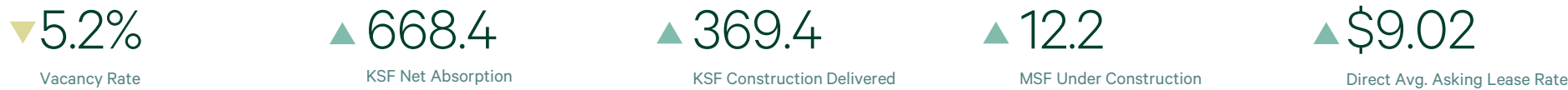


FIGURES | RICHMOND INDUSTRIAL | Q3 2026

Leasing Volume Strengthens Alongside Robust Development Activity



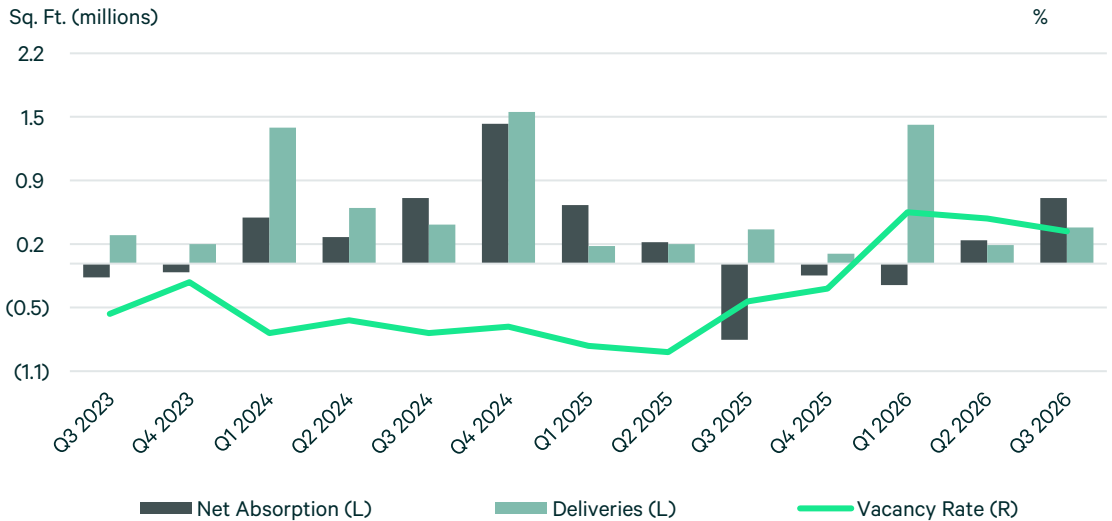
Note: Arrows indicate change from previous quarter.

Market Overview

In Q3 2026, market conditions tightened modestly as occupancy and leasing volume improved and the construction pipeline continued to see strong activity. Net absorption totaled 668,000 sq. ft., driven by the commencement of several bulk leases. This robust occupancy gain pushed vacancy down 20 basis points to 5.2%, with availability declining by 80 bps to 5.9% after multiple large spaces were leased. Leasing activity reached 2.6 million sq. ft., a significant increase from the 1.0 million sq. ft. recorded a year prior in Q3 2025.

Construction deliveries increased to 369,000 sq. ft., up from 188,000 sq. ft. delivered in Q2 2026, while space under construction came to 12.2 million sq. ft. across 25 properties. The average asking rent in Q3 2026 stood at \$9.02 per sq. ft., up 1.8% quarter-over-quarter from \$8.86 per sq. ft. The strong construction pipeline alongside a sustained low vacancy rate has encouraged rent growth over the last four quarters, with Q3 2026 posting an increase of 11.6% year-over-year from \$8.08 per sq. ft. in Q3 2025.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q3 2026

Vacancy Rate

Industrial vacancy for Q3 2026 came to 5.2%, edging down 20 basis points from the prior quarter. This modest improvement was primarily due to significant positive occupancy gains, which far outpaced new vacancies entering the market.

On a submarket level, the Northeast continued to be the most competitive, with overall vacancy at 3.3%, supported by very little sublease space and a modest pool of direct options. At the other end of the spectrum, the Northwest recorded the highest vacancy, at 10.0%, as its larger base of direct space combined with elevated sublease offerings kept more vacant product on the market.

