



Q4 2024 INDUSTRIAL MARKET REPORT

Industrial Market - Key Trends Snapshot

Industrial Market

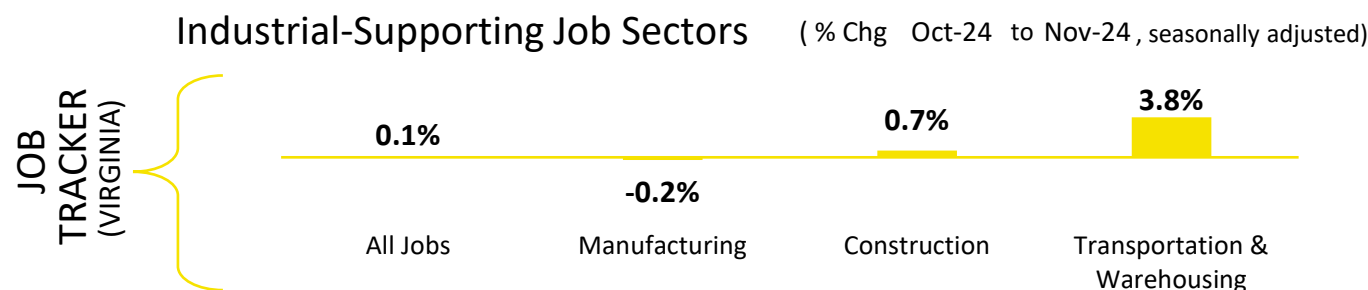
Overview: Virginia’s industrial market ended 2024 in a strong position. The construction pipeline continues to grow and vacancy levels remain low. Net absorption is still positive and rents are climbing, signaling strong demand in the market.

Absorption: After peaking in 2022, there has been a slowdown in the industrial market with 1.97 million sq ft of space absorbed in Q4 2024, 61.1% lower than a year ago. Most of the positive absorption can be attributed to distribution/warehouse space with 2.08 million sq ft of occupied space. Richmond led all other markets in absorbed space this quarter with about 344,000 sq ft while Roanoke saw the biggest drop off in absorption levels with -214,000 sq ft.

Vacancy: At 4.2%, the industrial vacancy rate remained unchanged from last year and sits well below the national average rate of 6.9%. While vacancy rates in the manufacturing sector stabilized at 3.7%, distribution/warehouse space saw rates go up 0.9 percentage points to 4.9% in Q4. Charlottesville and Winchester experienced the lowest vacancy rates this quarter.

Rent: Rent prices have been rising by double digits for most of 2024 but began to stabilize in the final quarter of the year. The cost of industrial space was \$7.61 per sq ft in Q4, 3.3% higher than the same time last year. There was negative rent growth for manufacturing spaces, at -5.4% as rent for distribution/warehouse space went up 1.9%. One of Virginia’s smaller markets, Blacksburg saw the sharpest decrease in full-service rent price at -21.0%.

Supply+Deliveries: The number of industrial properties under construction increased 25.6% in Q4 2024, a sign that demand in the market remains strong. Three of Virginia’s biggest metro areas, Hampton Roads, Northern Virginia, and Richmond drove construction starts this quarter. Deliveries fell 61.3% throughout the state this quarter.



VIRGINIA (Statewide)



Market Indicator Dashboard

	YoY Chg	Q4-2024	Indicator
% chg	1.9%	570,960,986	Total Inventory (sq. ft)
sq. ft	-3,091,626	1,971,365	Net Absorption (sq. ft)
pct point	0.5%	4.2%	Vacancy Rate (%)
\$ per sq. ft	\$0.24	\$7.61	Full Service Rent (\$ per sq. ft)
sq. ft	-3,716,337	2,345,052	New Supply Delivered (sq. ft)
sq. ft	3,373,188	16,527,430	Under Construction (sq. ft)



Economic Indicator Dashboard

	MoM % Chg	Nov-24	Indicator
% chg	0.1%	4.3	Total Jobs (in millions, seasonally adjusted)
% chg	1.1%	642.2	Industrial-Supporting Jobs (in thousands, seasonally adjusted)
pct point	0.1%	3.0%	Unemployment Rate (% seasonally adjusted)
pct point	0.1%	3.1	Gross Domestic Product (% chg from prior year)

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Virginia Industrial Market

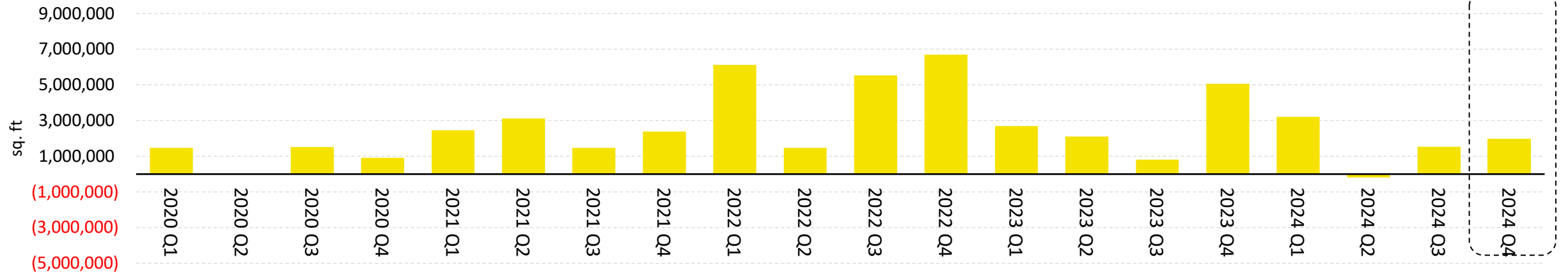
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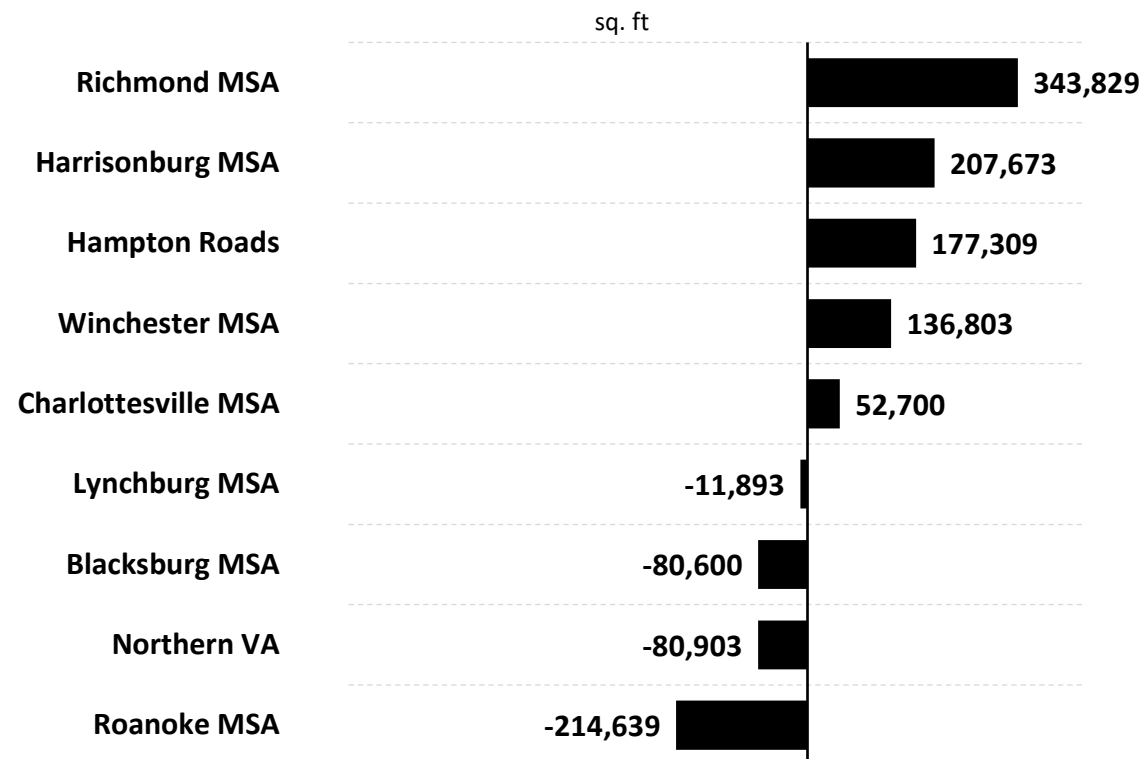
Industrial Market - Absorption & Construction Trends

VIRGINIA (Statewide)

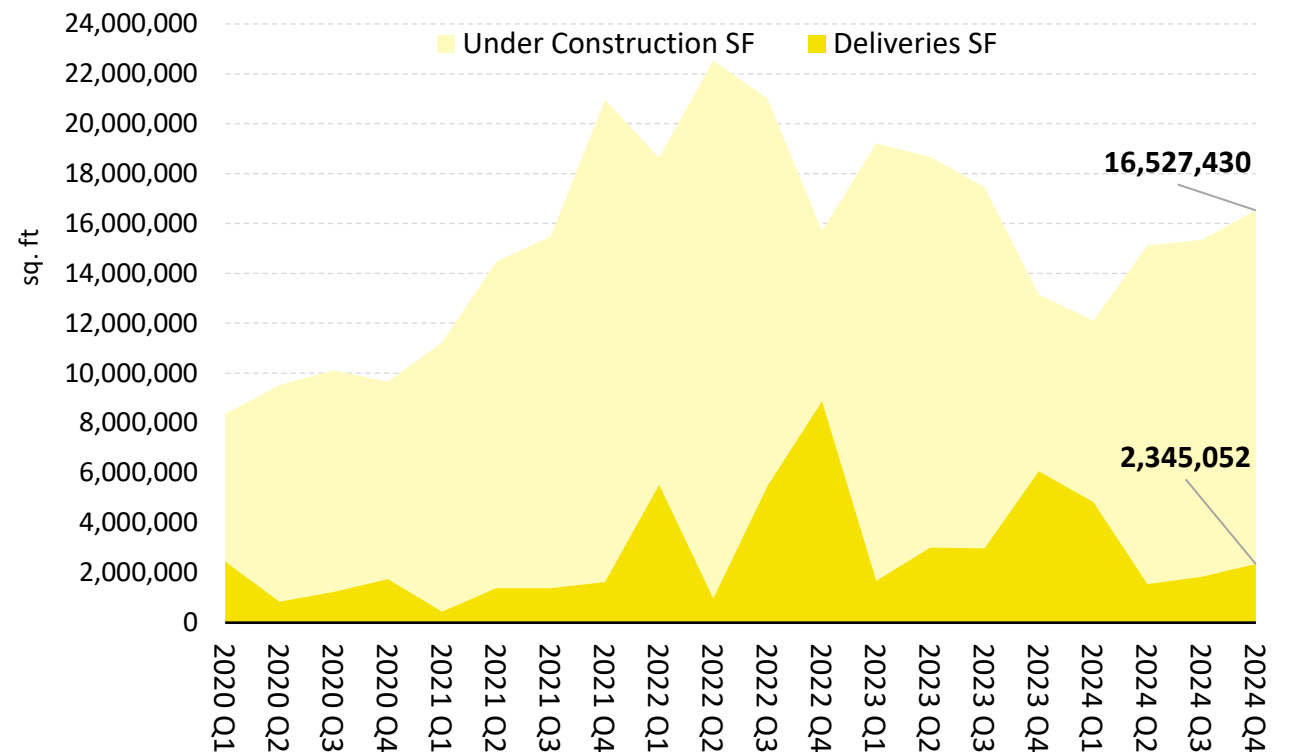
Net Absorption (sq. ft)



Q4-2024 Net Absorption by Metro Area (sq ft)

