

FIGURES | RICHMOND INDUSTRIAL | Q1 2026

Vacancy Rises Following a Wave of Significant Spec Deliveries

▲ 5.6%

Vacancy Rate

▲ (206,864)

SF Net Absorption

▲ 1.4M

SF Construction Delivered

▼ 11.5M

SF Under Construction

▲ \$8.65

NNN/YR Direct Lease Rate

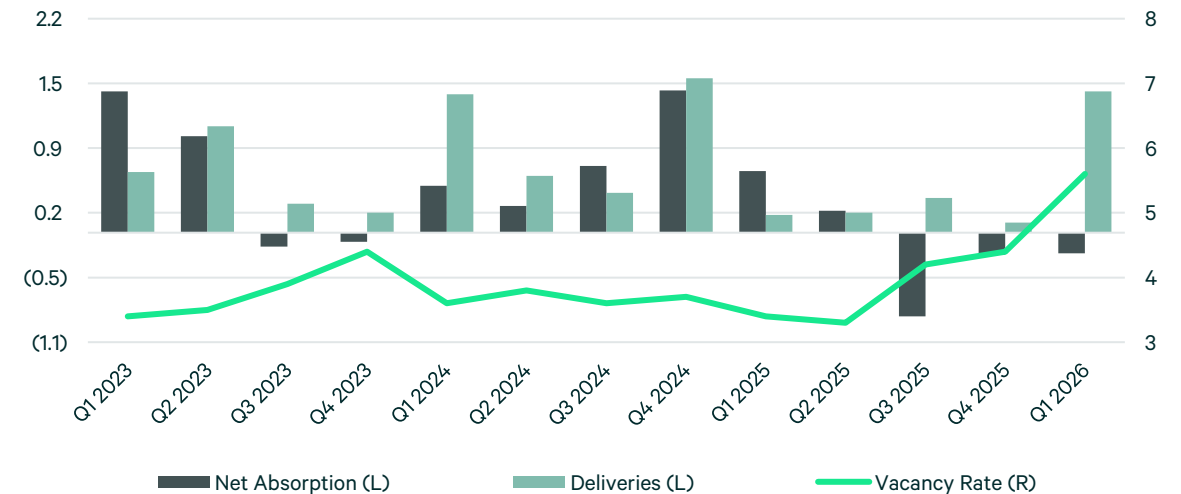
Note: Arrows indicate change from previous quarter.

Market Overview

The market shifted into a softer occupancy phase by Q1 2026 even as pricing remained resilient. Vacancy rose by 1.2 percentage points to 5.6% and was up 2.2 percentage points compared to Q1 2025, while availability climbed to 6.2%. Net absorption remained steady, moving from negative 222,000 sq. ft. in Q4 2025 to negative 207,000 sq. ft., but this still marked a sharp reversal from the 629,000 sq. ft. of positive absorption posted in Q1 2025. Despite weaker demand, the average asking rate rose to \$8.65, up 5.1% quarter-over-quarter and 1.8% year-over-year from \$8.38.

Supply dynamics were a key component of this shift in vacancy. Space under construction nearly quadrupled over the year, from 3.0 million sq. ft. in Q1 2025 to 11.5 million sq. ft. in Q1 2026, and quarterly deliveries increased to 1.4 million sq. ft. from just 104,000 sq. ft. in Q4 2025, expanding available inventory in the market.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy
Sq. Ft. (millions) %



Source: CBRE Research, Q1 2026

Vacancy Rate

The industrial market vacancy rate finished Q1 2026 at 5.6%, an increase of 1.2 percentage points from Q4 2025 and up 2.1 percentage points from the prior year. Vacancy was driven up by the delivery of 6 speculative properties this quarter, totaling 1.4 million sq. ft., 93% of which was vacant upon completion.

The Northeast submarket recorded the lowest vacancy rate in Q1 2026 at 3.3%. Comparably, the highest vacancy rate was in the Northwest submarket at 9.8%.

Sublease vacancy held steady in Q1 2026 at 0.5% overall, with no change from the prior quarter.

