



Q2 2025 INDUSTRIAL MARKET REPORT

Industrial Market - Key Trends Snapshot

Industrial Market

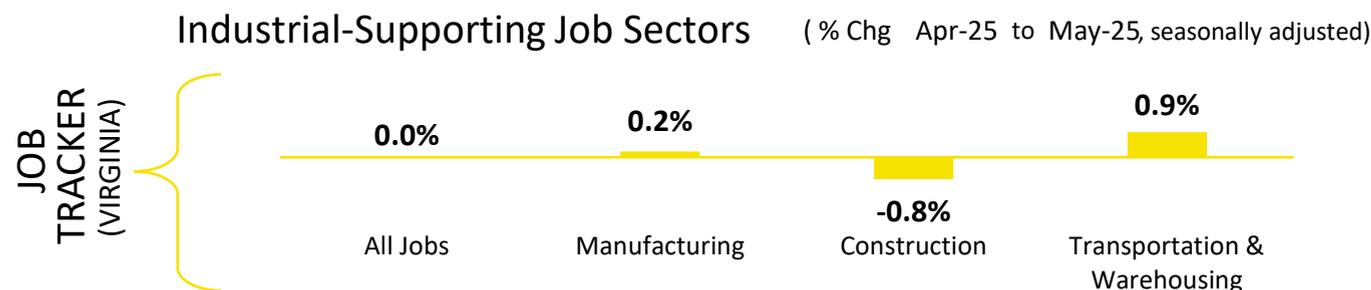
Overview: After showing signs of slowing last quarter, the industrial market picked up slightly in the second quarter. Net absorption was up from last year, and rent levels rose overall. However, vacancy rates increased in most regional markets even with deliveries slowing. New construction was relatively flat from last year.

Absorption: After declining last quarter, the industrial sector saw a 4.5% increase in absorption levels with over 1.18 million sq ft of occupied space. Two of the state's smaller markets, Roanoke and Winchester experienced the biggest drop-off in space occupied in the second quarter. Northern Virginia led all other markets with 1.63 million sq ft of positive absorption in the area.

Vacancy: In the industrial sector vacancy rates rose from 4.2% to 5.3% in Q2 2025. Distribution/Warehouse space saw the biggest jump in vacancy rates, rising 1.4 percentage points to 6.1%, while manufacturing had a smaller increase of 0.3 percentage points to 4.7%. Charlottesville had the lowest vacancy rate this quarter at 0.7%, followed by Blacksburg at 2.7%.

Rent: Rent grew 1.1% in the second quarter of 2025 bringing the price per sq ft to \$8.03. Prices for manufacturing space continued to climb, going up 16.1% from Q2 of last year to this year. Distribution/warehouse saw a 1.8% decrease in rent with spaces costing \$8.37 per sq ft. Charlottesville (-15.2%) and Roanoke (-12.8%) experienced double digit declines in rent levels this quarter but prices surged 18.1% in Blacksburg.

Supply+Deliveries: There was over 19.1 million sq ft of industrial space under construction in Q2 2025, up 1.4% or 270,440 sq ft from the year before. Although construction remained positive, the number of deliveries fell 18.3% from Q2 2024. In Richmond, new construction rose 90% from last year driven by a demand for distribution/warehouse space. Hampton Roads delivered over 1.16 million sq ft of industrial space this quarter.



VIRGINIA (Statewide)



Market Indicator Dashboard

	YoY Chg	Q2-2025	Indicator
% chg	2.1%	573,398,471	Total Inventory (sq. ft)
sq. ft	51,122	1,185,430	Net Absorption (sq. ft)
pct point	1.1%	5.3%	Vacancy Rate (%)
\$ per sq. ft	\$0.09	\$8.03	Full Service Rent (\$ per sq. ft)
sq. ft	-531,197	2,366,513	New Supply Delivered (sq. ft)
sq. ft	270,440	19,105,887	Under Construction (sq. ft)



Economic Indicator Dashboard

	MoM % Chg	May-25	Indicator
% chg	0.0%	4.3	Total Jobs (in millions, seasonally adjusted)
% chg	0.0%	478.9	Industrial-Supporting Jobs (in thousands, seasonally adjusted)
pct point	0.1%	3.4%	Unemployment Rate (% seasonally adjusted)
pct point	-2.6%	-0.2	Gross Domestic Product (% chg from prior year)

Report Index

Virginia Industrial Market

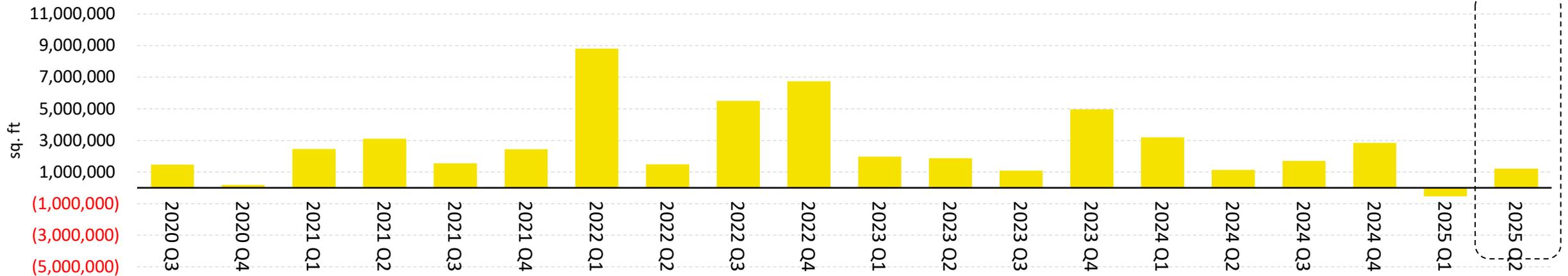
Absorption & Construction Trends	4
Rent Trends	5
Vacancy Trends	6
MSA-Level Trends	7
Northern Virginia	8
Richmond MSA	9
Hampton Roads	10
Roanoke MSA	11
Lynchburg MSA	12
Charlottesville MSA	13
Blacksburg MSA	14
Winchester MSA	15
Harrisonburg MSA	16



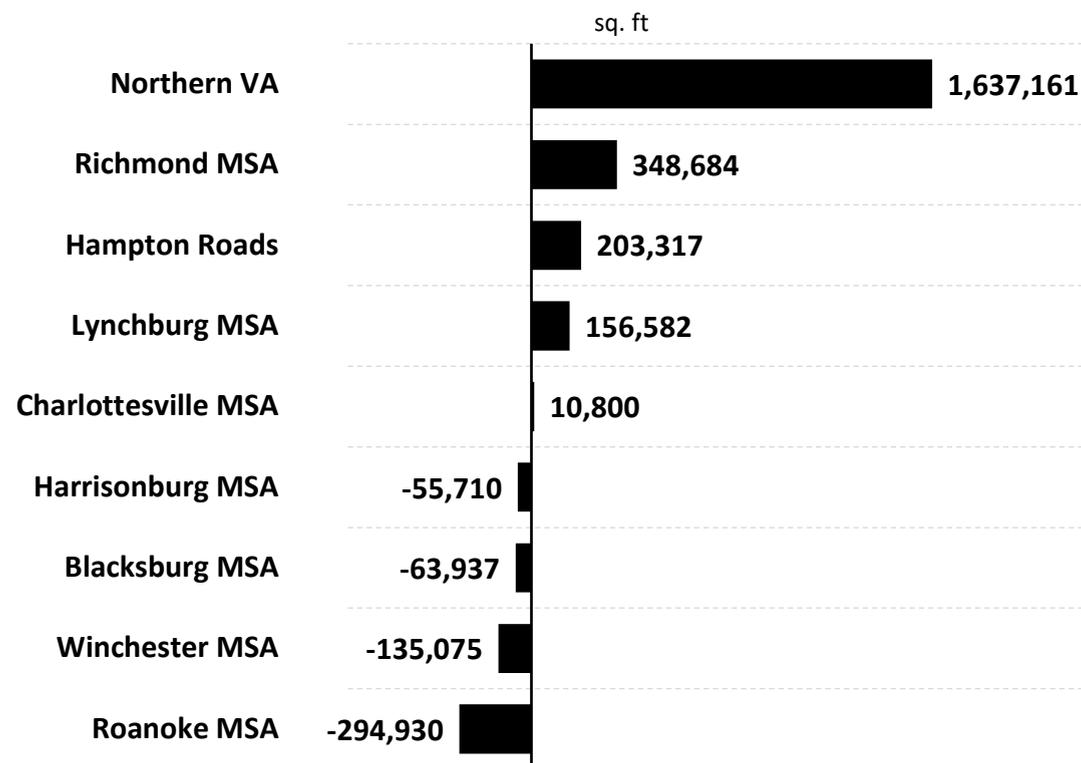
Industrial Market - Absorption & Construction Trends