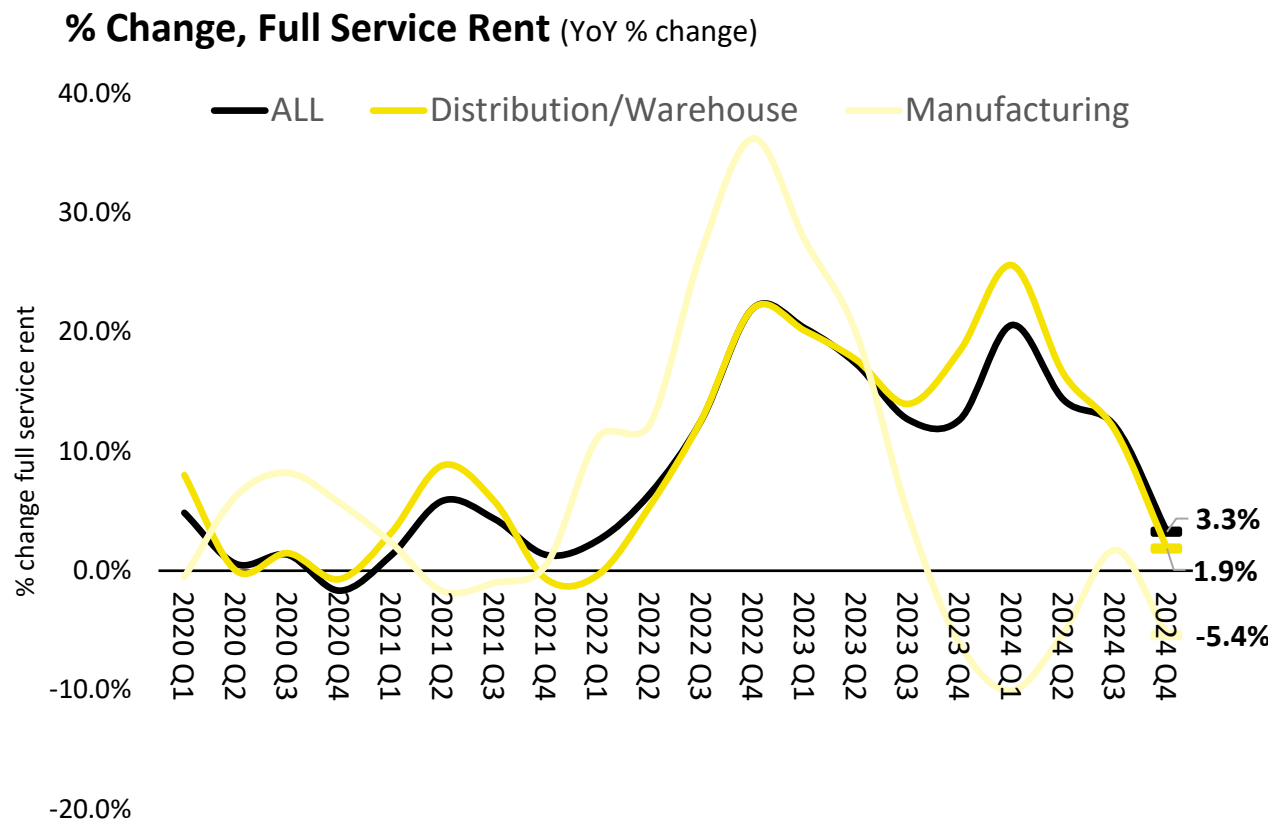
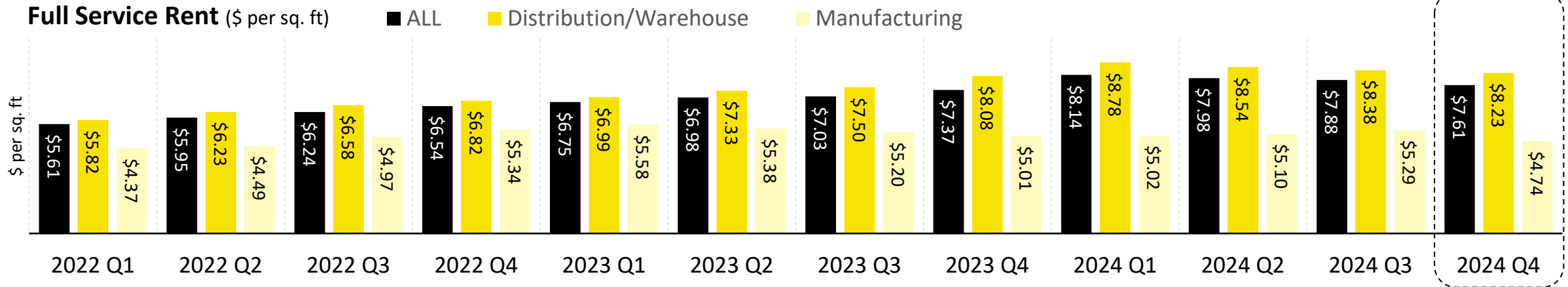


Under Construction & Net Deliveries (sq. ft)

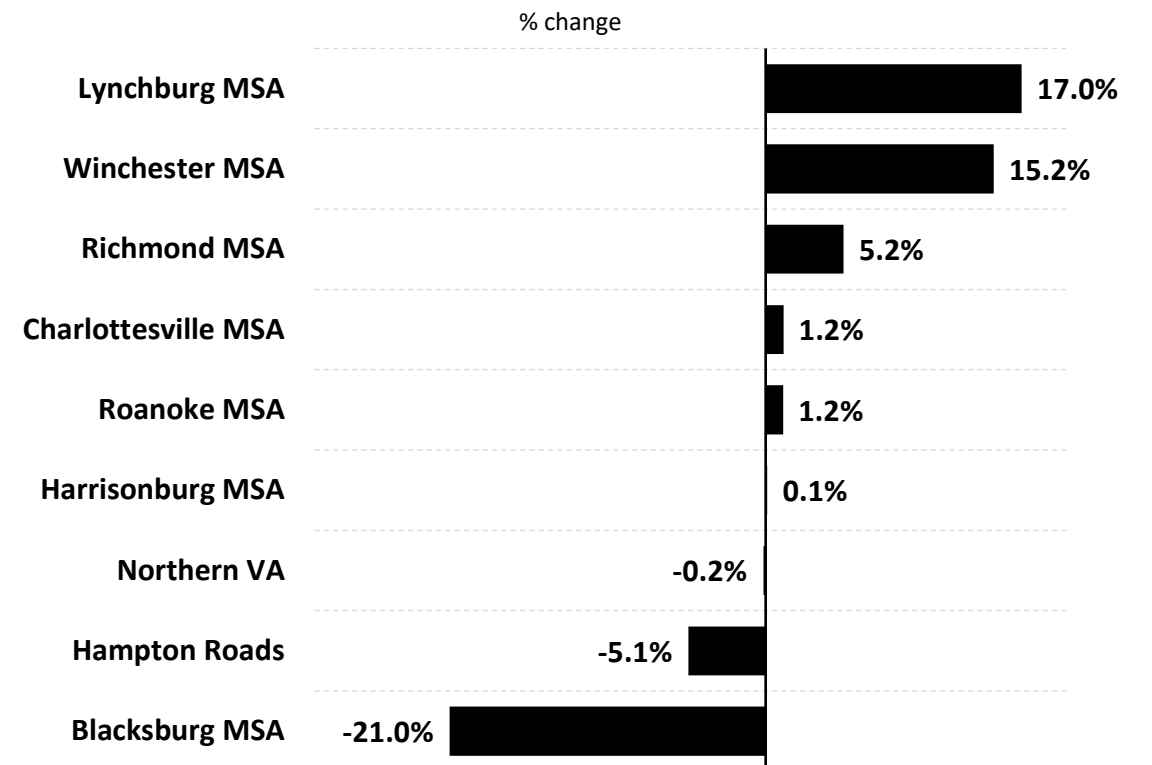


Industrial Market - Rent Trends

VIRGINIA (Statewide)

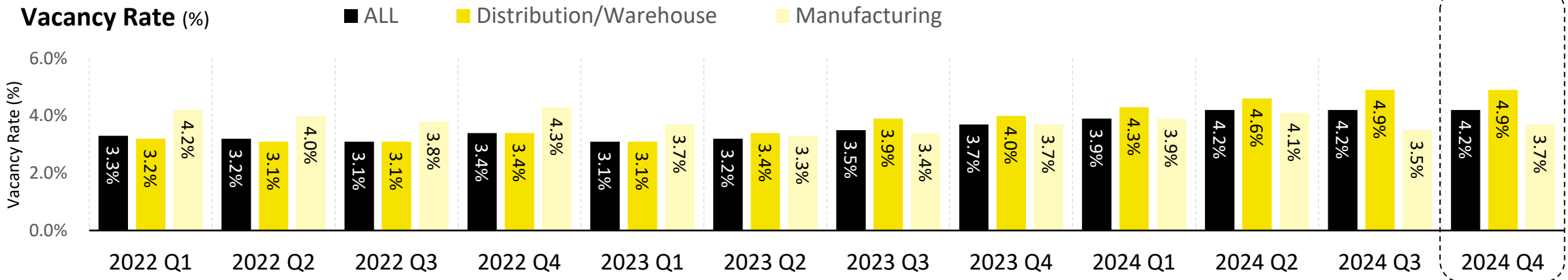


Q4-2024 by MSA: % Change, Full Service Rent (YoY % change)