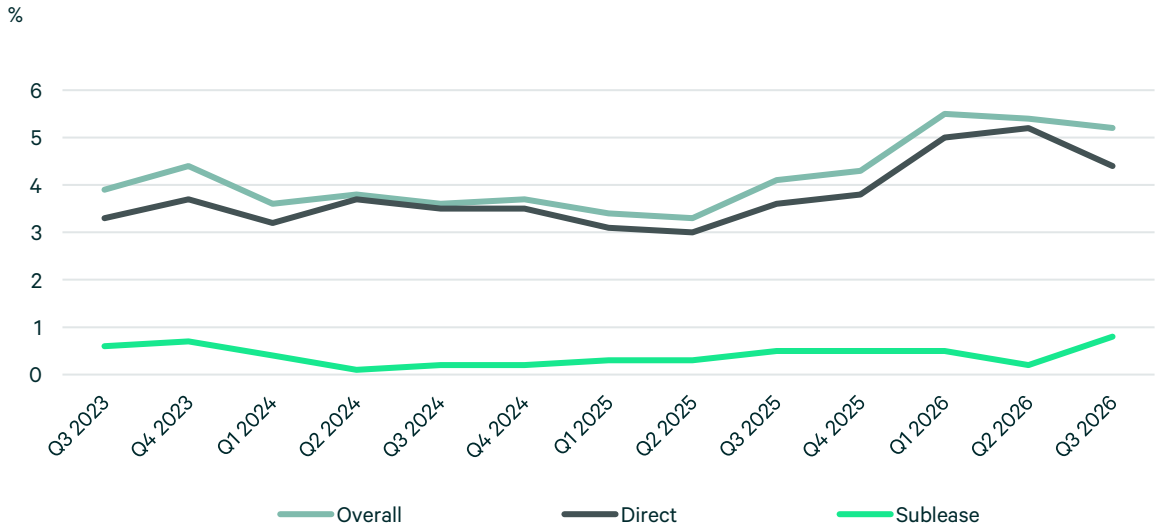
Sublease vacancy increased to 0.8% during the quarter, up 60 bps from Q2 2026 and now accounting for a more visible, though still secondary, component of overall vacancy relative to the 5.2% headline rate. Across the core submarkets, sublease availability remained most pronounced in Northwest and Southeast, while Northeast and Southwest continued to see limited sublease space available.

Asking Rent

Industrial asking rents continued to trend upward in Q3 2026, with average asking rents increasing across product types on a triple-net (NNN) basis. The overall market average asking rate reached \$9.02 per sq. ft. NNN, up 1.8% quarter-over-quarter and 14.2% above Q3 2023 levels, underscoring a sustained multi-year escalation in pricing bolstered by the increased construction activity and a competitive leasing environment. Growth occurred across the market, but Flex space remained the higher-priced segment, ending the quarter at \$11.97 per sq. ft. NNN, with warehouse rates averaging \$8.40 per sq. ft. NNN.

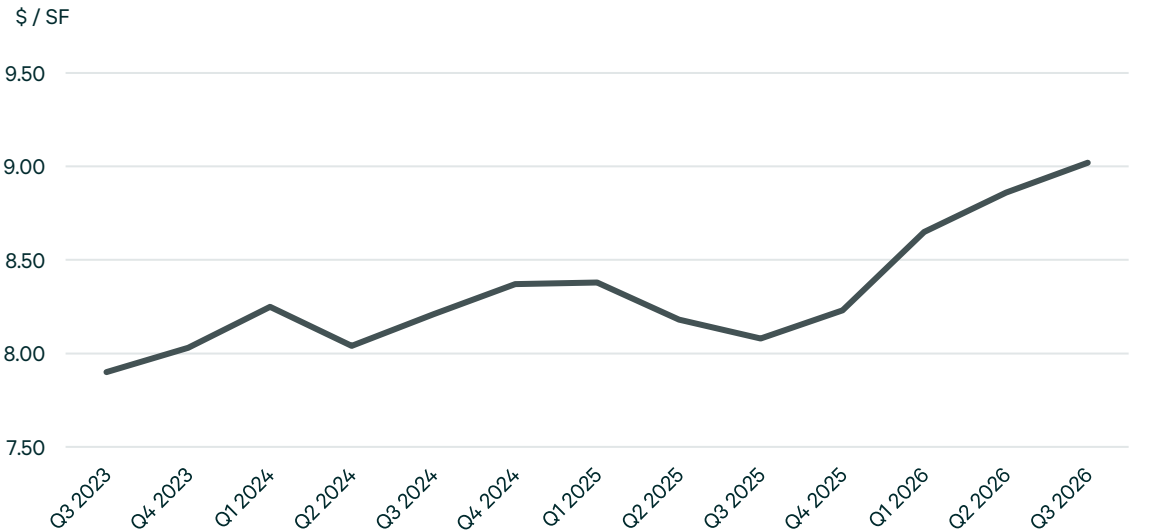
Submarket rent patterns in Q3 2026 showed a clear tiered structure, with core locations commanding noticeable premiums on a triple-net (NNN) basis. The Northeast submarket posted the highest average asking rent at \$12.30 per sq. ft. NNN, with its proximity to Northern Virginia and constraints on available land commanding an added premium. The Southeast and Southwest submarkets anchor the lower end of the rent spectrum at \$7.89 and \$7.74 per sq. ft. NNN respectively, with prices sustained through more widely available land opportunities and bulk speculative and build-to-suit industrial projects.