VIRGINIA (Statewide)

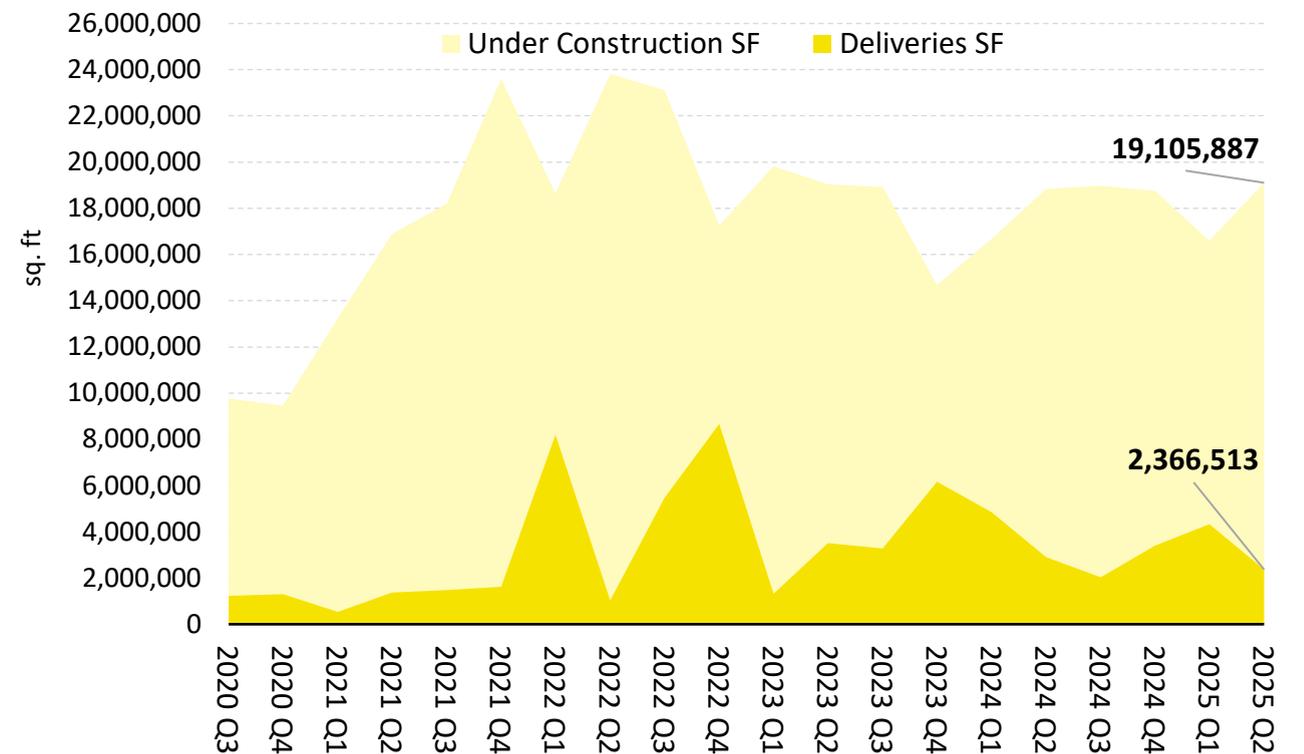
Net Absorption (sq. ft)



Q2-2025 Net Absorption by Metro Area (sq ft)

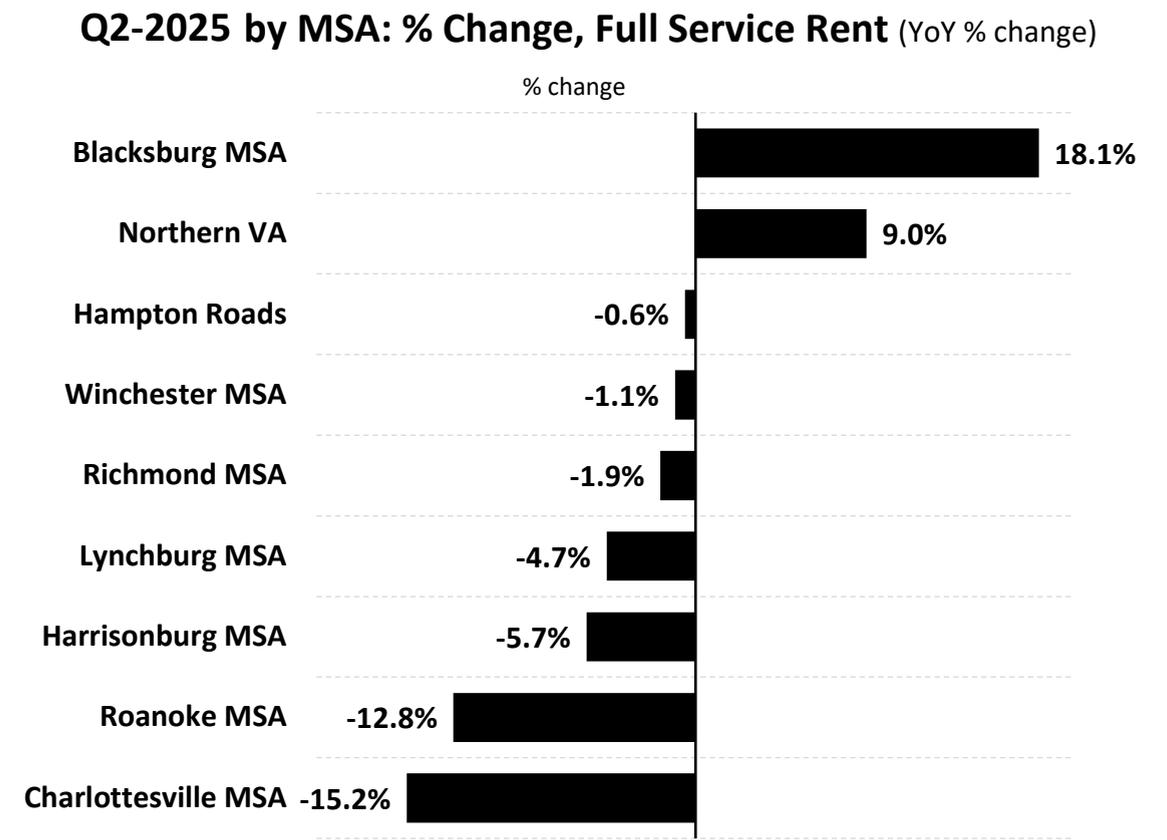
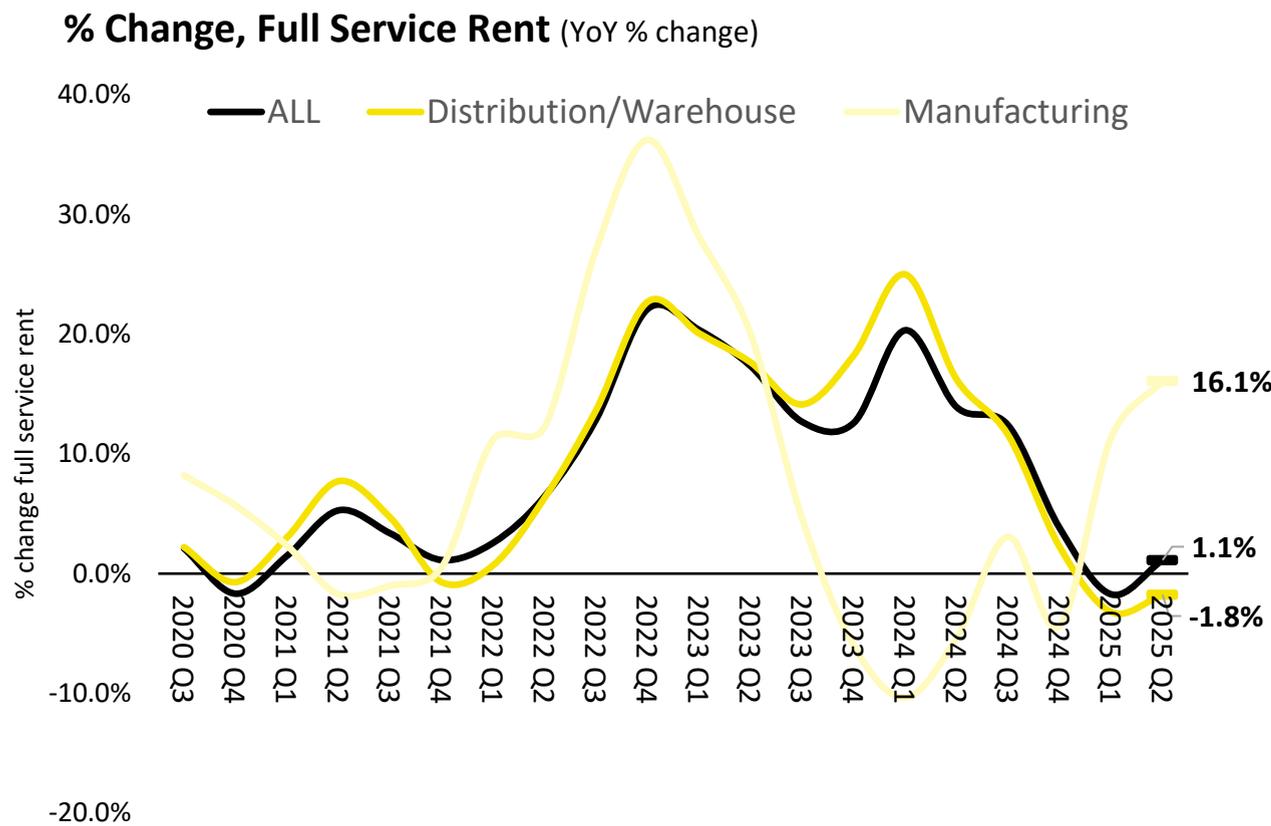
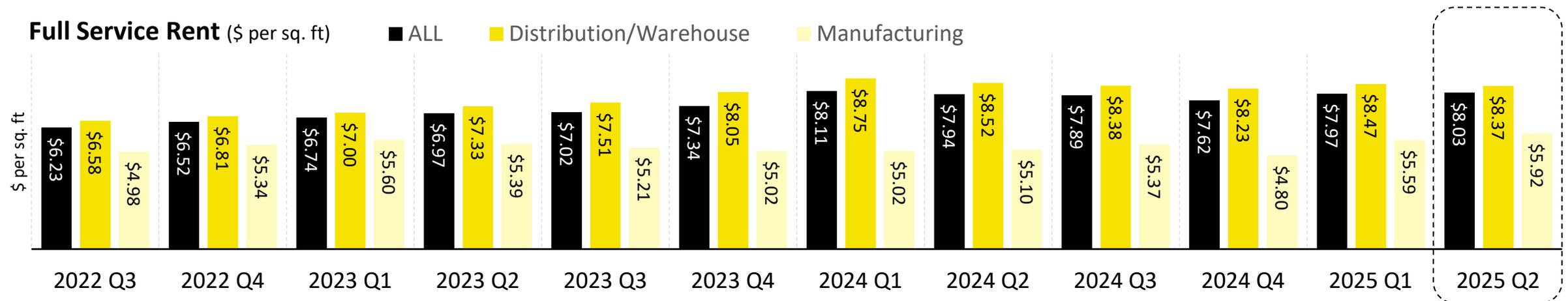