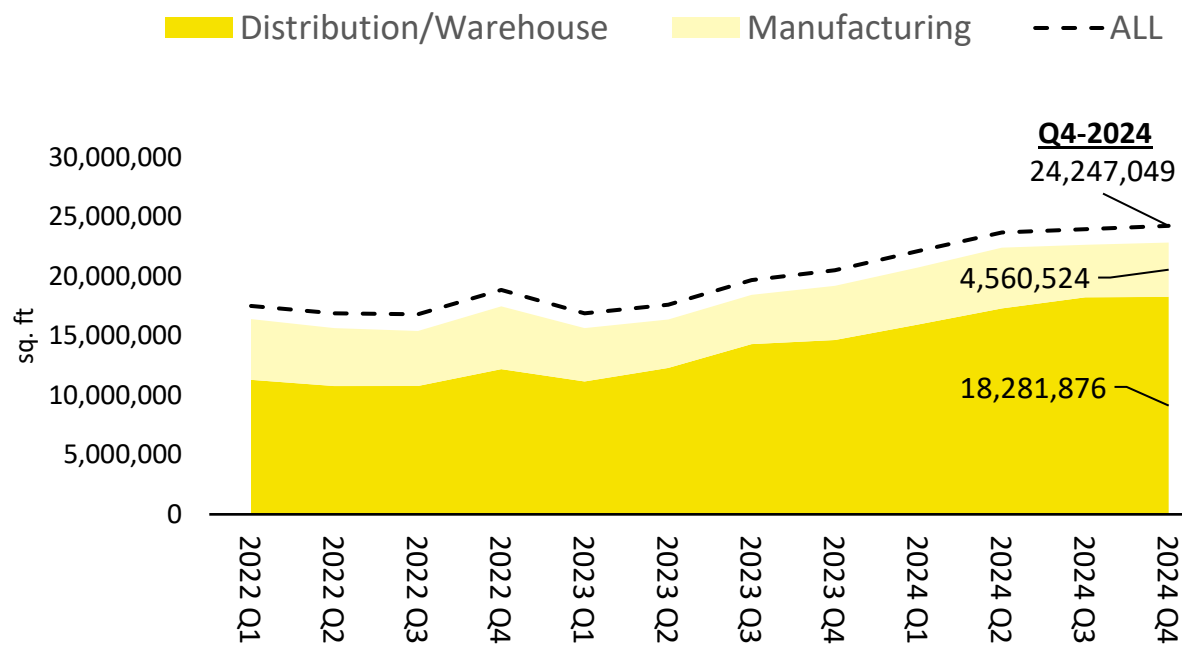


Industrial Market - Vacancy Trends

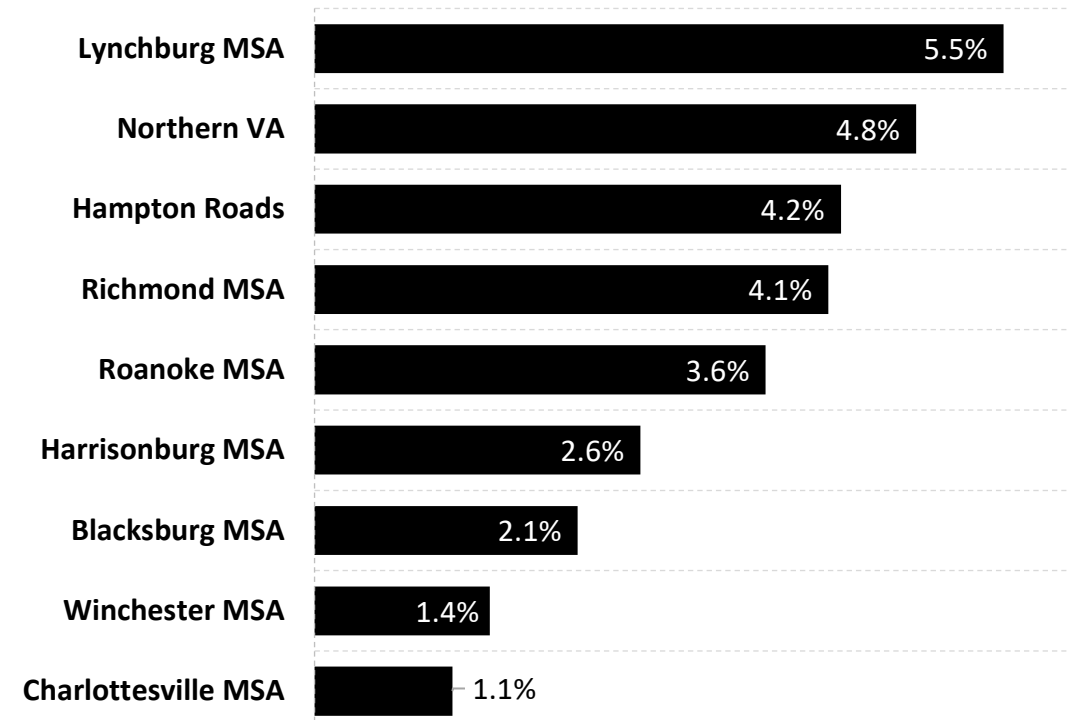
VIRGINIA (Statewide)



Vacant Inventory (sq. ft)



Q4-2024 Industrial Vacancy Rate by MSA



MSA TRENDS

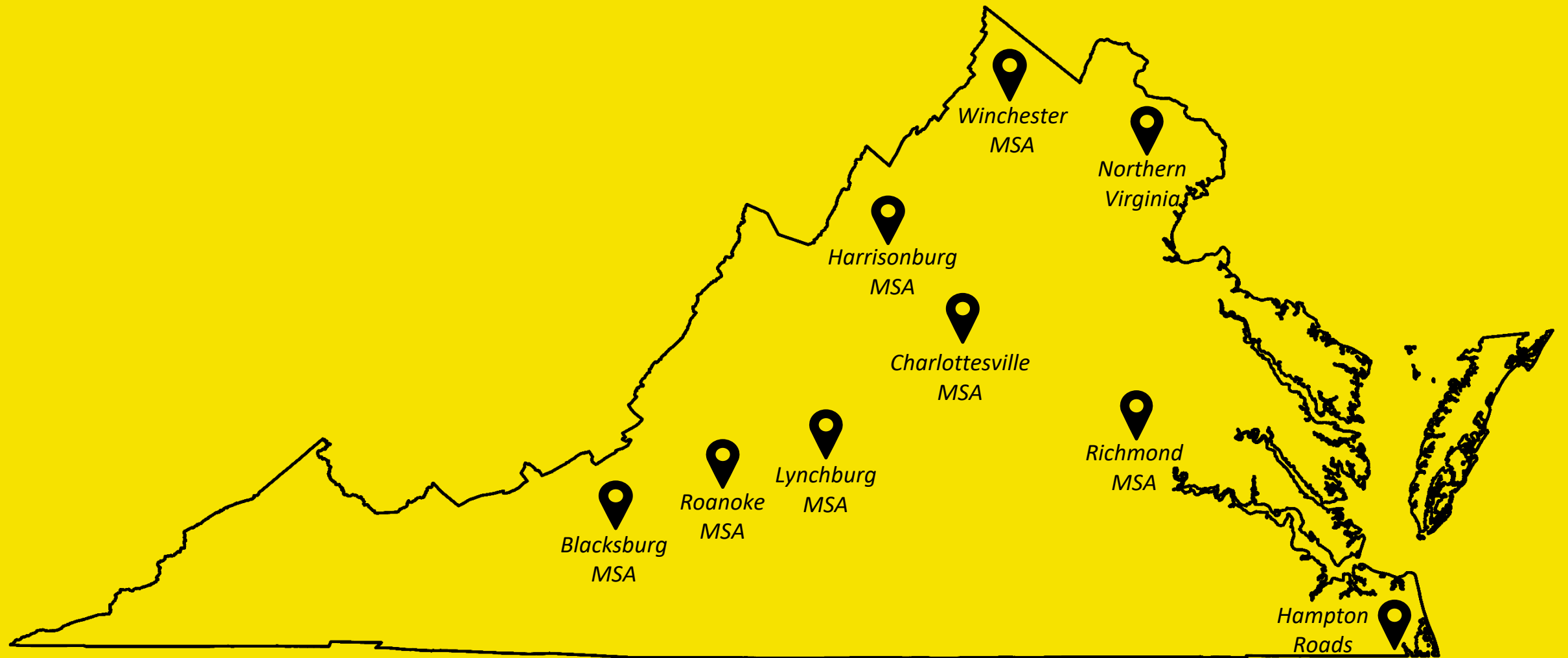
METROPOLITAN STATISTICAL AREA

Q4



2024

INDUSTRIAL
Market Report



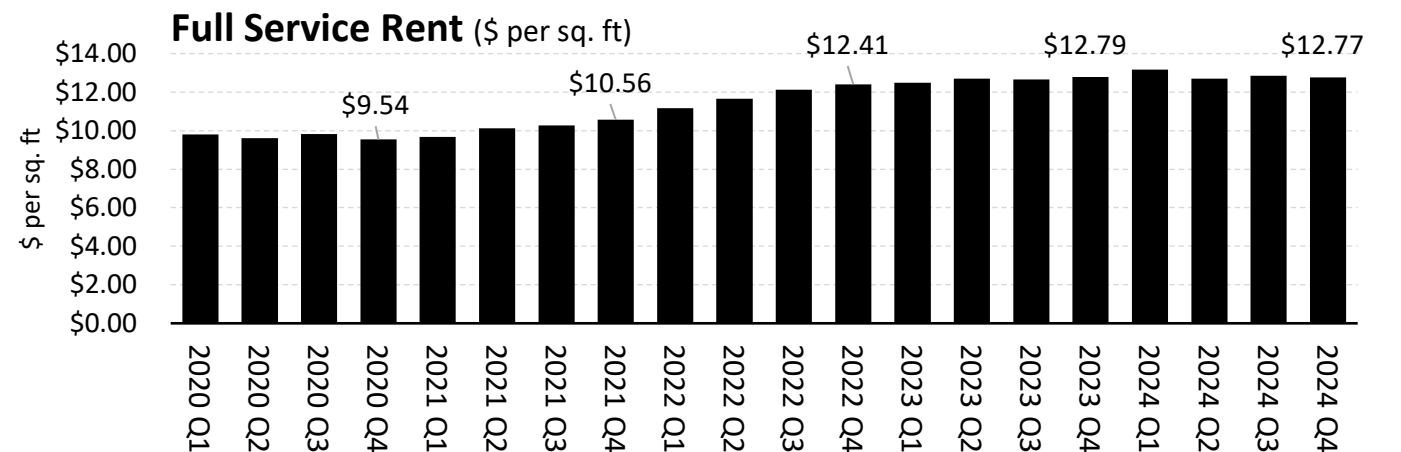
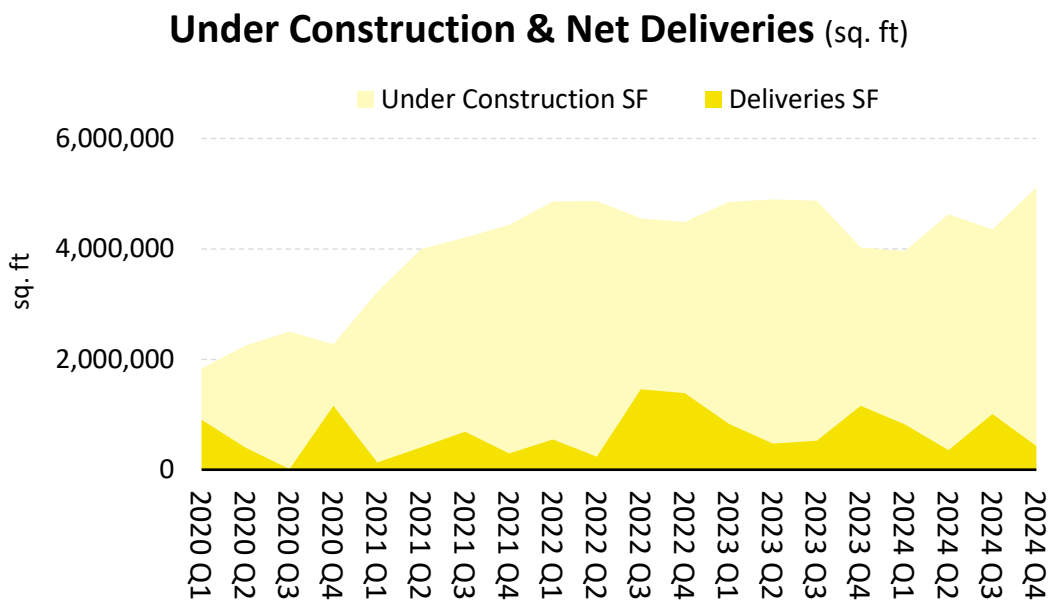
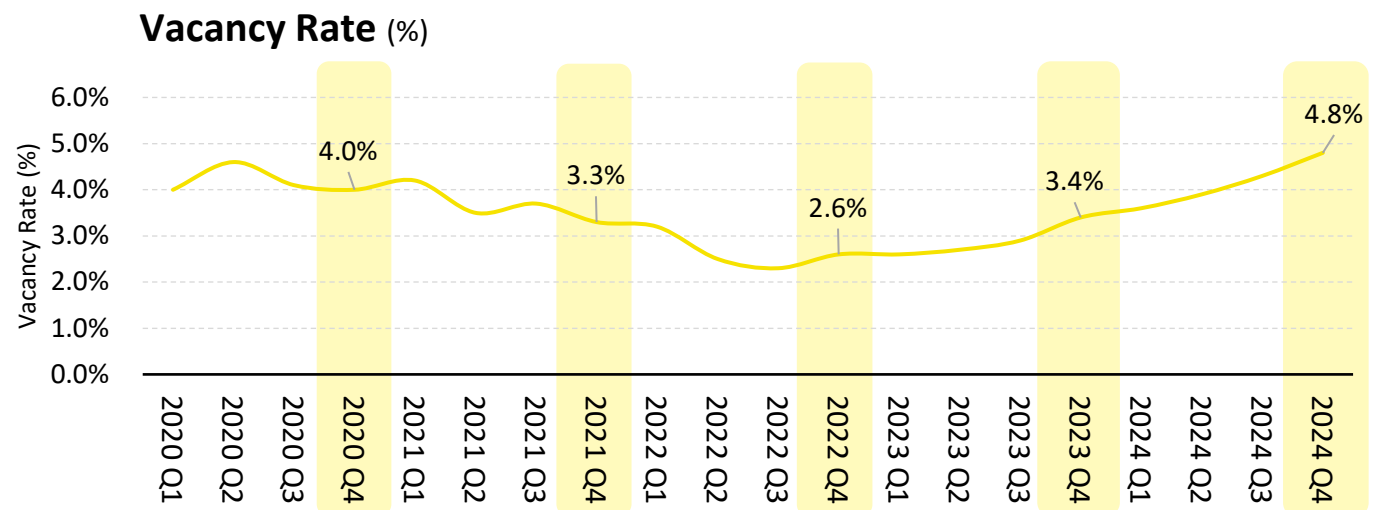
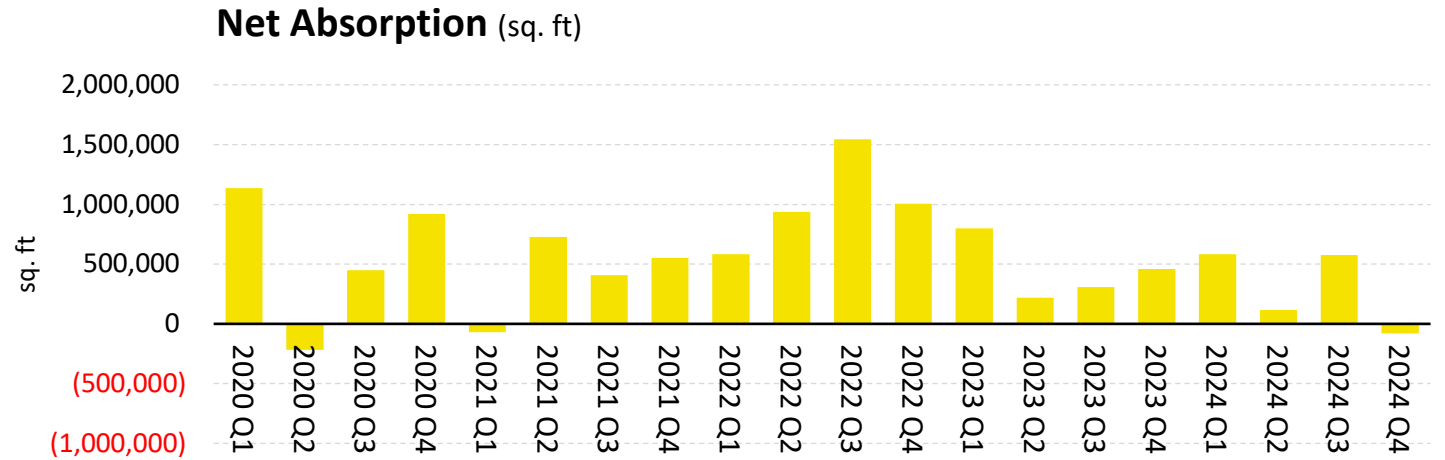
Snapshot of Industrial Market Conditions Around Virginia