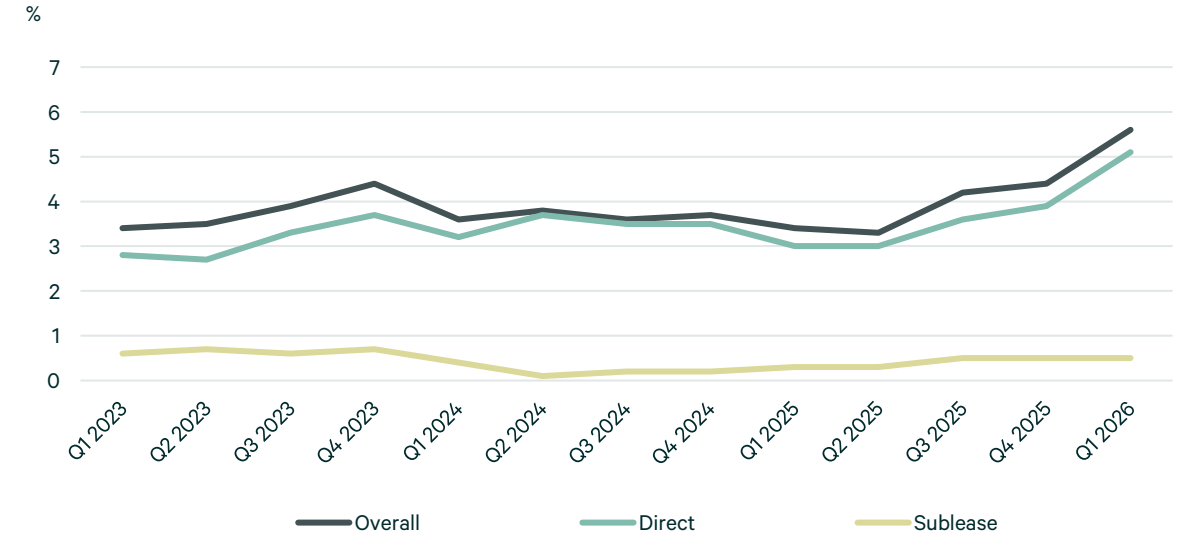
Asking Rent

Average asking rent reached \$8.65 per sq. ft. in Q1 2026. This represented a 5.1% increase from Q4 2025 after several bulk listings that were priced below market rate were taken off the market. Current rates show a 1.8% rise year-over-year from Q1 2025 and a 13.9% increase over the last 3 years.

By submarket, Northeast posted the highest average asking lease rate in Q1 2026 at \$10.94 per sq. ft., followed by the Northwest at \$9.74 per sq. ft.

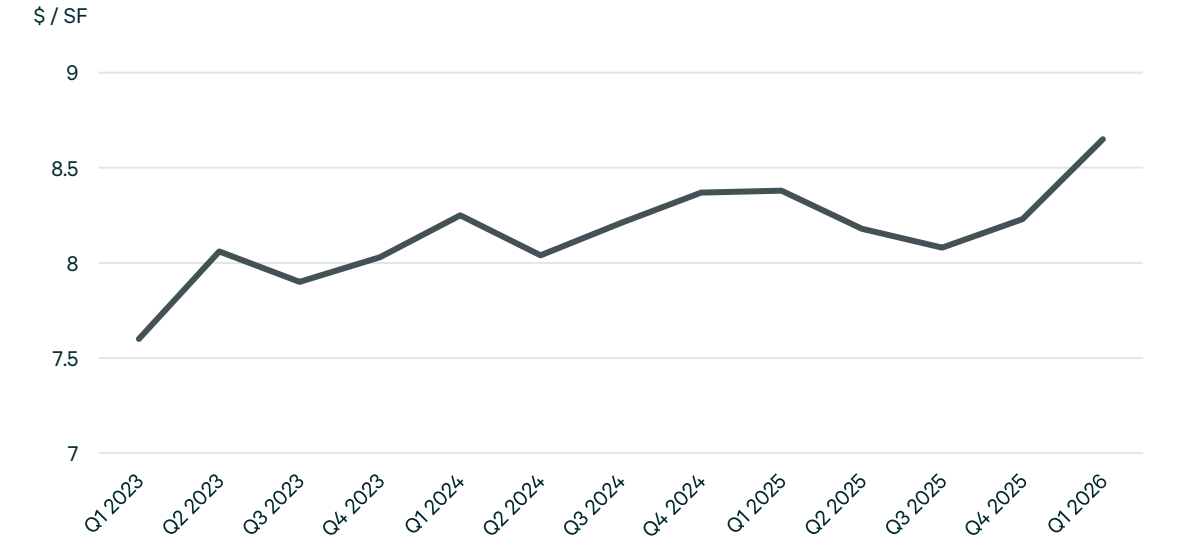
Overall average asking rents for warehouse and flex product were \$8.23 per sq. ft. and \$11.85 per sq. ft., respectively, in Q1 2026.