Under Construction & Net Deliveries (sq. ft)



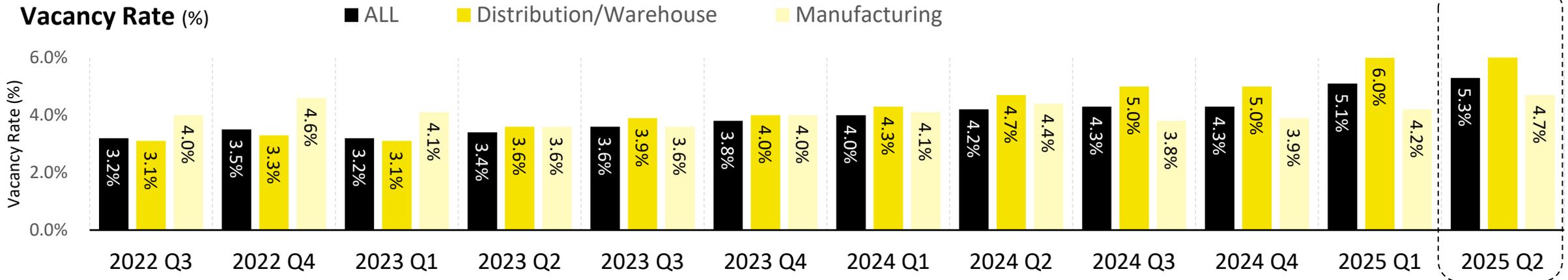
Industrial Market - Rent Trends

VIRGINIA (Statewide)