Industrial Market - MSA Trends

NORTHERN VIRGINIA

Local Market Indicator Dashboard

	Q4-2024	YoY Chg	
Total Inventory (sq. ft, millions)	101.4	2.6%	% chg
Vacancy Rate (%)	4.8%	1.4%	pct points
Net Absorption (sq. ft)	(80,903)	-539,766	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$12.77	-\$0.02	\$ per sq. ft
Deliveries (sq. ft)	430,800	-726,024	sq. ft
Under Construction (sq. ft)	5,115,493	1,087,842	sq. ft



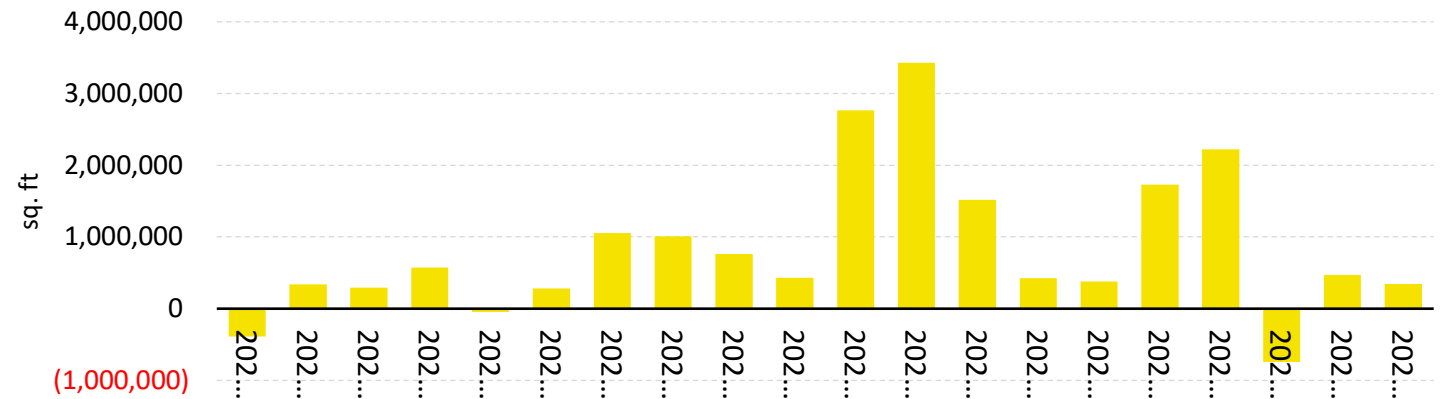
Industrial Market - MSA Trends

RICHMOND MSA

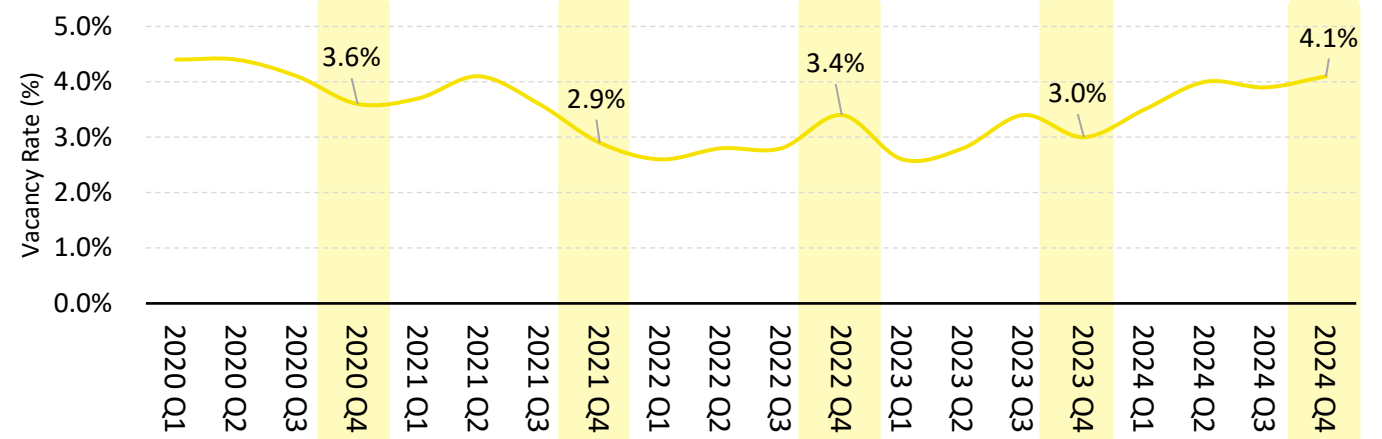
Local Market Indicator Dashboard

	Q4-2024	YoY Chg
Total Inventory (sq. ft, millions)	147.5	2.8% % chg
Vacancy Rate (%)	4.1%	1.1% pct points
Net Absorption (sq. ft)	343,829	-1,387,094 sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$8.11	\$0.40 \$ per sq. ft
Deliveries (sq. ft)	656,068	-589,796 sq. ft
Under Construction (sq. ft)	4,667,696	-1,025,537 sq. ft

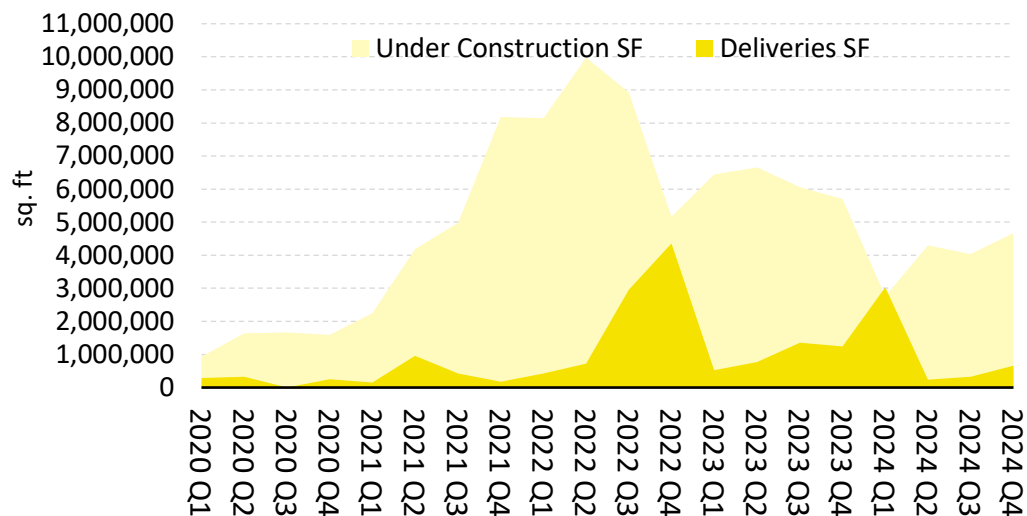
Net Absorption (sq. ft)



Vacancy Rate (%)



Under Construction & Net Deliveries (sq. ft)



Full Service Rent (\$ per sq. ft)