Figure 2: Vacancy Rate



Source: CBRE Research, Q1 2026

Figure 3: Average Direct Asking Rate



Source: CBRE Research, Q1 2026

Net Absorption

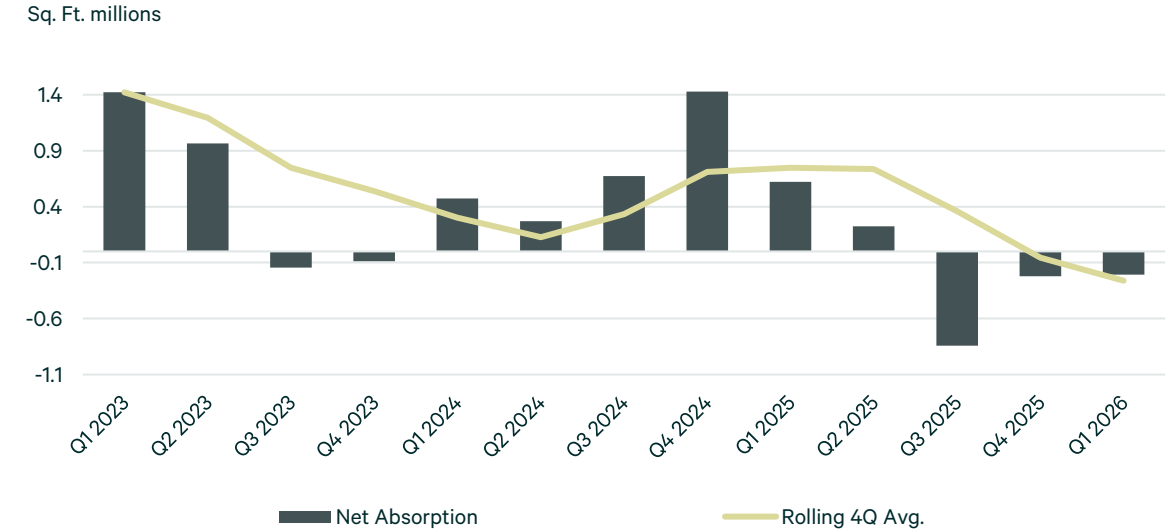
Net absorption was negative 207,000 sq. ft. in Q1 2026, a similar occupancy loss to the prior quarter. Absorption was pushed negative due to several large vacancies coming onto the market which outpaced the scarce move-ins that took place during the quarter. The most notable move out was Homylink Furniture vacating 109,000 sq. ft. at 10464 Cedar Lane in the Northwest submarket.

Construction Activity

In Q1 2026, the market had 11.5 million sq. ft. under construction and 1.4 million sq. ft. delivered. The industrial pipeline gained considerable momentum from where it was in Q1 2025, with under construction square footage up 285.3% and deliveries up 675.4% year-over-year.