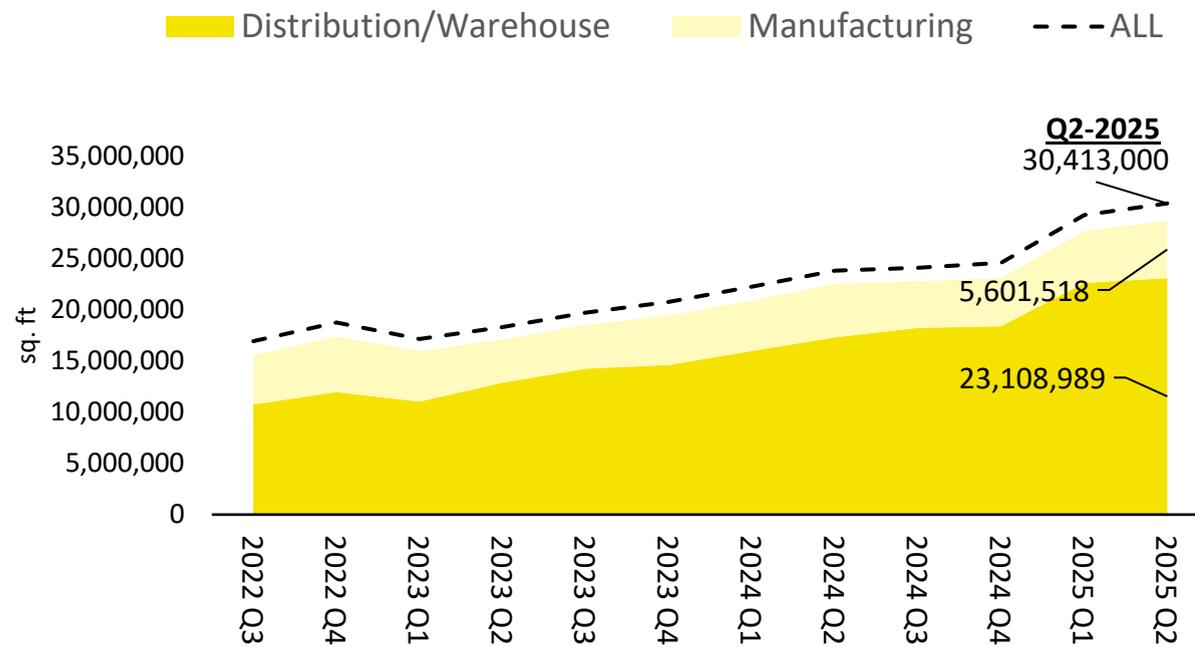


Industrial Market - Vacancy Trends

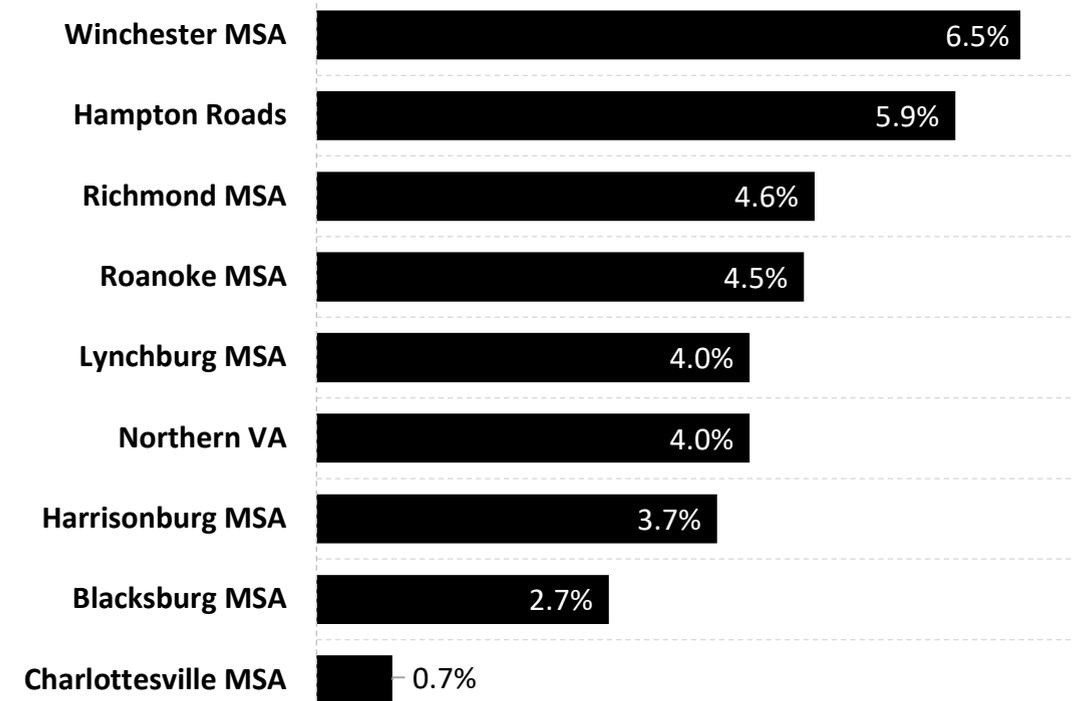
VIRGINIA (Statewide)



Vacant Inventory (sq. ft)