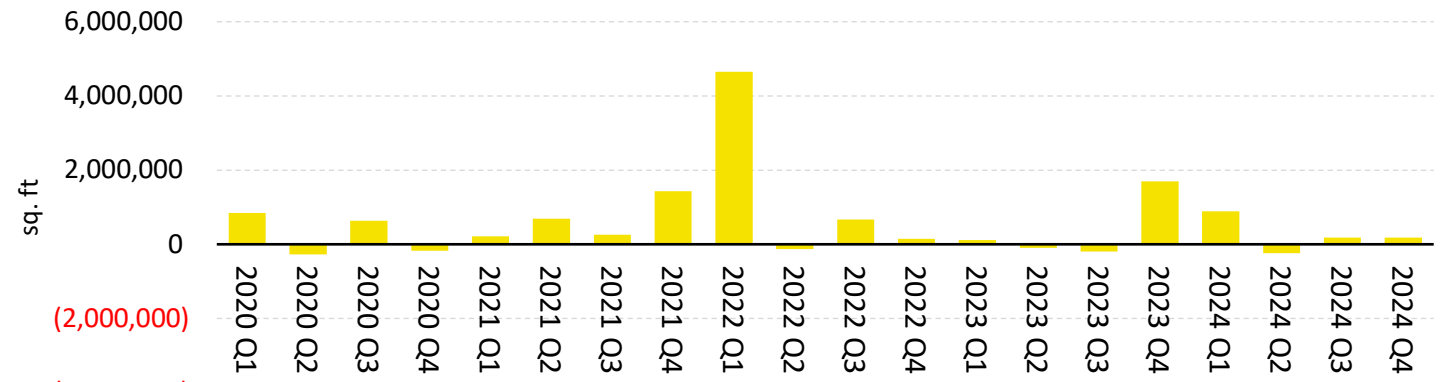
Industrial Market - MSA Trends

HAMPTON ROADS

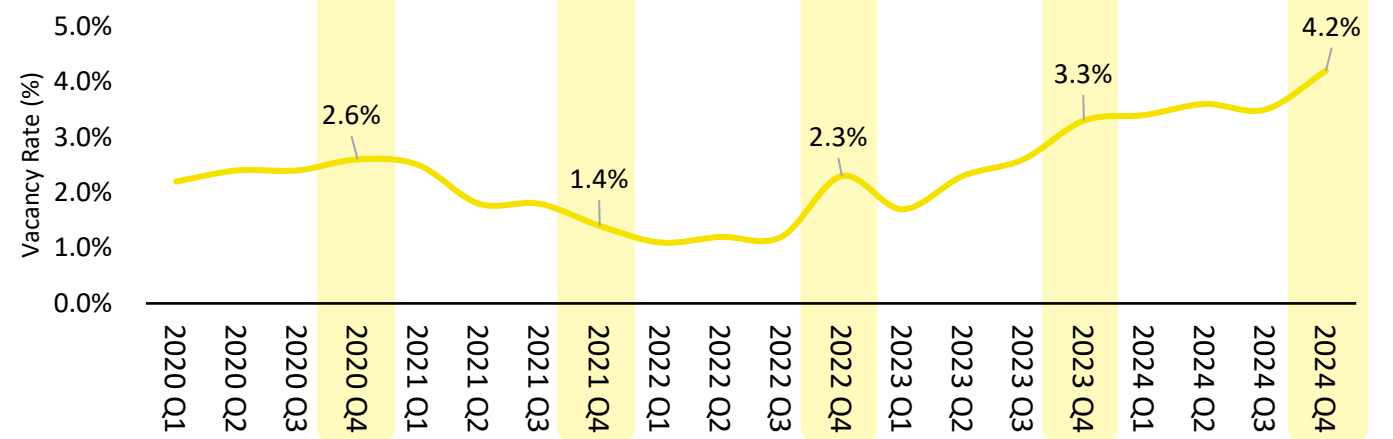
Local Market Indicator Dashboard

	Q4-2024	YoY Chg
Total Inventory (sq. ft, millions)	118.3	2.0% % chg
Vacancy Rate (%)	4.2%	0.9% pct points
Net Absorption (sq. ft)	177,309	-1,521,359 sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$8.68	-\$0.47 \$ per sq. ft
Deliveries (sq. ft)	1,134,560	-1,477,741 sq. ft
Under Construction (sq. ft)	5,161,541	3,118,236 sq. ft

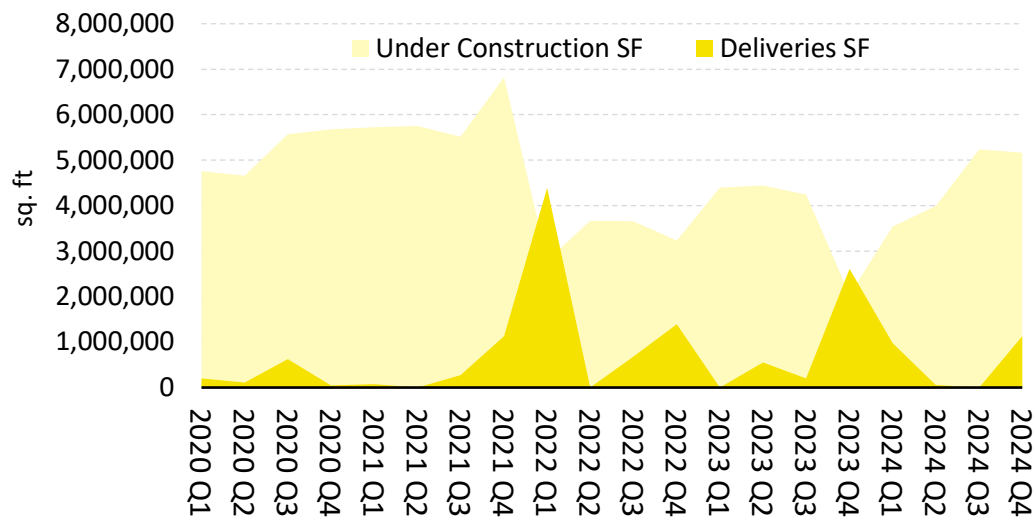
Net Absorption (sq. ft)



Vacancy Rate (%)



Under Construction & Net Deliveries (sq. ft)



Full Service Rent (\$ per sq. ft)



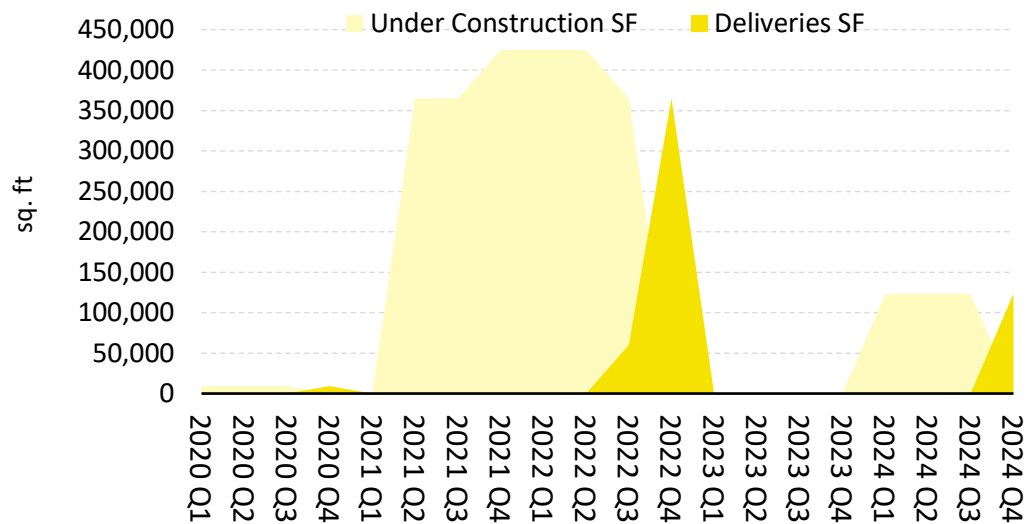
Industrial Market - MSA Trends

ROANOKE MSA

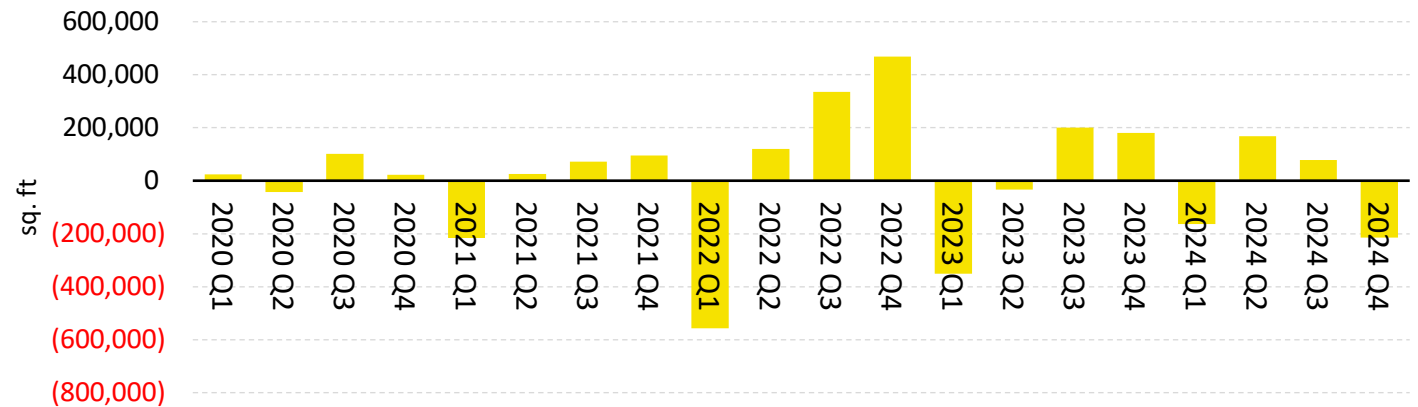
Local Market Indicator Dashboard

	Q4-2024	YoY Chg
Total Inventory (sq. ft, millions)	38.7	0.3% % chg
Vacancy Rate (%)	3.6%	0.6% pct points
Net Absorption (sq. ft)	(214,639)	-395,295 sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$5.23	\$0.06 \$ per sq. ft
Deliveries (sq. ft)	123,624	123,624 sq. ft
Under Construction (sq. ft)	0	0 sq. ft

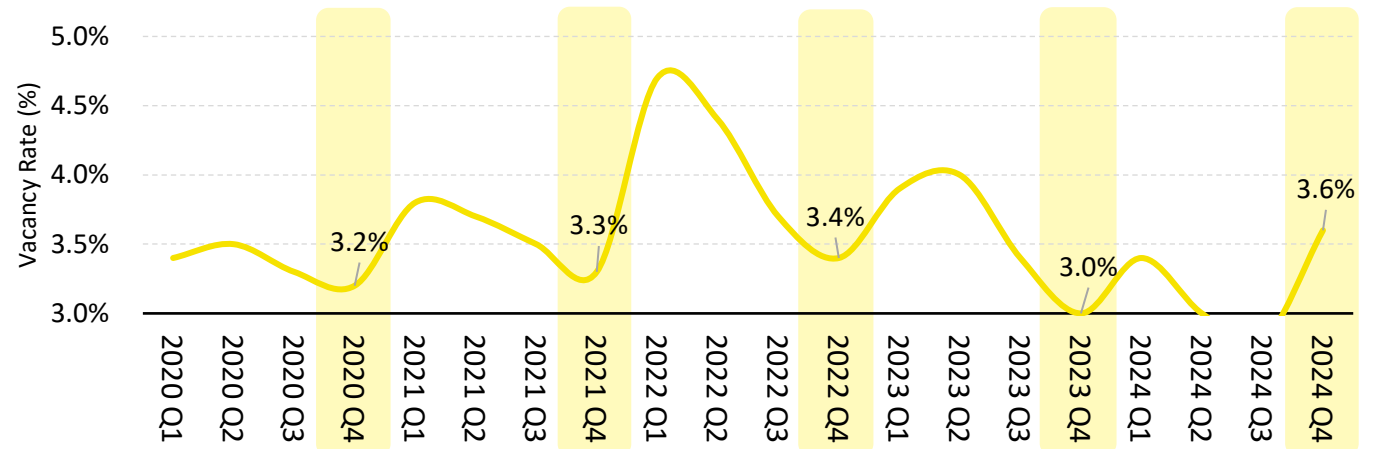
Under Construction & Net Deliveries (sq. ft)



Net Absorption (sq. ft)



Vacancy Rate (%)



Full Service Rent (\$ per sq. ft)