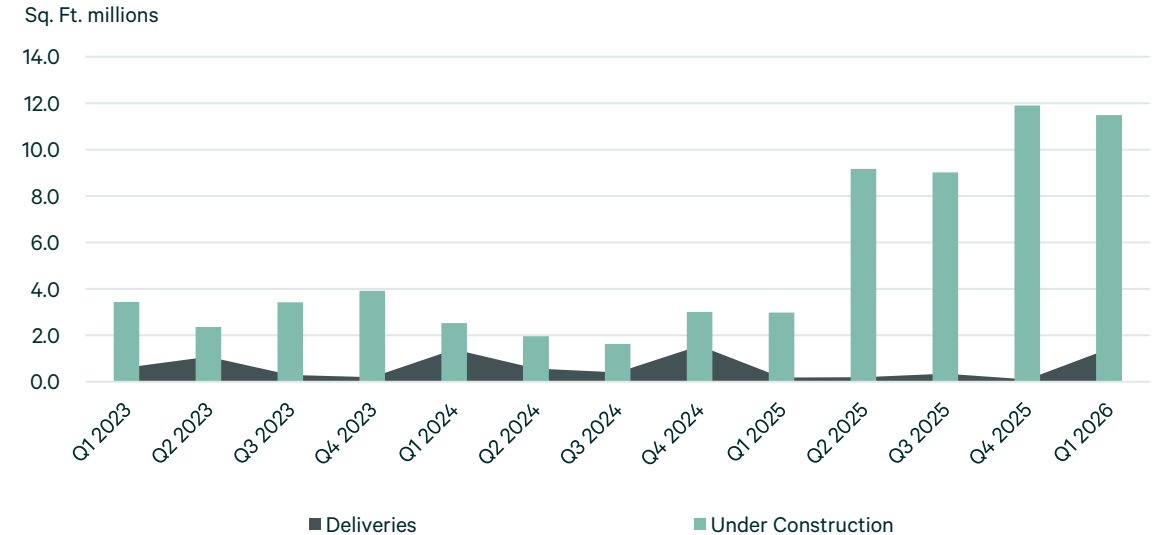
Under construction activity is heaviest in the Southeast and Northwest submarkets, with 5.8 million sq. ft. and 3.8 million sq. ft. underway, respectively, led by build-to-suit projects such as the 2.0 million sq. ft. LEGO distribution center, the 1.7 million sq. ft. Meadowville Technology Park – LEGO manufacturing plant, and the 3.2 million sq. ft. Amazon Project Rocky, all 100% pre-leased. Build-to-suit construction accounts for 74% of the total pipeline, contributing 8.5 million sq. ft. in total across four properties. The remaining 3.0 million sq. ft. belongs to speculative projects and 84% remains available for pre-lease.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q1 2026

Figure 5: Construction Activity



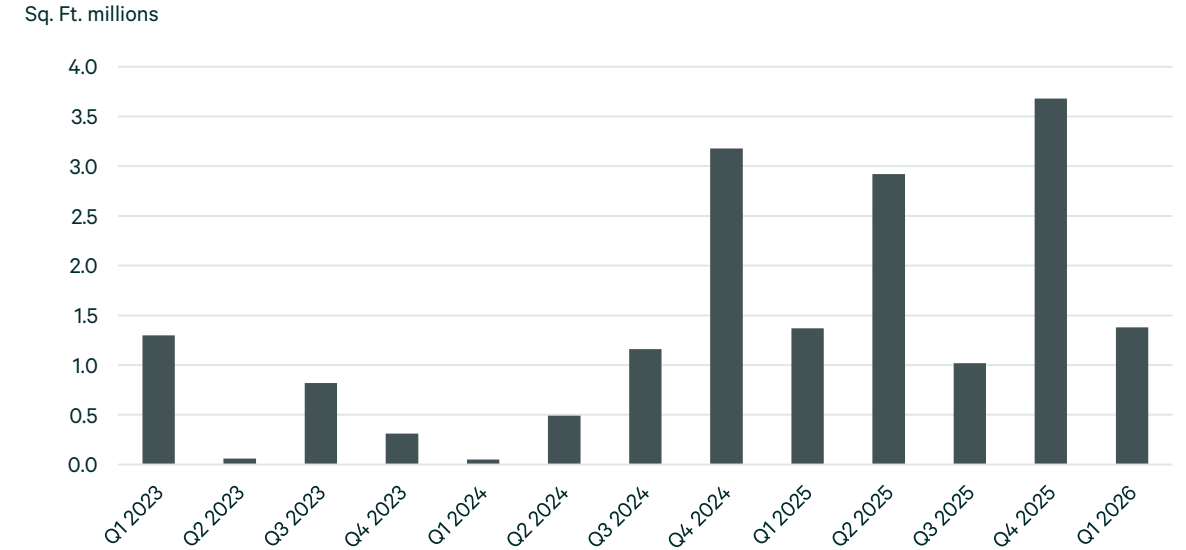
Source: CBRE Research, Q1 2026

Leasing Activity

At the close of Q1 2026, leasing volume totaled 1.4 million sq. ft., down 61% quarter-over-quarter from 3.7 million sq. ft. in Q4 2025. However, two major e-commerce warehouses each renewed 1.0 million sq. ft. in the fourth quarter, and without this activity the quarter-over-quarter change lowers to 7.6%.