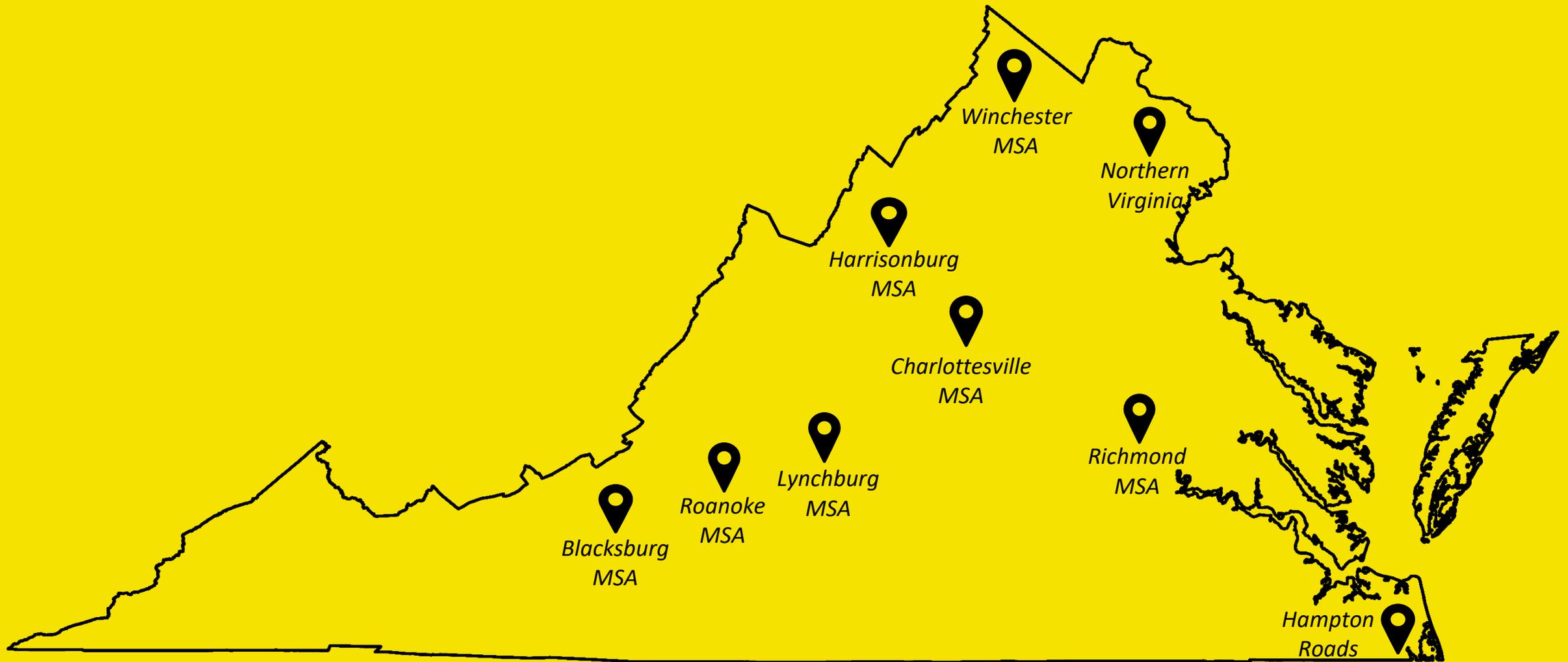


Q2-2025 Industrial Vacancy Rate by MSA



MSA TRENDS

METROPOLITAN STATISTICAL AREA



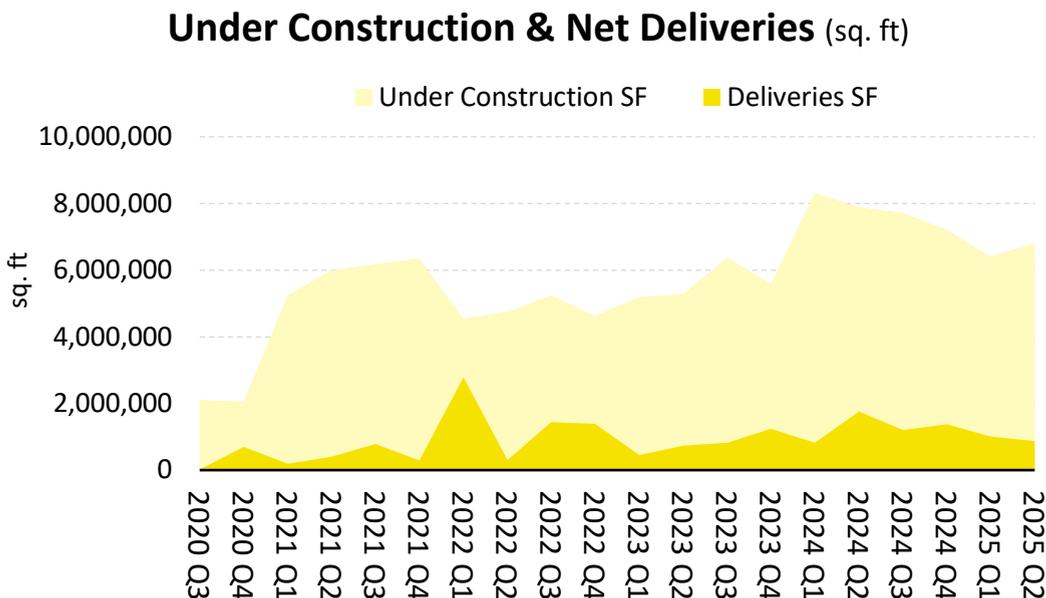
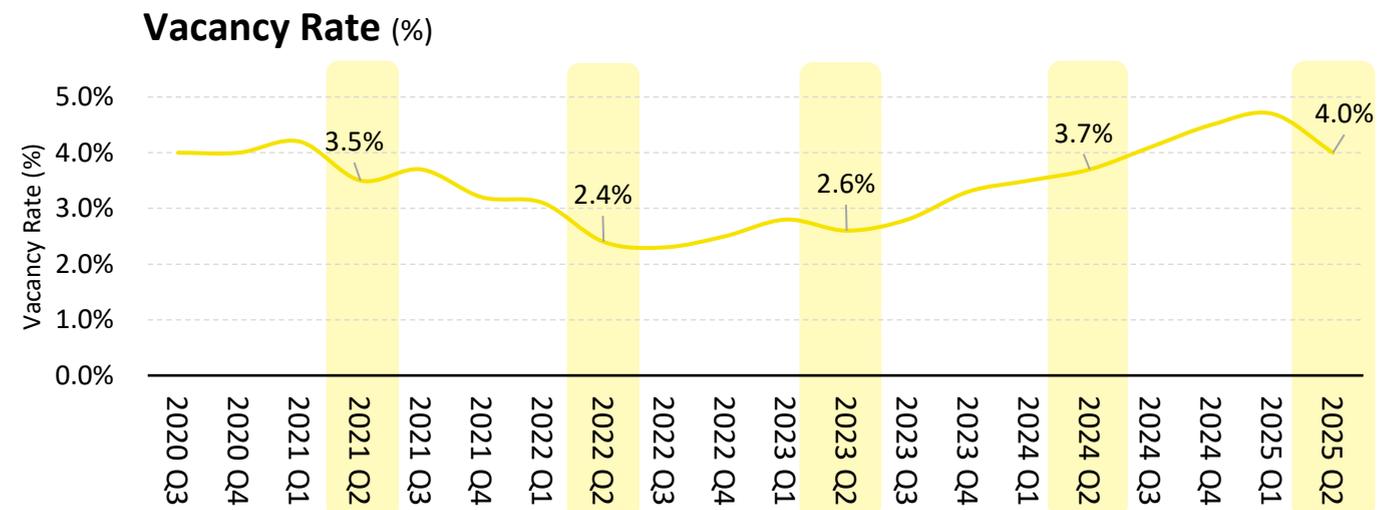
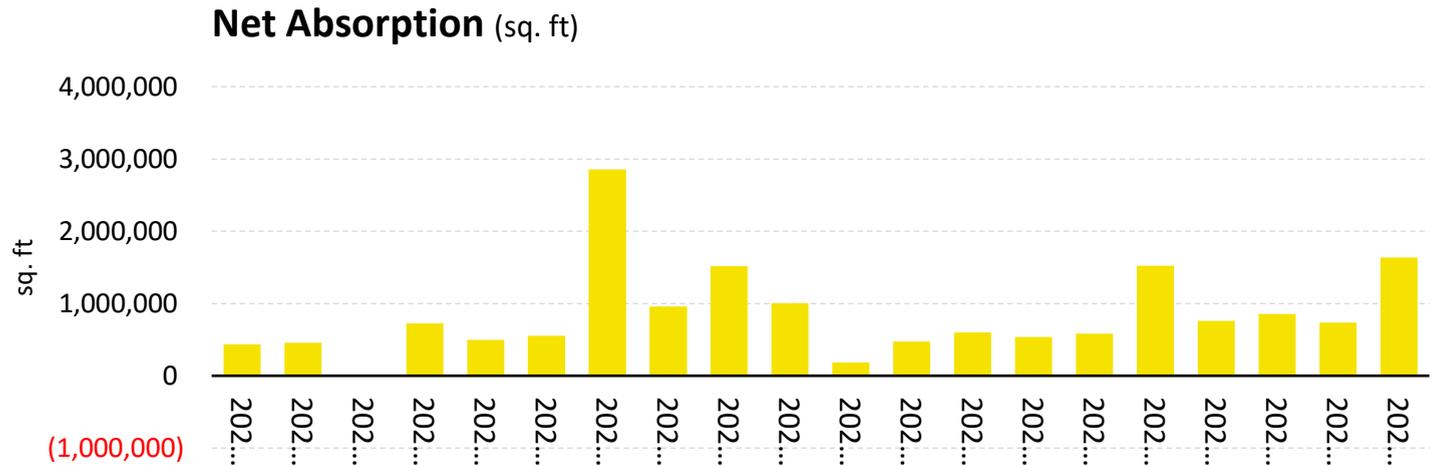
Snapshot of Industrial Market Conditions Around Virginia

Industrial Market - MSA Trends

NORTHERN VIRGINIA

Local Market Indicator Dashboard

	Q2-2025	YoY Chg	
Total Inventory (sq. ft, millions)	108.4	4.3%	% chg
Vacancy Rate (%)	4.0%	0.3%	pct points
Net Absorption (sq. ft)	1,637,161	114,372	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$13.78	\$1.14	\$ per sq. ft
Deliveries (sq. ft)	874,175	-887,261	sq. ft
Under Construction (sq. ft)	6,817,005	-1,067,654	sq. ft



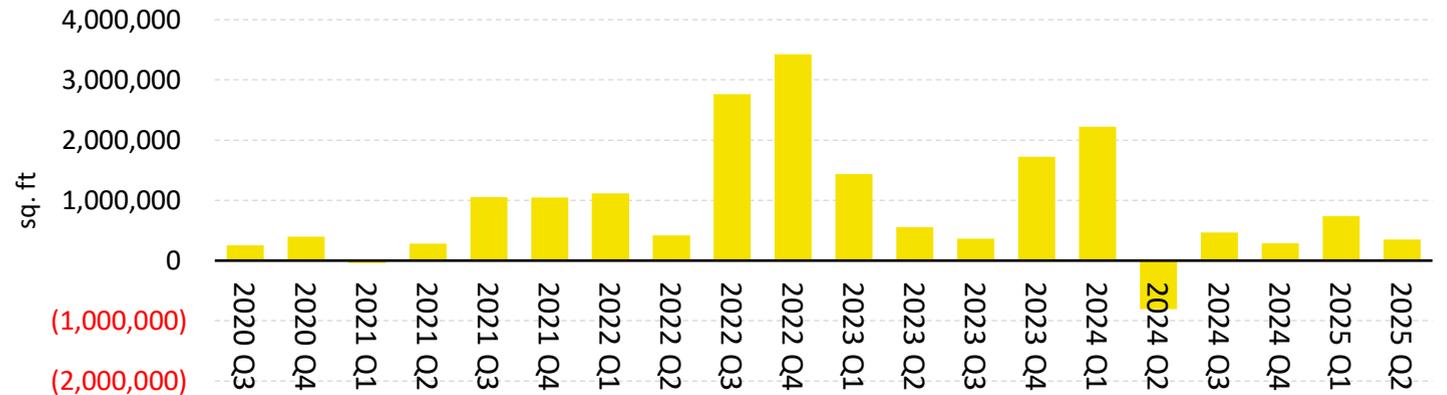
Industrial Market - MSA Trends

RICHMOND MSA

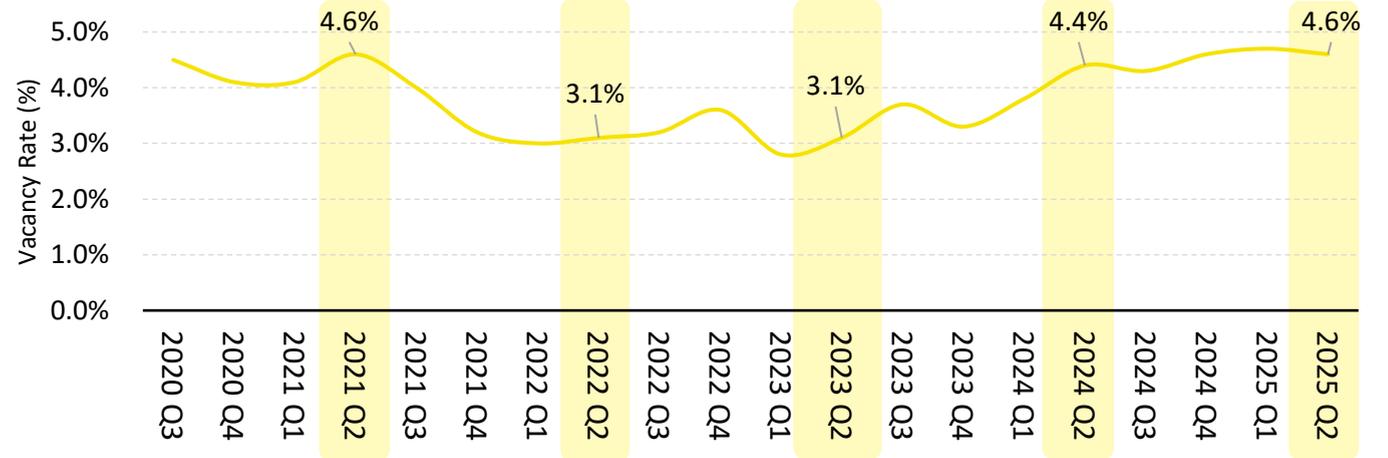
Local Market Indicator Dashboard

	Q2-2025	YoY Chg
Total Inventory (sq. ft, millions)	139.3	1.6% % chg
Vacancy Rate (%)	4.6%	0.2% pct points
Net Absorption (sq. ft)	348,684	1,151,301 sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$7.95	-\$0.15 \$ per sq. ft
Deliveries (sq. ft)	321,249	127,528 sq. ft
Under Construction (sq. ft)	8,370,573	3,965,005 sq. ft