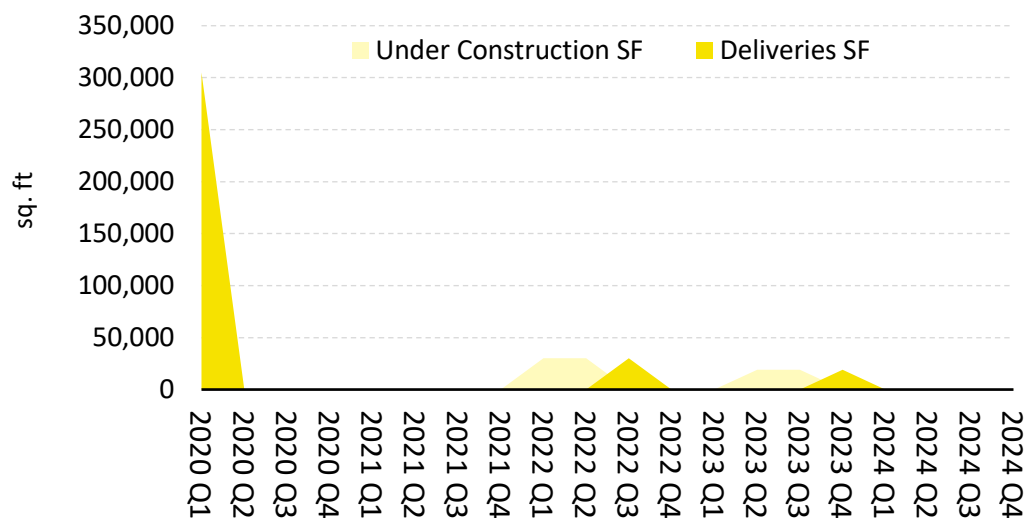
Industrial Market - MSA Trends

LYNCHBURG MSA

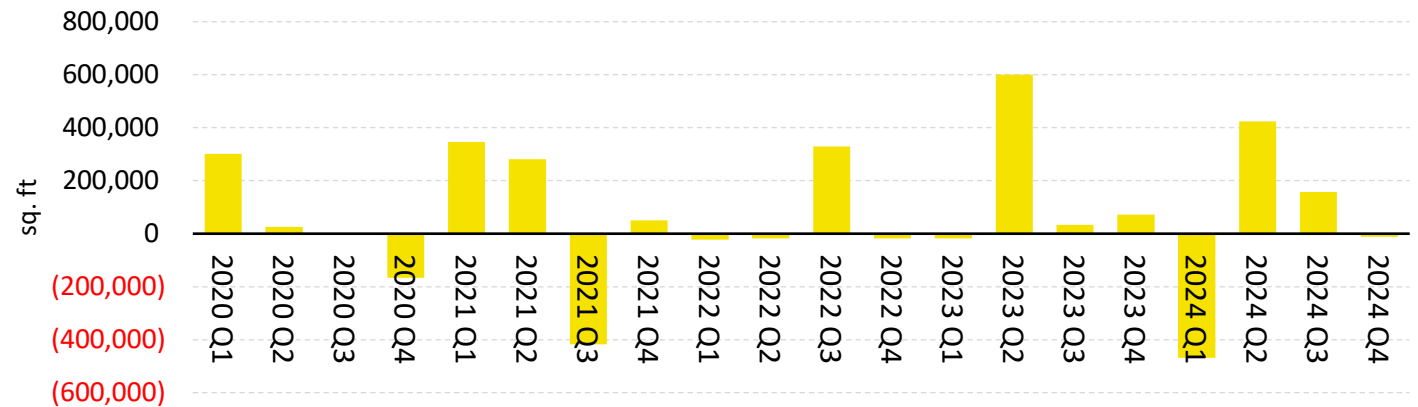
Local Market Indicator Dashboard

	Q4-2024	YoY Chg	
Total Inventory (sq. ft, millions)	18.4	0	% chg
Vacancy Rate (%)	5.5%	-0.6%	pct points
Net Absorption (sq. ft)	(11,893)	-83,725	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$4.95	\$0.72	\$ per sq. ft
Deliveries (sq. ft)	0	-18,900	sq. ft
Under Construction (sq. ft)	0	0	sq. ft

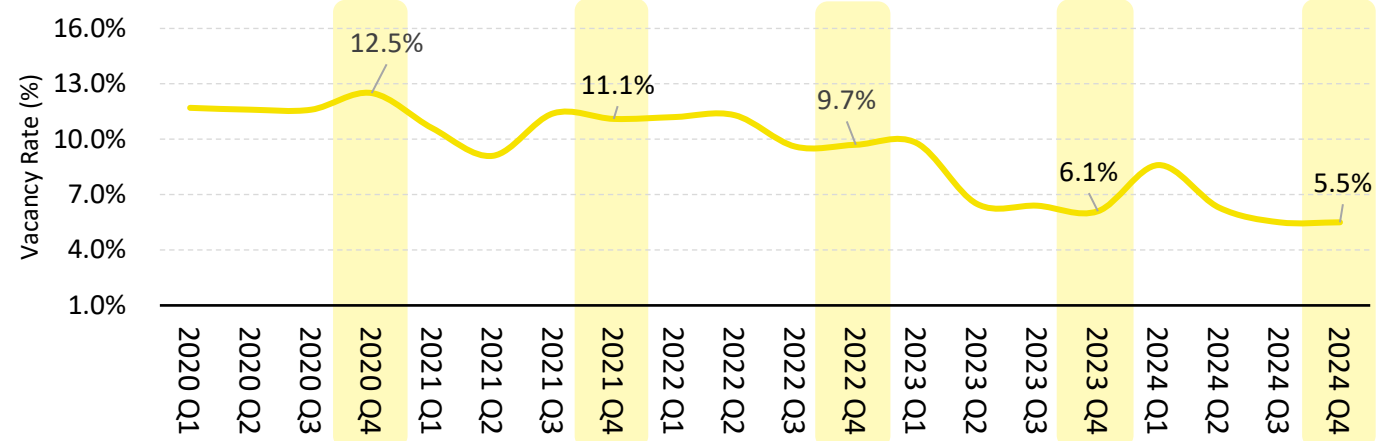
Under Construction & Net Deliveries (sq. ft)



Net Absorption (sq. ft)



Vacancy Rate (%)



Full Service Rent (\$ per sq. ft)



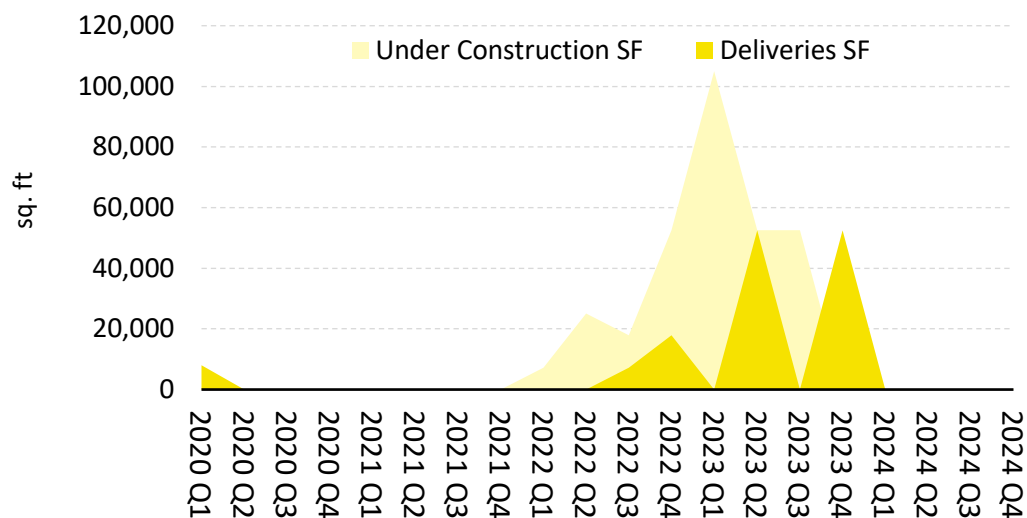
Industrial Market - MSA Trends

CHARLOTTESVILLE MSA

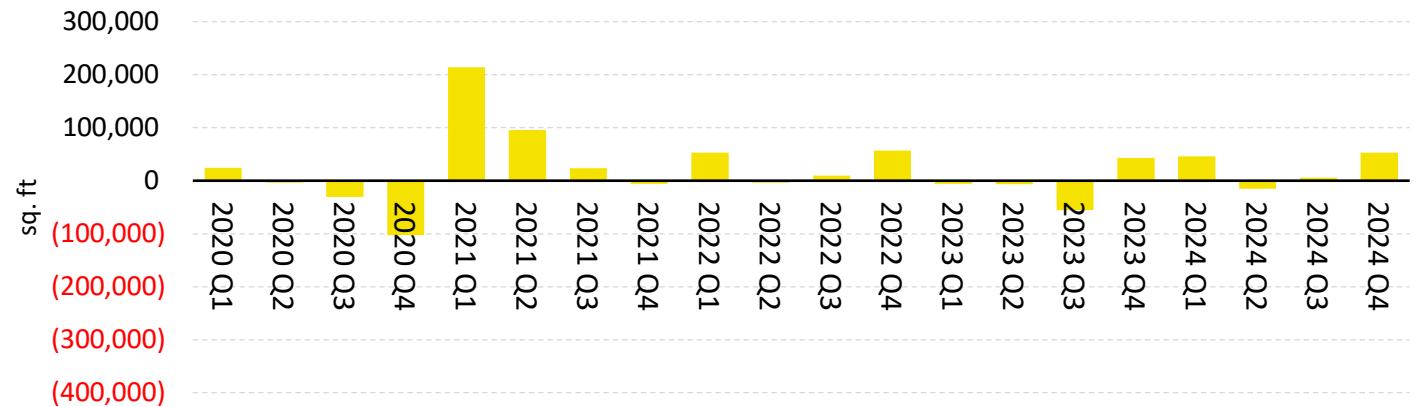
Local Market Indicator Dashboard

	Q4-2024	YoY Chg	
Total Inventory (sq. ft, millions)	4.3	0	% chg
Vacancy Rate (%)	1.1%	-2.1%	pct points
Net Absorption (sq. ft)	52,700	10,100	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$11.97	\$0.14	\$ per sq. ft
Deliveries (sq. ft)	0	-52,500	sq. ft
Under Construction (sq. ft)	0	0	sq. ft

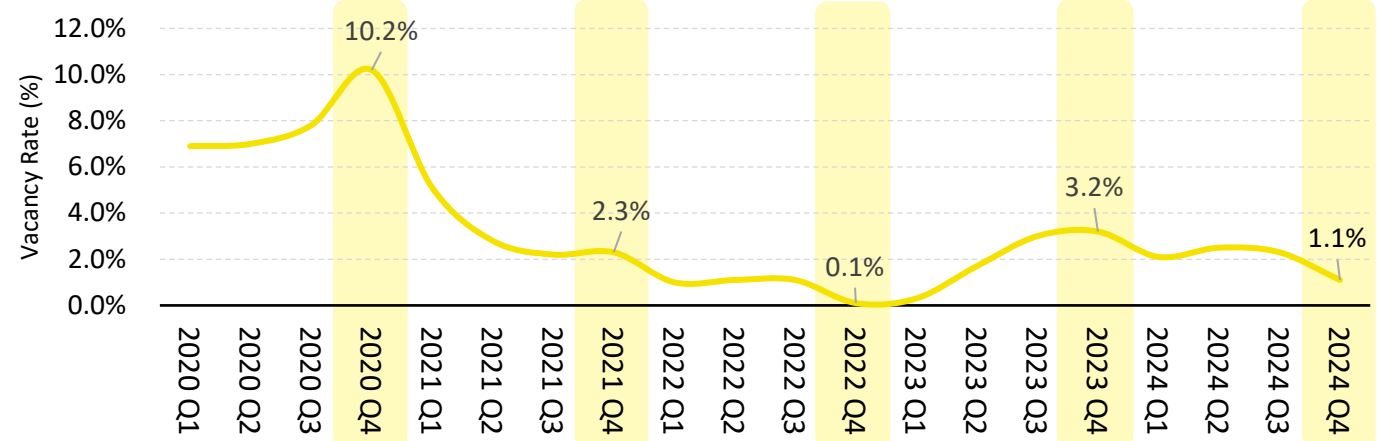
Under Construction & Net Deliveries (sq. ft)



Net Absorption (sq. ft)



Vacancy Rate (%)



Full Service Rent (\$ per sq. ft)



