

# Market Insights



**COMMONWEALTH  
COMMERCIAL**

Comprehensive Property Solutions

## RICHMOND INDUSTRIAL

YEAR END 2025

### LOOKING BACK

- › The Richmond, Virginia industrial market yet again saw another strong year across all product types, particularly in developable industrial land.
- › For-sale zoned industrial land with utilities availability remained scarce, fueled by heavy demand from developers.
- › Richmond was ranked by CoStar as the #1 market in the United States for small-bay industrial (<50,000 SF) and the #3 market in the United States for big-box industrial (>100,000 SF) based on leasing activity, vacancy, inventory growth, and rent increases.
- › There were more build-to-suit developments in the pipeline in 2025 than in years past, causing the supply of speculative new construction to be more limited.
- › Demand within the 11,000 to 30,000 and 60,000 to 200,000 SF ranges were particularly noticeable in 2025 compared to larger distribution uses.
- › Significant pent-up demand among smaller local and regional businesses looking to buy and develop their own piece of property was revealed as a result of the Commonwealth Commercial-led Pony Farm Industrial Park development, from which about 75% of the 14 parcels were sold before site delivery.
- › There was a lot of activity from out-of-town institutional developers pursuing big-box and distribution projects, due to small and large industrial sites taking about the same amount of time to battle through county approvals, permits, and citizen opposition.
- › The focus on large distribution centers has created an underserved market segment, especially as Richmond's population and residential base have expanded.
- › As a result, smaller industrial users - such as contractors, service businesses, and regional companies - were left with limited options last year.

### 2025 MARKET INSIGHT

	Under Construction	YTD 2025 Deliveries	Inventory	Vacancy
City of Richmond	0 SF	0 SF	30,856,648 SF	2,419,878 SF
Hanover	385,000 SF	491,649 SF	24,415,176 SF	1,898,863 SF
Goochland	3,837,000 SF	0 SF	1,240,388 SF	61,605 SF
Henrico	3,844,000 SF	1,404,566 SF	36,272,077 SF	962,521 SF
Chesterfield	3,469,000 SF	327,426 SF	29,554,025 SF	2,344,050 SF

### BY THE NUMBERS

Class A+B (<100,000 SF)		YOY	Class A+B (>100,000 SF)		YOY
	4.7%	+0.5%		4.2%	-4.2%
Vacancy Rate			Vacancy Rate		
	\$116/SF	neutral		\$113/SF	+11.8%
Market Sales			Market Sales		
	\$10.43/SF	-19.5%		\$9.06/SF	-11.3%
Asking Lease Rates (NNN)			Asking Lease Rates (NNN)		
	302,000 SF	+96%		8,100,000 SF	+138%
Under Construction			Under Construction		



#### KEY SALES

Address	Sold	Size
<b>Eastport Industrial Park</b> 5600 Eastport Blvd <i>Bought by Boston-based Rockpoint</i>	\$142 Million	1,060,000 SF 86 AC
<b>SanMar</b> 10462 Hickory Hill Road <i>Bought by Lake Washington Partners out of Seattle</i>	\$128 Million	1,100,000 SF 190 AC
<b>Amazon and Brother International Corp Warehouses</b> 4701-4949 Commerce Road <i>Bought by Dallas-based Stream Realty Partners</i>	\$97.5 Million	922,508 SF 60 AC



#### KEY LEASES

Address	Tenant	SF
8800 Wells Station Road	LEGO® Signed May 2025	2,003,0640
16401 Walthall Industrial Parkway	Hillphoenix Signed March 2025	505,068
6380 Miller Road	Eaton Signed Dec 2025	350,000

[LEARN MORE](#)

4198 Cox Road, Suite 200 | Glen Allen, VA 23060  
804-346-4966 | COMMONWEALTHCOMMERCIAL.COM

## LOOKING AHEAD

As the Greater Richmond industrial market moves beyond the rapid expansion of the past five years, tenant behavior is increasingly driven by cost certainty and long-term control. A growing number of local, regional, and national users are favoring ownership over leasing after sustained rent escalation, viewing real estate ownership as a strategic hedge against future occupancy costs and a way to maintain operational flexibility.

Rental rates are expected to continue rising, but at a more measured pace than recent years. Assuming market fundamentals remain consistent, rent growth should normalize over the near and intermediate term as affordability constraints emerge and new supply is delivered. That supply, however, is increasingly located outside the immediate Richmond core, with development shifting south into Prince George County and east into New Kent County, driven by reduced willingness among closer-in jurisdictions to rezone land for industrial uses, elongating entitlement timelines and sustaining supply-side pressure.

Construction costs remain a structural factor shaping future development. Elevated labor, material, and infrastructure costs show little sign of retracting, reinforcing higher replacement costs and supporting existing asset values and rental rates. Concurrently, Chesterfield County's zoning ordinance reboot introduces near-term uncertainty as revised classifications and permitted uses are interpreted, which may temporarily slow development and user decision-making.

Looking ahead, the growing data center development pipeline across Central Virginia is expected to generate incremental demand throughout the broader industrial ecosystem. While data centers represent a specialized asset class, their construction and operations should drive increased demand from contractors, suppliers, and service providers, supporting secondary industrial absorption and reinforcing Richmond's position as a resilient, infrastructure-driven market.

### 2026-2027 DELIVERIES

Property	Location	Total SF	Developer	Estimated Delivery
1. Axial Rockville 64	Goochland	335,000±	Crescent	Q1 2026
2. Whitepine Logistics Center	Chesterfield	501,224±	Frampton	Q1 2026
3. Crescent Business Center (8 & 9)	Ashland	94,435±	Merritt	2026
4. PNK Ashton	Colonial Heights	846,260±	PNK Ashton	Q3 2026
5. New Kent Logistics Center	New Kent	1,998,600±	Matan	Q4 2026
6. Northlake II	Ashland	202,600±	Matan	2026
7. Airport South Commerce Center	Henrico	335,000±	Samet	Q2 2027
8. South Richmond Business Center	Chesterfield	604,500±	Ashley Capital	Q2-3 2026
9. I-895 Logistics Center	Henrico	582,437±	Ashley Capital	Q1 2026

### INDUSTRIAL TEAM

#### BEN BRUNI, SIOR

Senior Vice President | Partner

804-793-0046

bbruni@commonwealthcommercial.com

#### COLLINS BURLEE

Associate

804-630-0024

cburlee@commonwealthcommercial.com

#### COLTON KONVICKA, SIOR

Senior Vice President

804-837-4004

ckonvicka@commonwealthcommercial.com

#### CHIP LOUTHAN, SIOR

Senior Vice President

804-324-7206

clouthan@commonwealthcommercial.com

#### ETHAN LUSTIG

Associate

804-592-7579

elustig@commonwealthcommercial.com

#### MICHAEL MAYHEW

Senior Vice President

804-250-1345

mmayhew@commonwealthcommercial.com

#### STANTON MCDUFFIE

Associate

757-306-1536

smcduffie@commonwealthcommercial.com

#### COLEMAN STEWART

Senior Associate

804-368-6332

cstewart@commonwealthcommercial.com