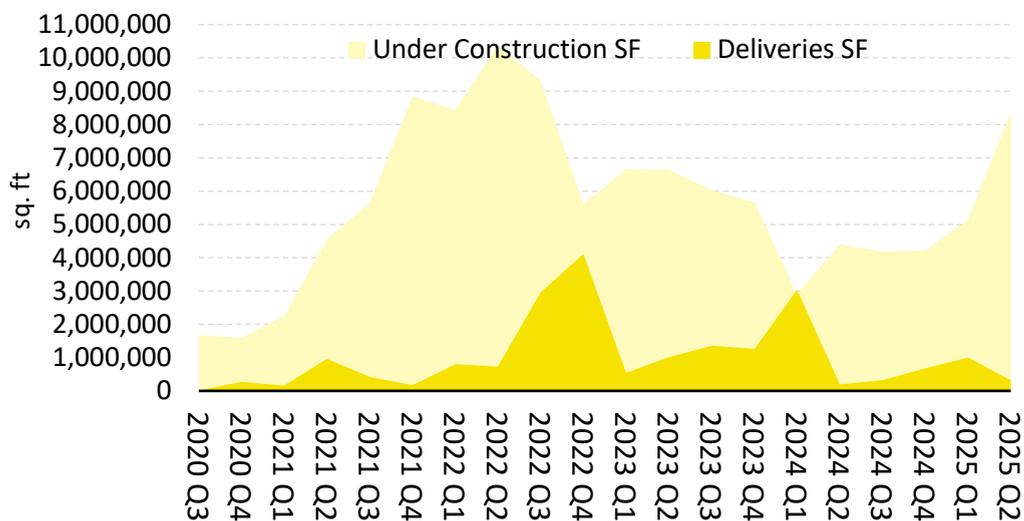
Net Absorption (sq. ft)



Vacancy Rate (%)



Under Construction & Net Deliveries (sq. ft)



Full Service Rent (\$ per sq. ft)



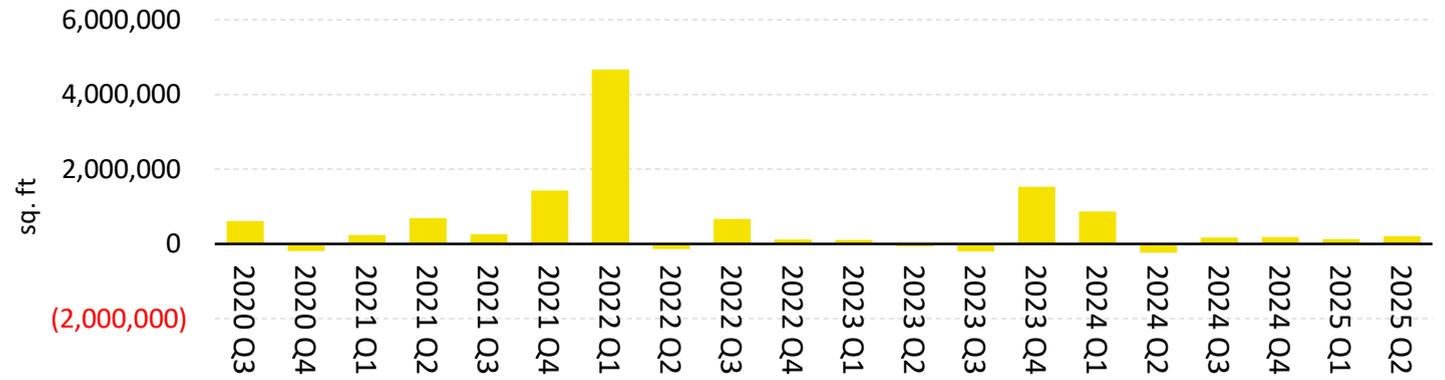
Industrial Market - MSA Trends

HAMPTON ROADS

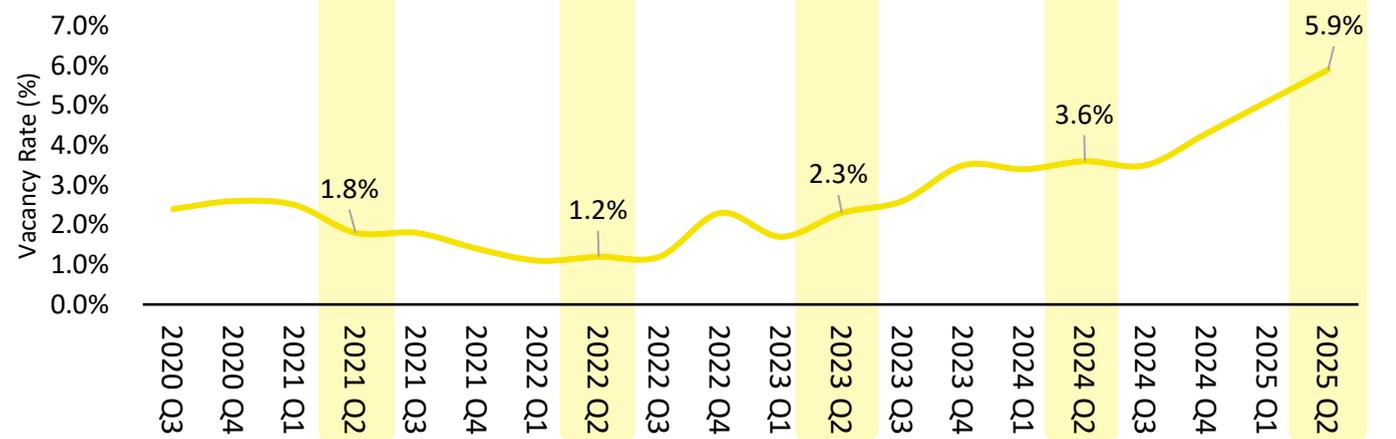
Local Market Indicator Dashboard

	Q2-2025	YoY Chg
Total Inventory (sq. ft, millions)	120.3	3.2% % chg
Vacancy Rate (%)	5.9%	2.3% pct points
Net Absorption (sq. ft)	203,317	433,542 sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$8.88	-\$0.05 \$ per sq. ft
Deliveries (sq. ft)	1,160,089	1,100,089 sq. ft
Under Construction (sq. ft)	3,092,969	-1,186,077 sq. ft

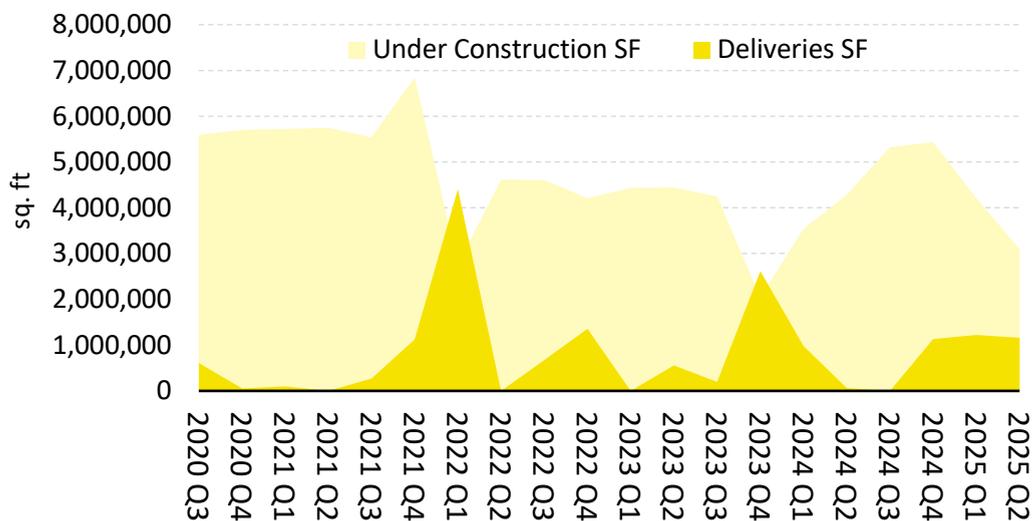
Net Absorption (sq. ft)