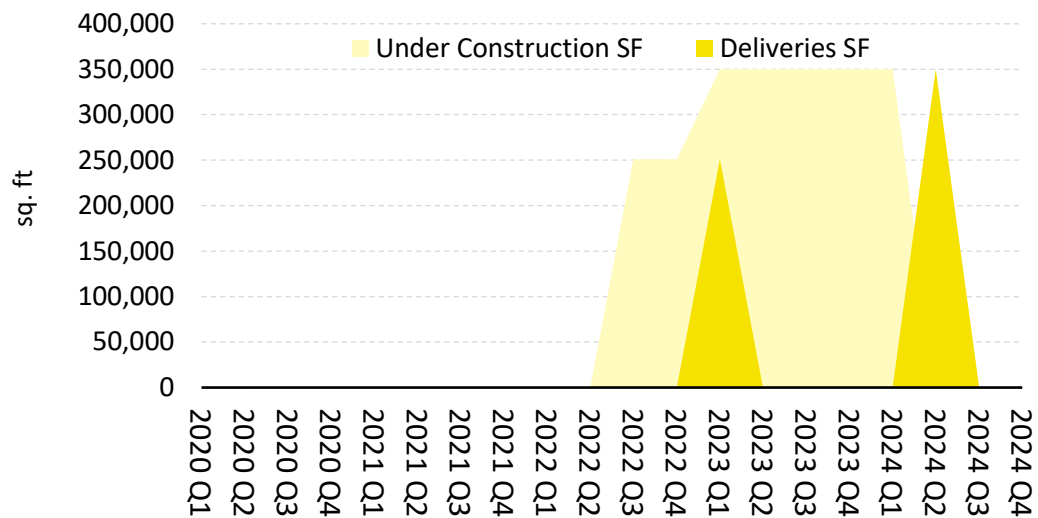
Industrial Market - MSA Trends

BLACKSBURG MSA

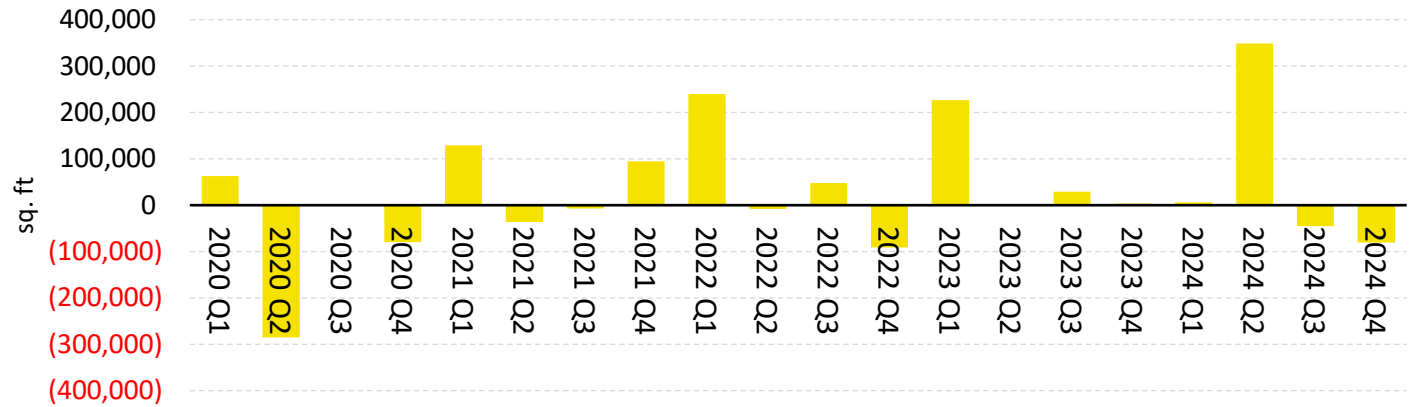
Local Market Indicator Dashboard

	Q4-2024	YoY Chg	
Total Inventory (sq. ft, millions)	11.5	3.1%	% chg
Vacancy Rate (%)	2.1%	1.0%	pct points
Net Absorption (sq. ft)	(80,600)	-84,151	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$6.69	-\$1.78	\$ per sq. ft
Deliveries (sq. ft)	0	0	sq. ft
Under Construction (sq. ft)	0	-350,000	sq. ft

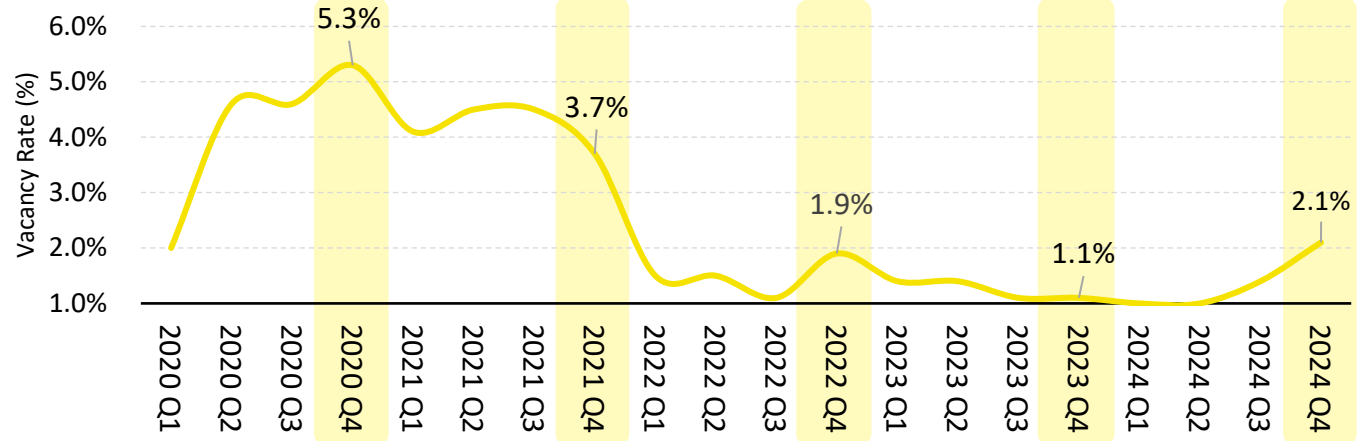
Under Construction & Net Deliveries (sq. ft)



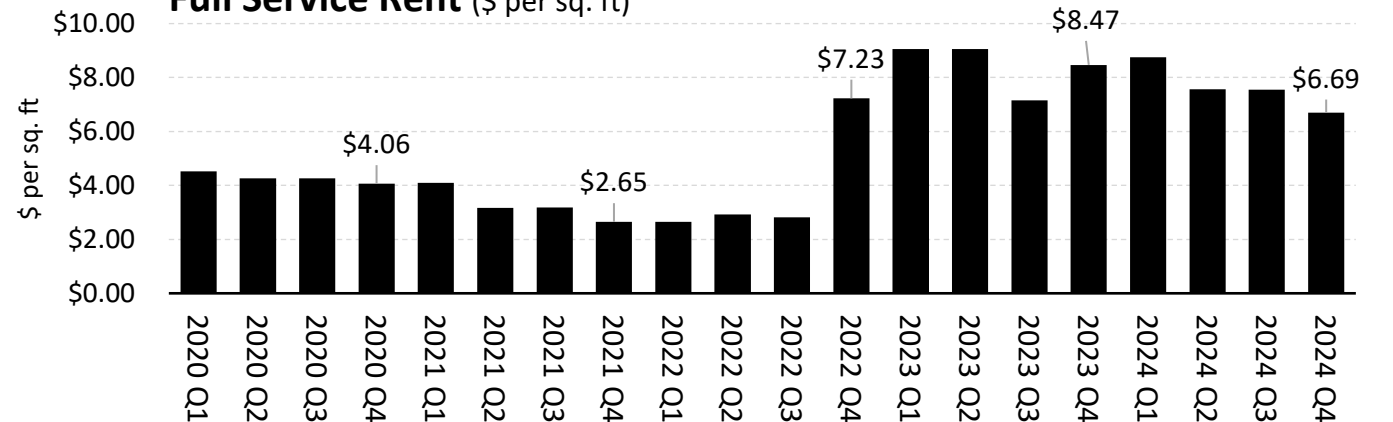
Net Absorption (sq. ft)



Vacancy Rate (%)



Full Service Rent (\$ per sq. ft)



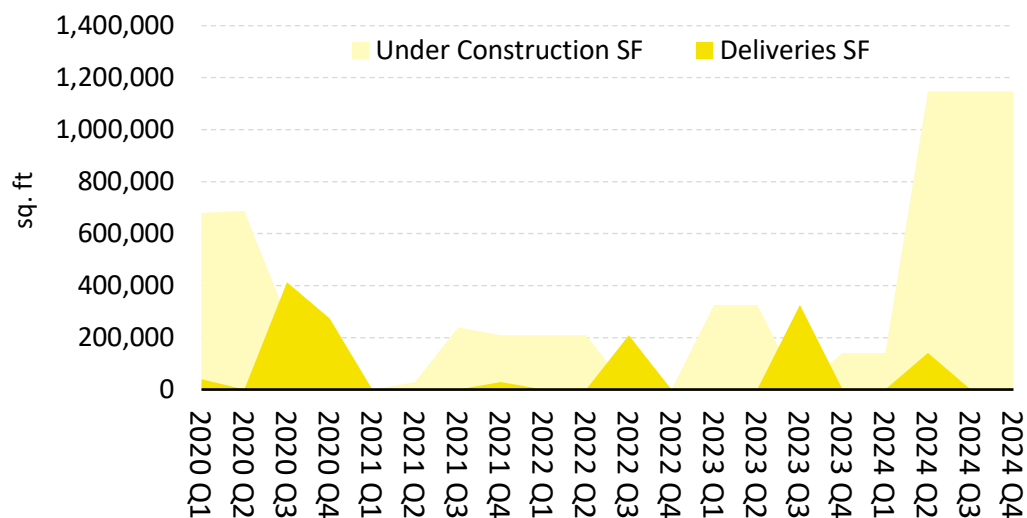
Industrial Market - MSA Trends

WINCHESTER MSA

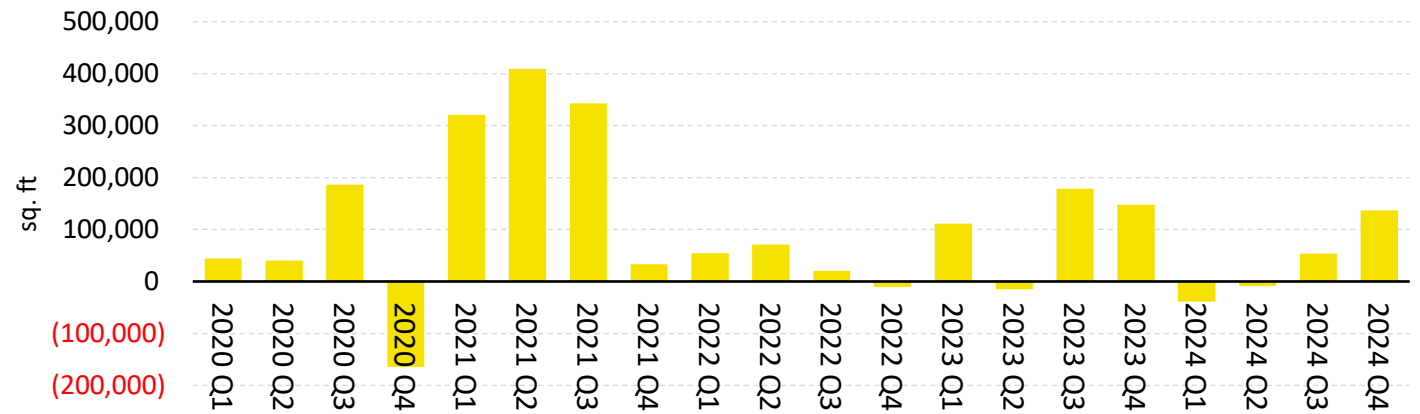
Local Market Indicator Dashboard

	Q4-2024	YoY Chg	
Total Inventory (sq. ft, millions)	21.2	0.7%	% chg
Vacancy Rate (%)	1.4%	0	pct points
Net Absorption (sq. ft)	136,803	-10,677	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$8.20	\$1.08	\$ per sq. ft
Deliveries (sq. ft)	0	0	sq. ft
Under Construction (sq. ft)	1,147,000	1,006,000	sq. ft