The Southeast submarket recorded the most leasing activity at 471,000 sq. ft. from just 8 transactions. Three bulk leases contributed to this total, with the fourth bulk transaction of the quarter occurring in the Northwest submarket. Across the overall market a total of 58 leases were signed, 84% of which were relocations.

Figure 6: Leasing Activity Trend



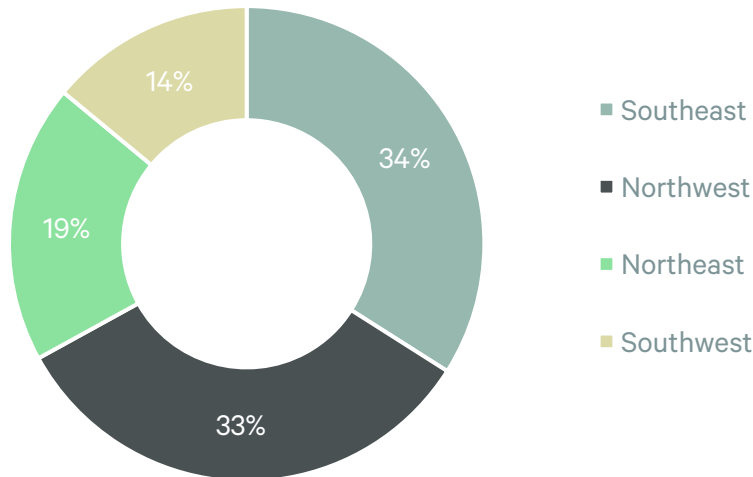
Source: CBRE Research, Q1 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Rosendin Electric	125,000	New Lease	10383 Lakeridge Pkwy	Northwest
DPR Construction	124,000	New Lease	701 Liberty Way	Southeast
U.S. AutoForce	116,000	Renewal	1936-1962 Ruffin Mill Rd	Southeast
Gaylor Electric	104,000	New Lease	1703 Ruffin Mill Rd	Southeast
Dematic	97,000	New Lease	14174 Washington Hwy	Northwest
Wholesale Millwork	70,000	New Lease	2400 Elliham Ave	Southwest
Confidential Tenant	55,000	New Lease	3301 Rosedale Ave	Northwest
United Freight Service	54,000	New Lease	3830 Corporate Rd	Southwest

Source: CBRE Research, Q1 2026

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



Source: CBRE Research, Q1 2026

Market Statistics by Submarket

Figure 9

Submarket	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (MSF)	Under Construction (MSF)
Northeast	24.42	3.3	2.7	2.5	0.3	10.94	(199,000)	(199,000)	-	1.50
Northwest	27.53	9.8	10.1	9.3	0.8	9.74	197,000	197,000	0.34	3.82
Southeast	51.18	5.0	5.9	5.0	0.8	8.08	(58,000)	(58,000)	0.58	5.84
Southwest	39.47	4.7	6.0	5.9	0.1	8.10	(148,000)	(148,000)	0.50	0.33
Total	142.60	5.6	6.2	5.7	0.5	8.65	(207,000)	(207,000)	1.42	11.49

Source: CBRE Research, Q1 2026

Market Statistics by Size

Figure 10

Size Range	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (MSF)	Under Construction (MSF)
Under 100,000 sq. ft.	48.94	4.2	4.8	4.7	0.1	10.25	(396,000)	(396,000)	0.09	0.35
100,000-199,999 sq. ft.	26.63	7.2	8.7	8.5	0.2	7.94	343,000	343,000	0.53	0.81
200,000-299,999 sq. ft.	15.22	15.3	13.2	9.8	3.4	7.99	(149,000)	(149,000)	0.21	0.69
300,000-499,999 sq. ft.	16.48	3.1	6.0	5.4	0.6	7.36	(5,000)	(5,000)	-	0.33
500,000-749,999 sq. ft.	8.82	12.9	12.9	12.9	-	8.00	-	-	0.58	-
750,000 sq. ft.	26.52	-	-	-	-	-	-	-	-	9.30
Total	142.60	5.6	6.2	5.7	0.5	8.65	(207,000)	(207,000)	1.42	11.49