Figure 2: Vacancy Rates



Source: CBRE Research, Q3 2026

Figure 3: Average Direct Asking Rate



Source: CBRE Research, Q3 2026

Net Absorption

The market recorded 668,000 sq. ft. of occupancy gain in Q3 2026, a sharp increase from the absorption recorded over the past four quarters. The continuation of positive net gains from the prior quarter brought annual net absorption to positive 682,000 sq. ft. through the first three quarters of 2026.

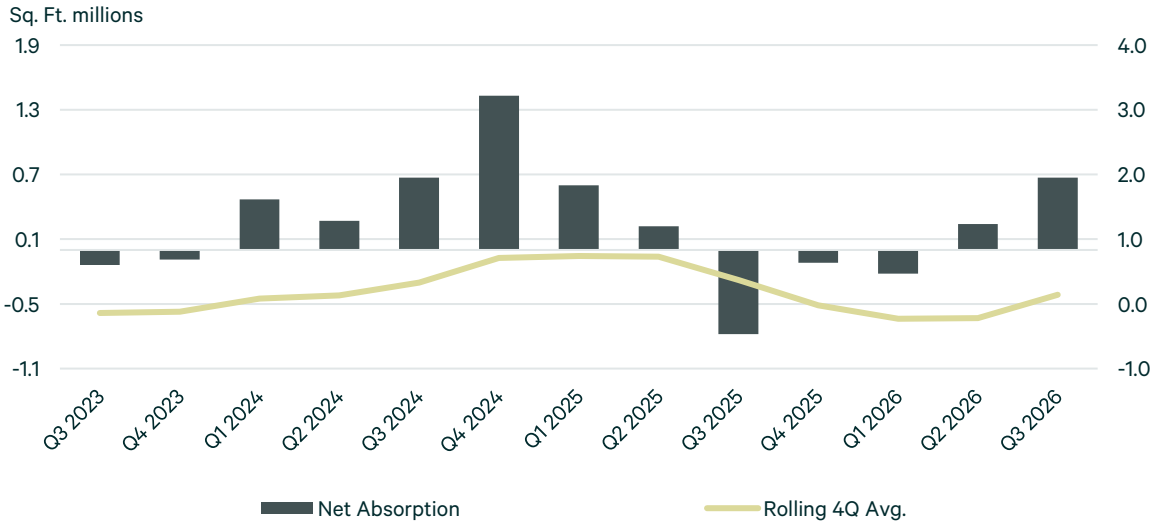
All submarkets recorded positive net absorption for the quarter, compelled by notable move-ins such as ID Logistics occupying 582,000 sq. ft. at the I-895 Logistics Center in the Southeast submarket and DPR Construction moving into 202,600 sq. ft. at Northlake II – Building D in the Northwest submarket. With gains distributed across multiple areas rather than concentrated in a single large move, the quarter’s pattern of activity signaled broadly engaged demand across the market.

Construction Activity

Industrial construction activity remains strong, with total space under construction at 12.2 million sq. ft. and quarterly deliveries of 369,000 sq. ft. The largest completion was 202,600 sq. ft. at Northlake II – Building D which was pre-leased to DPR Construction. Three smaller buildings totaling 123,250 sq. ft. at the North Park Court industrial development also delivered this quarter.