Vacancy Rate (%)



Under Construction & Net Deliveries (sq. ft)



Full Service Rent (\$ per sq. ft)



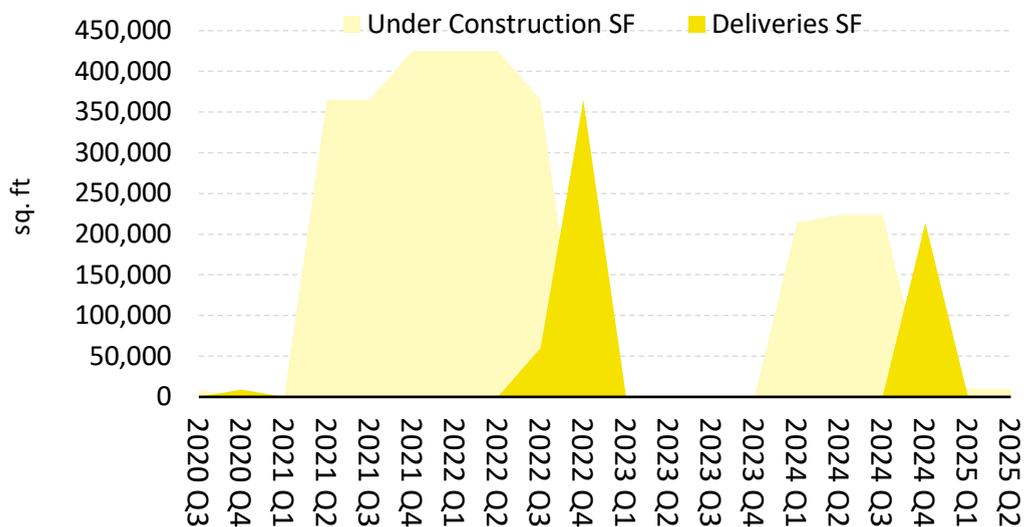
Industrial Market - MSA Trends

ROANOKE MSA

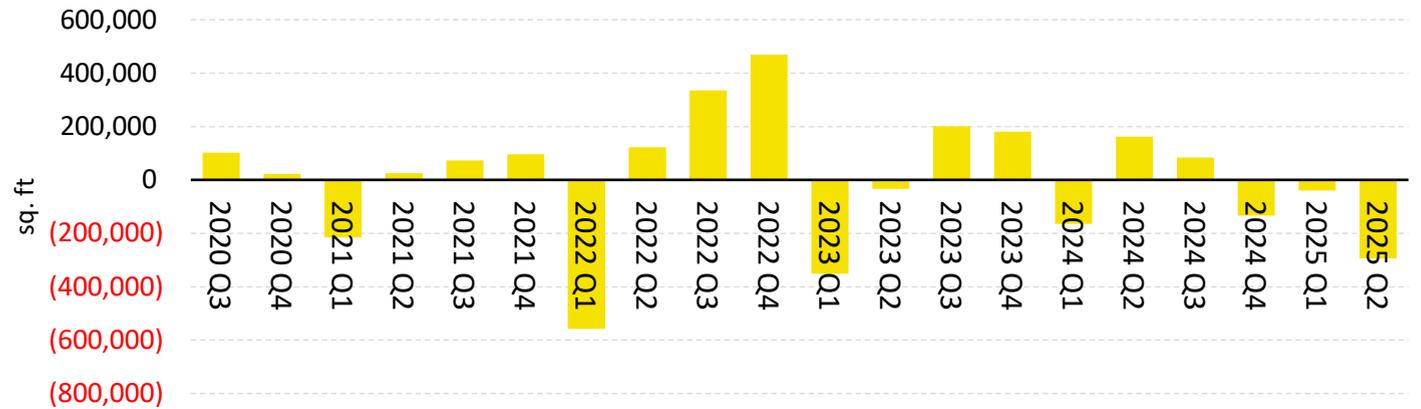
Local Market Indicator Dashboard

	Q2-2025	YoY Chg
Total Inventory (sq. ft, millions)	38.8	0.6% % chg
Vacancy Rate (%)	4.5%	1.5% pct points
Net Absorption (sq. ft)	(294,930)	-457,043 sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$5.12	-\$0.75 \$ per sq. ft
Deliveries (sq. ft)	0	0 sq. ft
Under Construction (sq. ft)	9,900	-213,714 sq. ft

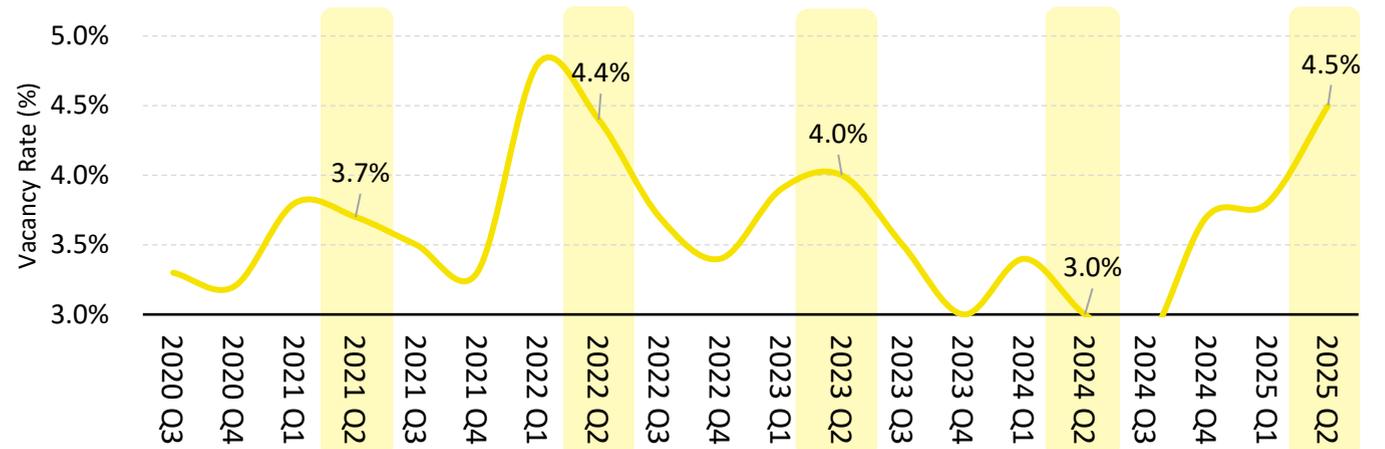
Under Construction & Net Deliveries (sq. ft)



Net Absorption (sq. ft)



Vacancy Rate (%)



Full Service Rent (\$ per sq. ft)