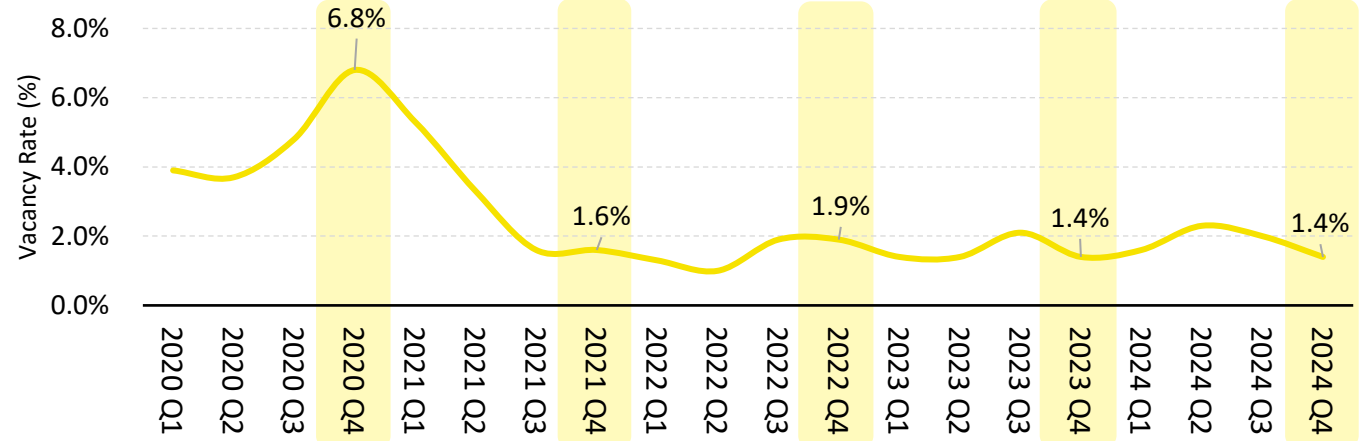
Under Construction & Net Deliveries (sq. ft)



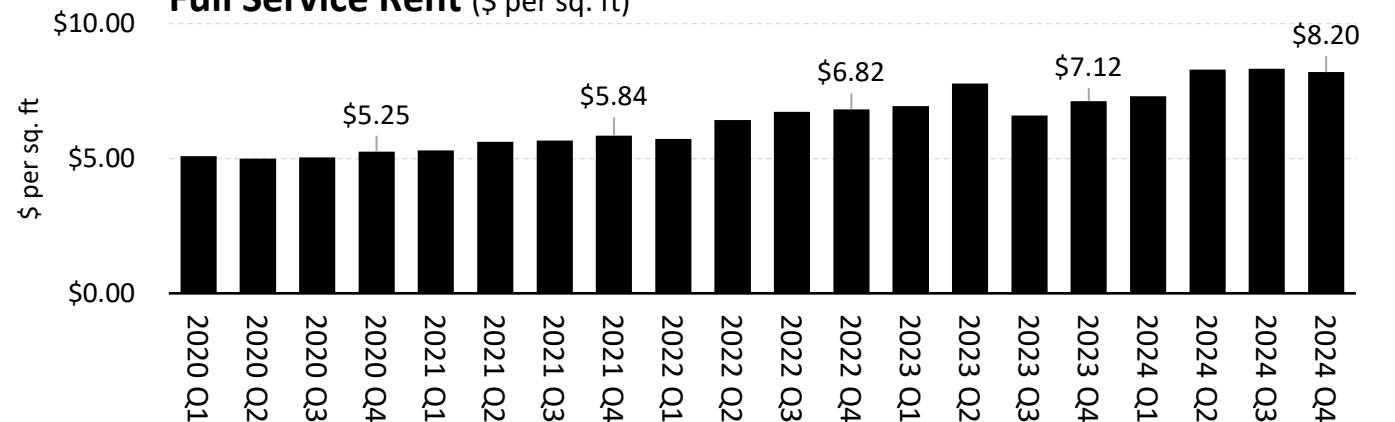
Net Absorption (sq. ft)



Vacancy Rate (%)



Full Service Rent (\$ per sq. ft)



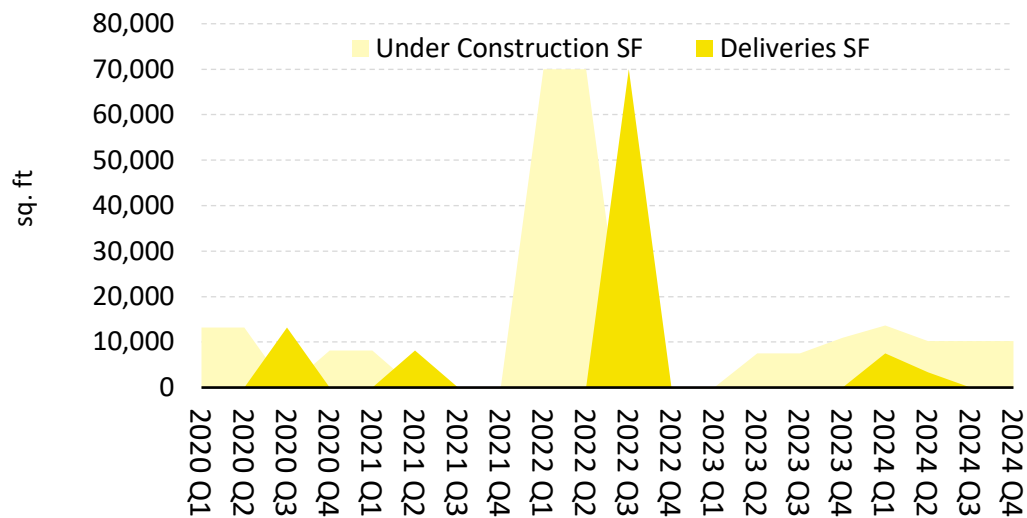
Industrial Market - MSA Trends

HARRISONBURG MSA

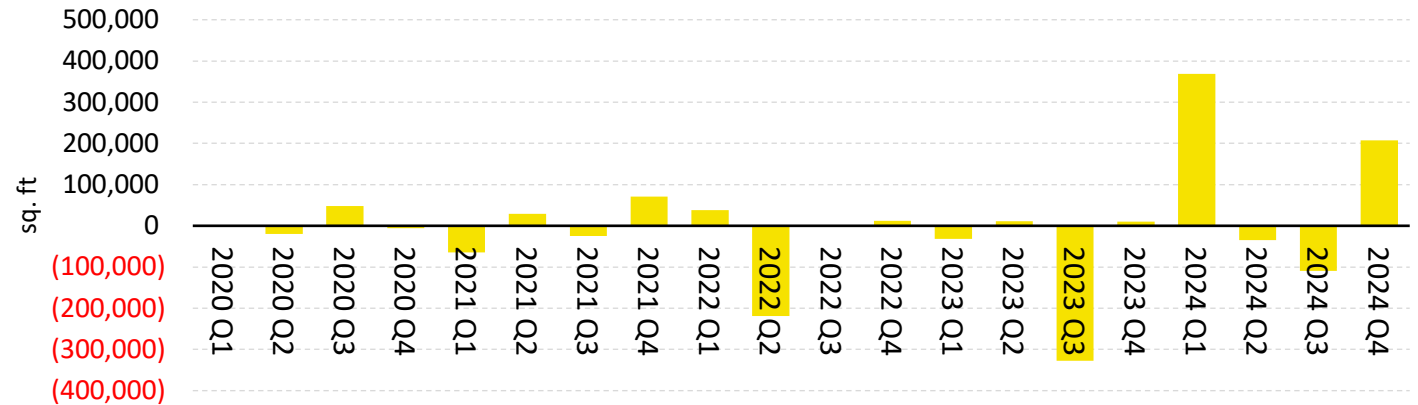
Local Market Indicator Dashboard

	Q4-2024	YoY Chg	
Total Inventory (sq. ft, millions)	9.9	0.1%	% chg
Vacancy Rate (%)	2.6%	-4.3%	pct points
Net Absorption (sq. ft)	207,673	197,073	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$9.43	\$0.01	\$ per sq. ft
Deliveries (sq. ft)	0	0	sq. ft
Under Construction (sq. ft)	10,260	-640	sq. ft

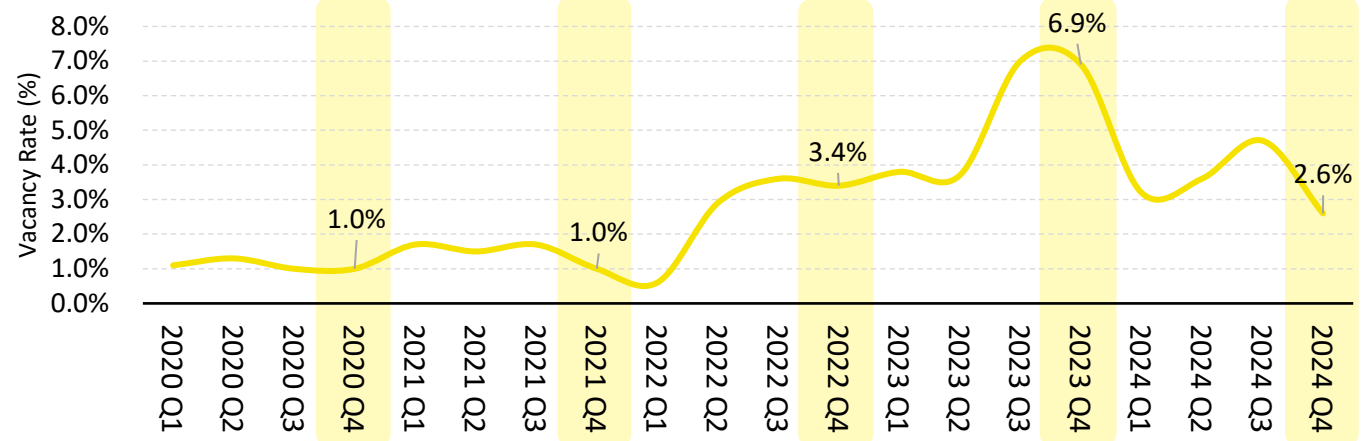
Under Construction & Net Deliveries (sq. ft)



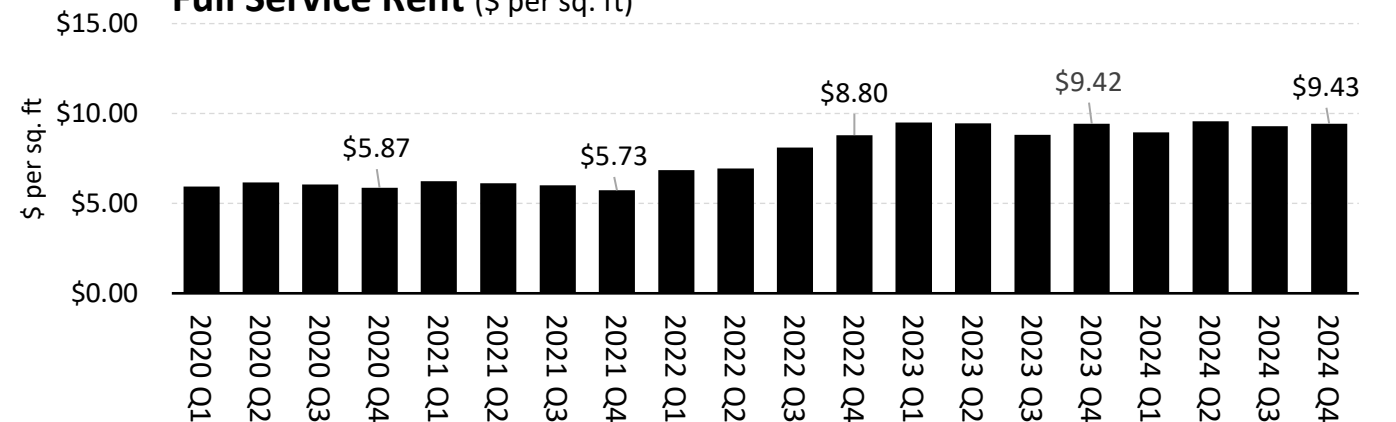
Net Absorption (sq. ft)



Vacancy Rate (%)



Full Service Rent (\$ per sq. ft)



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