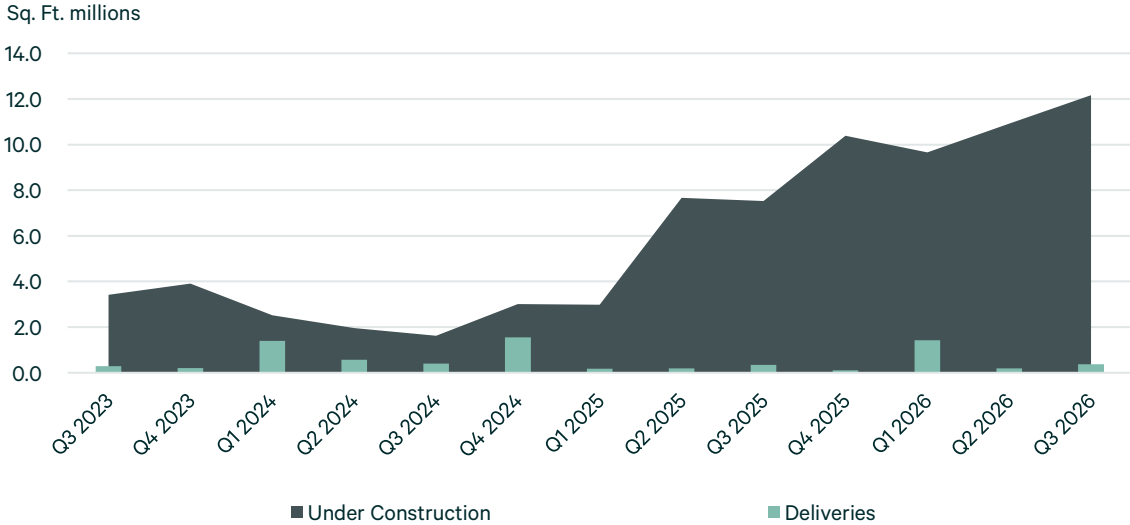
The Southeast continues to be the most active submarket for construction, with 5.9 million sq. ft. currently underway, followed by the Northwest with 3.5 million sq. ft. New projects breaking ground this quarter included a 1.05 million sq. ft. build-to-suit distribution facility in New Kent County, and at the adjacent Forge Logistics Center, Scannell Properties began construction on a 300,000 sq. ft. warehouse that is 100% pre-leased to FedEx.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q3 2026

Figure 5: Construction Activity



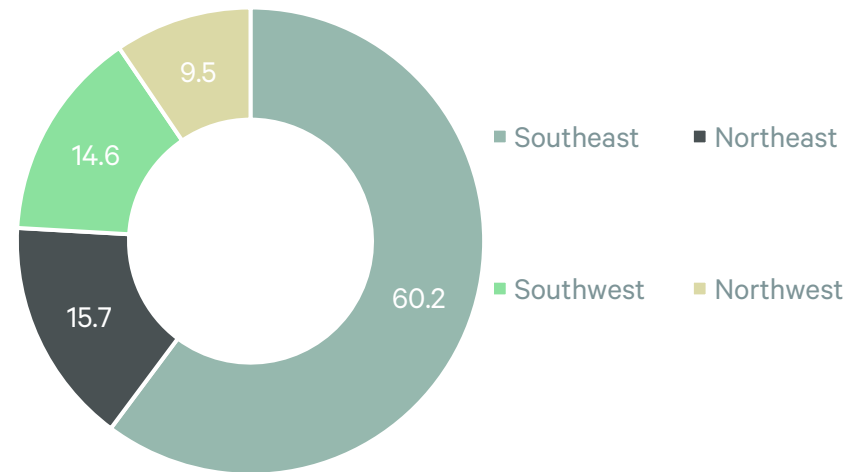
Source: CBRE Research, Q3 2026

Leasing Activity

Gross leasing activity in Q3 2026 totaled 2.6 million sq. ft., rising 17% quarter-over-quarter and 159% year-over-year. The quarter was dominated by new lease transactions, with only one renewal among the top ten deals, and activity centered on large blocks with seven leases over 100,000 sq. ft. The most notable transactions included a 348,000 sq. ft. new lease at Tri-Point Distribution Center by logistics provider Redhawk Global, followed by FedEx’s 300,000 sq. ft. new lease in New Kent and Atlantic Constructors Inc. subleasing 300,000 sq. ft. at 4000-4500 Technology Court in Sandston

