

Market Insights

RICHMOND INDUSTRIAL

MID-YEAR 2025





LOOKING BACK

- › The Richmond, Virginia industrial market is seeing another strong year across all product types, particularly zoned industrial land. For-sale zoned industrial land with utilities availability remains scarce, fueled by heavy demand from developers.
- › The first half of this year saw a few significant large box leases executed including 505,068 square feet secured by Hill Phoenix at Axial Gateway 95 in Chesterfield and LEGO's 2,000,000 square foot distribution facility at 8800 Wells Station Road in Prince George.
- › Well below the national industrial property average vacancy rate of 7.5%, the Richmond industrial market's average vacancy rate of 5% is comparatively strong, positioning the region as a top 15 industrial market in the U.S. in terms of occupancy.
- › Building upon increased demand for intermediate storage in the post-COVID economy, the Industrial Outdoor Storage sector continues to grow, with both local and outside investment.
- › New construction has increased, notably in the Goochland Route 623 corridor with the development of a 3.1 million square foot Amazon fulfillment facility and the 335,000 square-foot Axial 64 development.
- › Institutional capital and out-of-town developers are seeking opportunities in the Richmond market more than ever before as lease comps and investment sale exit caps outperform underwriting assumptions.
- › Shallow bay industrial (smaller square footage industrial developments under 75,000 square feet), often multitenant, are becoming increasingly more popular due to the ability to purchase smaller zoned acreage and achieve high rental rates for such space.

2025 MARKET INSIGHT

	Under Construction	YTD 2025 Deliveries	Inventory	Vacancy
City of Richmond	0 SF	0 SF	30,865,648 SF	1,873,132 SF
Hanover/ Goochland	4,470,565 SF	250,000 SF	22,047,284 SF	1,873,275 SF
Henrico	937,687 SF	800,000 SF	35,667,511 SF	1,005,157 SF
Chesterfield	3,145,290 SF	170,000 SF	29,396,599 SF	1,309,018 SF

BY THE NUMBERS (YEAR TO DATE)

	Class A+B (<100,000 SF)	YOY	Class A+B (>100,000 SF)	YOY
 4.2% Vacancy Rate		+0.4%	8.4% Vacancy Rate	-2.1%
 \$116/SF Market Sales		-3.1%	\$101/SF Market Sales	-3.1%
 \$12.96/SF Asking Lease Rates (NNN)		+2.7%	\$10.09/SF Asking Lease Rates (NNN)	+0%
 154,000 SF Under Construction		+37.2%	3,400,000 SF Under Construction	+577.4%



KEY SALES

Address	Sold	SF
4701-4949 Commerce Road	\$97,500,000	922,508
943 S Airport Drive	\$40,700,000	280,000
801 Port Walthall Drive	\$35,500,000	239,448



KEY LEASES

Address	Tenant	SF
8800 Wells Station Road	LEGO®	2,000,000
16401 Walthall Industrial Parkway	Hill Phoenix	505,068
1701 Bermuda Hundred Road	Amazon	187,980

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LOOKING AHEAD

Richmond continues to post some of the nation's strongest industrial fundamentals and population growth trends. For the second year in a row, the Richmond MSA has outpaced Northern Virginia in population growth, with one of the lowest industrial vacancy rates in the country for markets over 150 million square feet. This has attracted significant interest from outside investors and developers, driving demand for both existing properties and land for new projects.

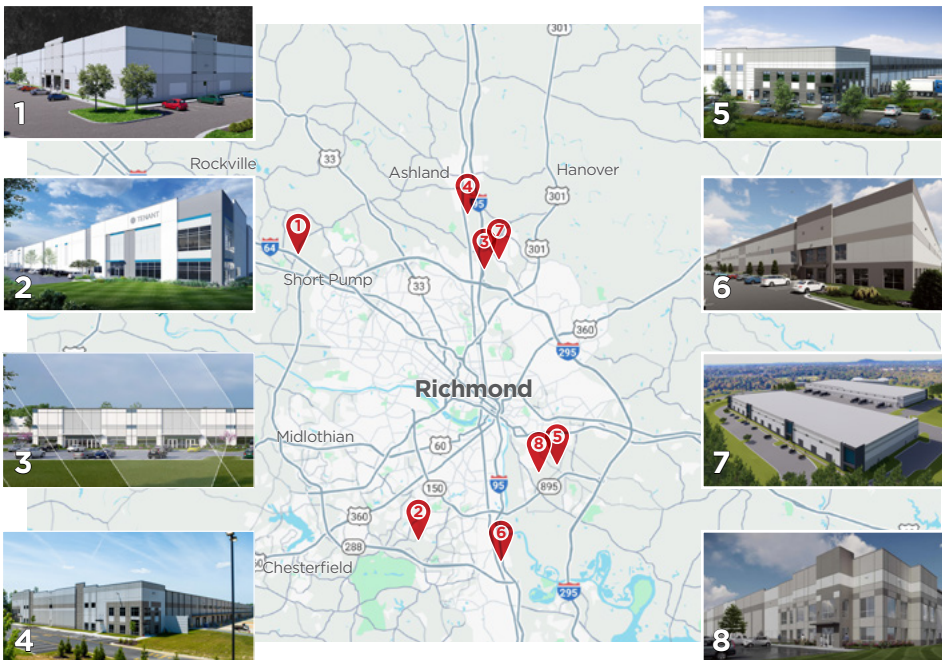
Fueled by a robust local economy and surging demand for data centers, industrial property values and rental rates have climbed sharply. Limited availability of zoned land with utility access has pushed some developers toward more challenging infill sites or peripheral areas of the MSA. Slow infrastructure expansion and restrictive zoning are expected to keep upward pressure on prices and rents.

Looking ahead, Richmond's industrial market appears well-positioned for continued strength, benefiting sellers, landlords, and investors alike. Low vacancy rates and strong absorption of new development should keep it among the nation's top-performing industrial markets.

— Michael Mayhew, Vice President

2025-2026 DELIVERIES

Property	Address	Total SF	Developer	Estimated Delivery
1. Axial Rockville 64	Ashland Road	335,000± 2 Buildings	Crescent	Q1 2026
2. Whitepine Logistics Center	8800 Whitepine Road	501,224± 3 Buildings	Frampton Construction	Q4 2025
3. Crescent Business Center	10400 Lakeridge Parkway	198,883± 4 Buildings	Merritt	Q4 2025
4. Northlake II	Harley Club Drive	537,000± 4 Buildings	Matan	Breaking Ground Q1 2025
5. Airport South Commerce Center	Olga Sauer Blvd	335,000± 1 Building	Samet	Q2-3 2026
6. South Richmond Business Center	1930 Bellwood Road	604,500± 2 Buildings	Ashley Capital	Q2-3 2026
7. Lakeridge Logistics Center	10384 Lakeridge Parkway	250,000± 2 Buildings	Wigeon Capital	Q2 2025
8. I-895 Logistics Center	7001 S Laburnum Avenue	582,437± 1 Building	Ashley Capital	Q4 2025



Our industrial team is comprised of eight professionals with varied experience in everything from research, site selection, development, leasing, sales, marketing, portfolio analysis, and financial modeling. We have worked with large institutional developers and small service companies alike—in all engagements we believe in exceeding our clients' expectations. We hold ourselves to a high standard derived from our company core values of putting the team first, holding ourselves accountable, maintaining high professional standards, valuing relationships over dollars, and integrity—always doing the right thing.

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