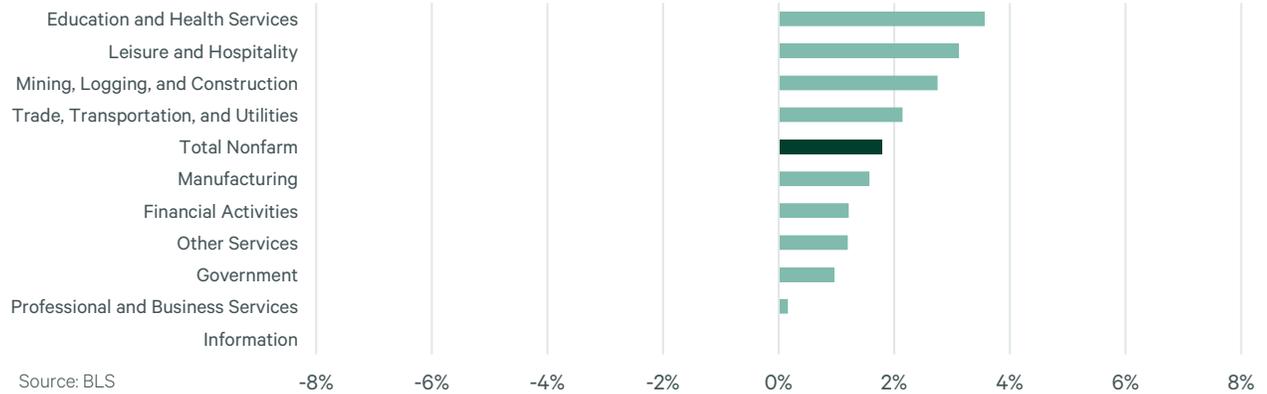


FIGURE 7: Unemployment Rate

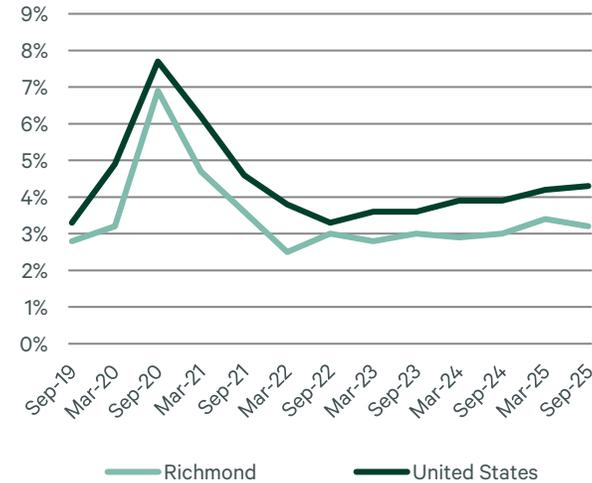


FIGURE 8: Consumer Price Index, 12-Month Percent Change