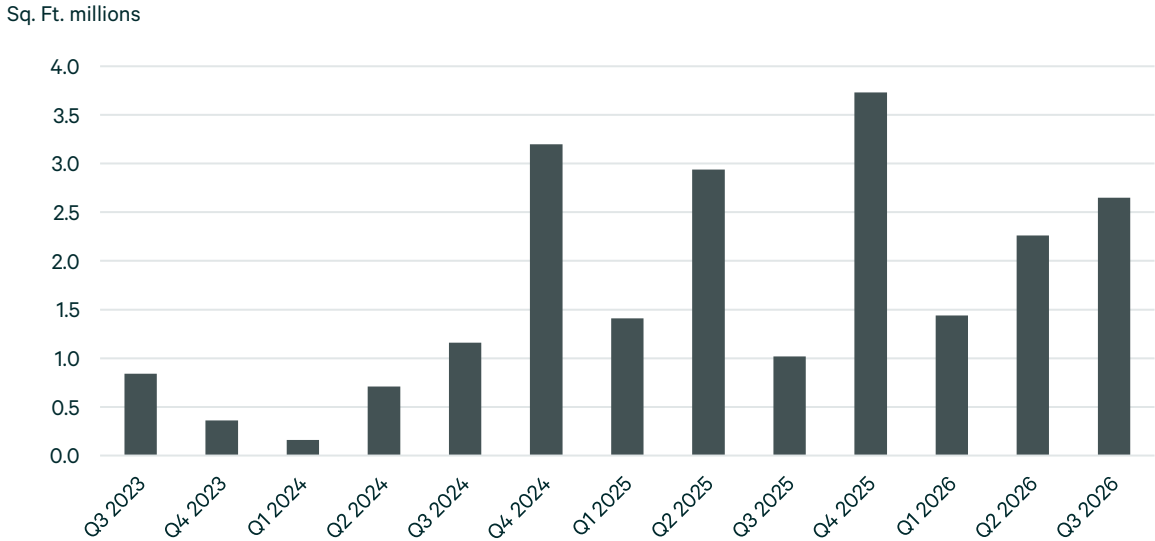
The Southeast submarket led activity with 1.6 million sq. ft. of leasing volume, accounting for 60.2% of gross leasing activity. Business services tenants and manufacturers accounted for the largest shares of leasing activity at 667,000 sq. ft. and 586,000 sq. ft., respectively.

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



Source: CBRE Research, Q3 2026

Figure 6: Leasing Activity Trend



Source: CBRE Research, Q3 2026

Figure 8: Select Notable Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Redhawk Global	348,000	New Lease	5601 Chudoba Pkwy	Southeast
FedEx Office	300,000	New Lease	Emmaus Church Rd	Northeast
Atlantic Constructors	300,000	New Lease	4000-4500 Technology Ct	Southeast
Confidential Tenant	208,000	New Lease	11300 Old Stage Rd	Southeast
Dominion Packaging	188,000	New Lease	2724-7 Hills Blvd	Southeast
Confidential Tenant	167,000	New Lease	11300 Old Stage Rd	Southeast
Confidential Tenant	150,000	New Lease	6380 Miller Rd	Southeast
Super Radiator Coils	99,000	New Lease	8800 Whitepine Rd	Southwest

Source: CBRE Research, Q3 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.	49.01	4.3	3.9	3.7	0.2	10.49	331,000	(145,000)	123,000	0.20
100,000-199,999 sq. ft.	26.72	8.8	6.3	6.2	0.1	7.43	322,000	808,000	44,000	1.30
200,000-299,999 sq. ft.	15.64	10.8	10.8	9.4	1.4	8.00	185,000	547,000	203,000	0.77
300,000-499,999 sq. ft.	16.48	8.8	7.7	5.0	2.7	7.62	(406,000)	(764,000)	-	1.04
500,000-749,999 sq. ft.	8.82	10.2	10.2	6.3	3.9	-	237,000	237,000	-	-
750,000+ sq. ft.	26.52	-	-	-	-	-	-	-	-	8.84
Total	143.18	5.9	5.2	4.4	0.8	9.02	668,000	682,000	369,000	12.16