Source: CBRE Research, Q1 2026

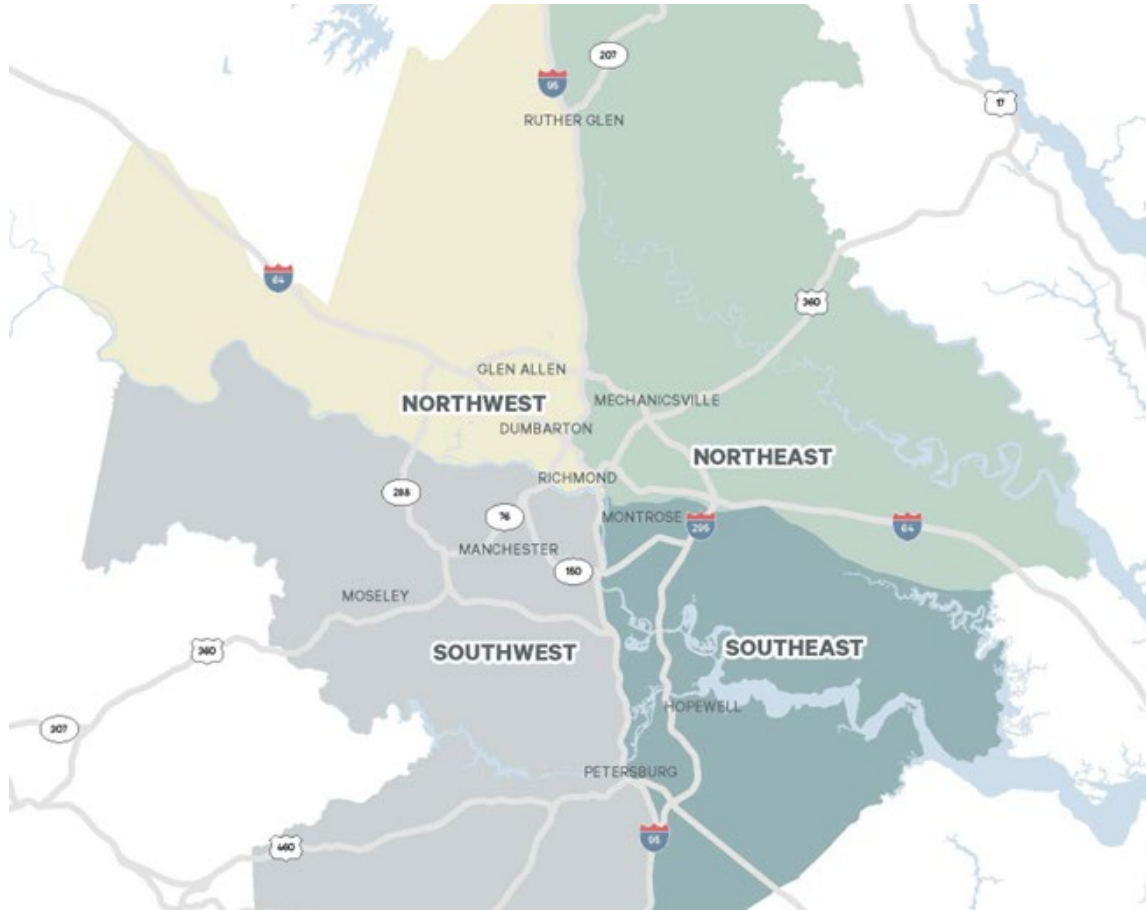
Market Statistics by Product Type

Figure 11

Product Type	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (MSF)	Under Construction (MSF)
Distribution/Logistics	131.19	5.6	6.1	5.6	0.5	8.23	(139,000)	(139,000)	1.42	11.49
R&D/Flex	11.41	5.1	6.7	6.3	0.4	11.85	(68,000)	(68,000)	-	-
Total	142.60	5.6	6.2	5.7	0.5	8.65	(207,000)	(207,000)	1.42	11.49

Source: CBRE Research, Q1 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.

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