Source: CBRE Research, Q3 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	131.77	6.0	5.2	4.4	0.8	8.40	665,000	702,000	369,000	12.12
R&D/Flex	11.41	5.5	4.7	4.3	0.5	11.97	3,000	(20,000)	-	0.05
Total	143.18	5.9	5.2	4.4	0.8	9.02	668,000	682,000	369,000	12.16

Source: CBRE Research, Q3 2026

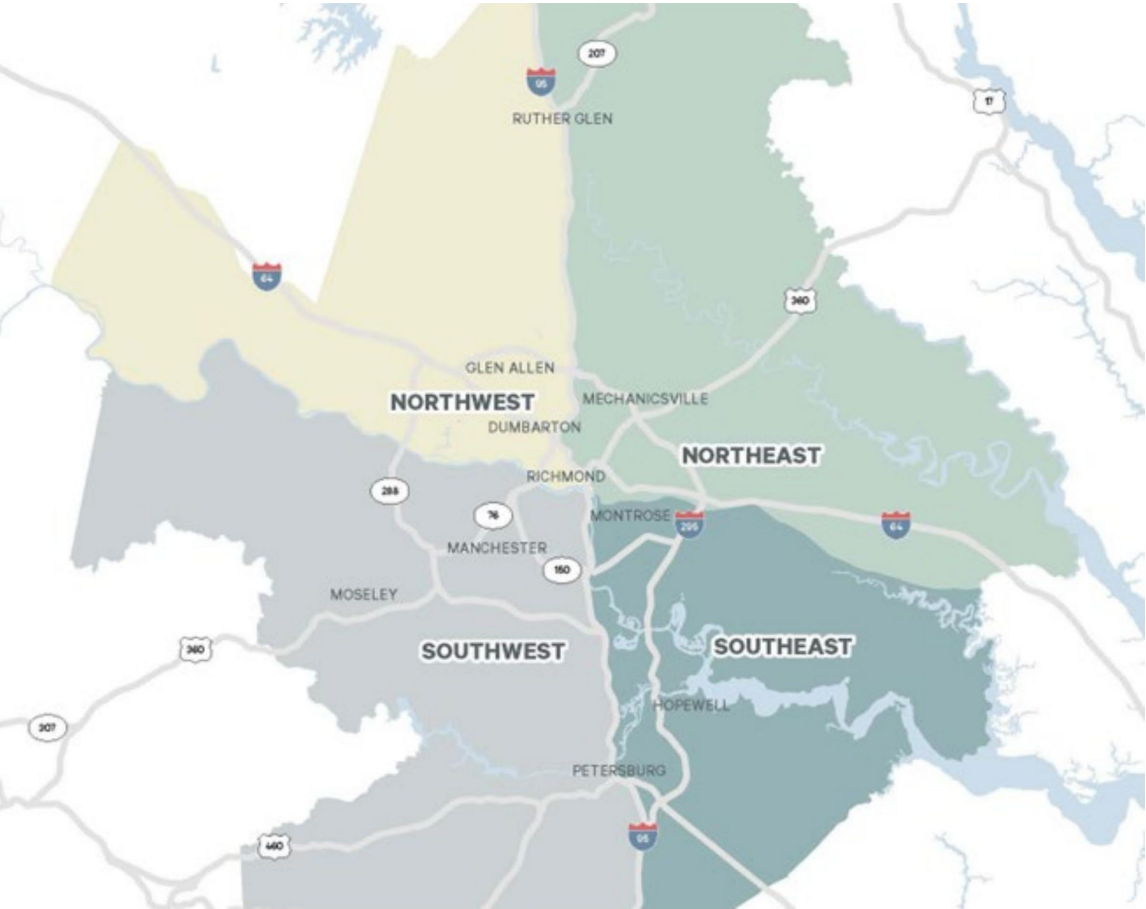
Market Statistics by Submarket

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	3.9	3.3	3.2	0.1	12.30	166,000	(189,000)	-	1.93
Northwest	27.86	10.3	10.0	9.1	0.9	10.28	203,000	320,000	326,000	3.52
Southeast	51.43	5.5	4.6	2.9	1.6	7.89	90,000	392,000	44,000	5.85
Southwest	39.47	4.6	3.9	3.8	0.1	7.74	209,000	159,000	-	0.87
Total	143.18	5.9	5.2	4.4	0.8	9.02	668,000	682,000	369,000	12.16

Source: CBRE Research, Q3 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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