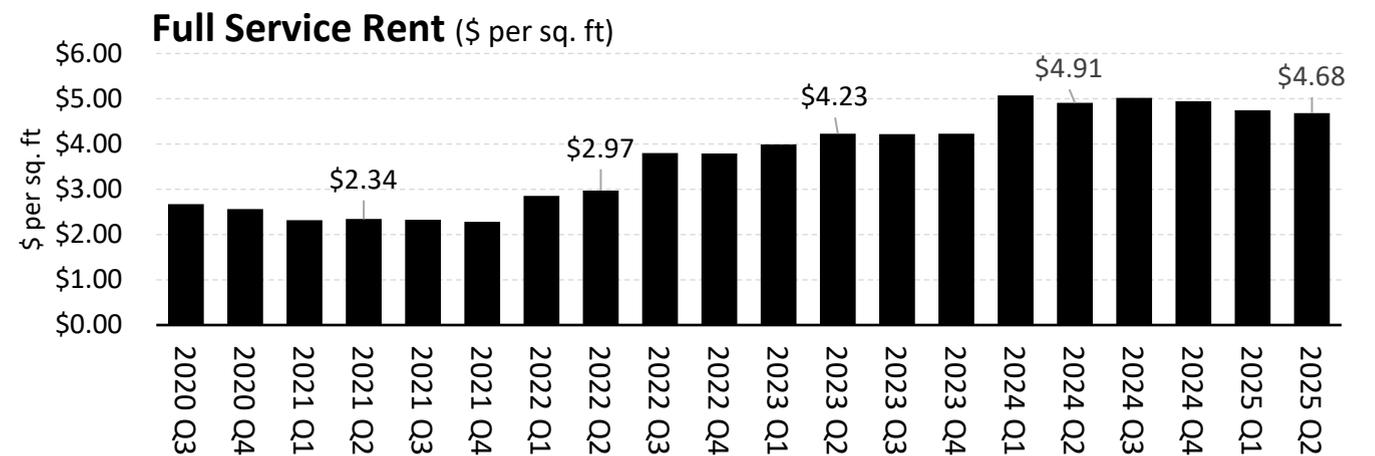
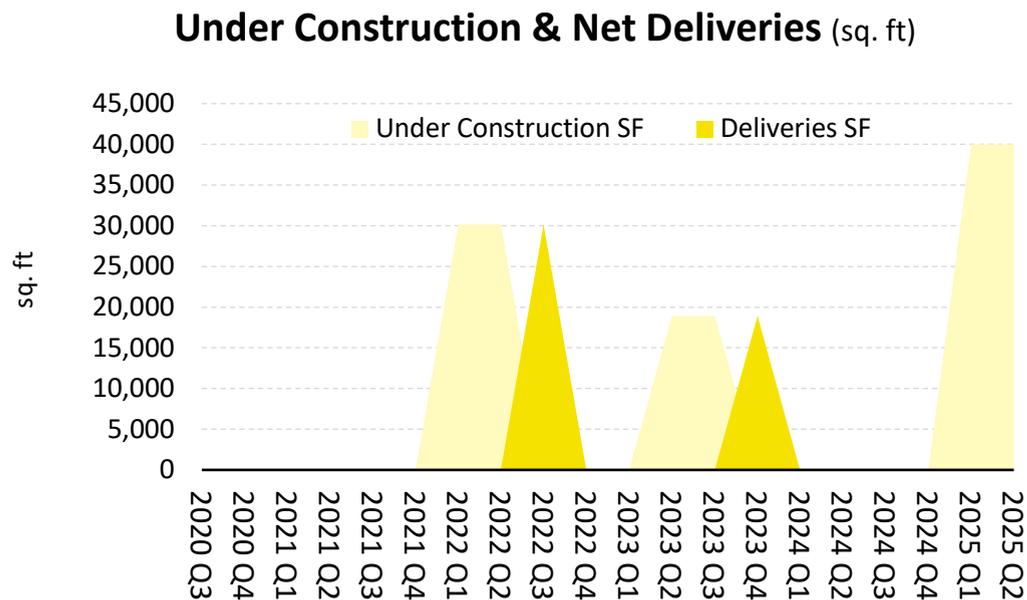
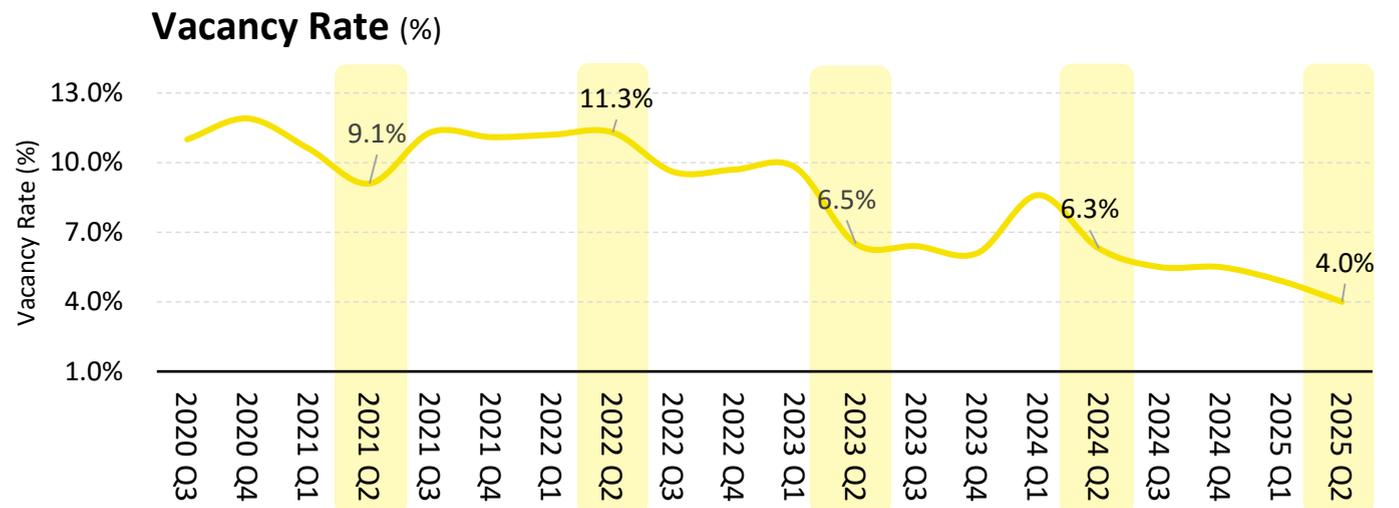
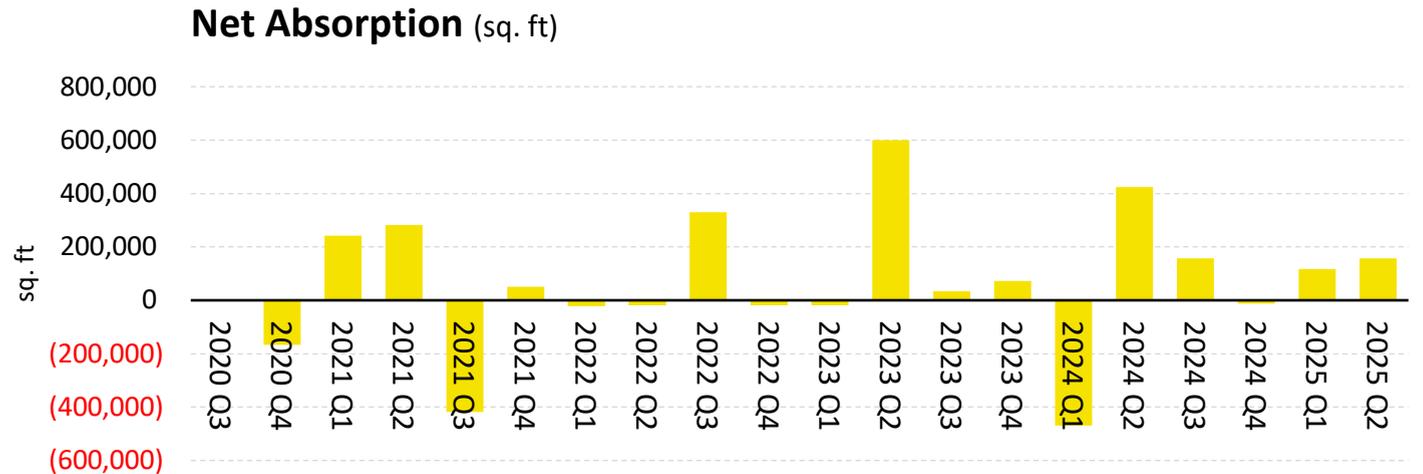


Industrial Market - MSA Trends

LYNCHBURG MSA

Local Market Indicator Dashboard

	Q2-2025	YoY Chg	
Total Inventory (sq. ft, millions)	18.4	0	% chg
Vacancy Rate (%)	4.0%	-2.3%	pct points
Net Absorption (sq. ft)	156,582	-267,680	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$4.68	-\$0.23	\$ per sq. ft
Deliveries (sq. ft)	0	0	sq. ft
Under Construction (sq. ft)	40,000	40,000	sq. ft



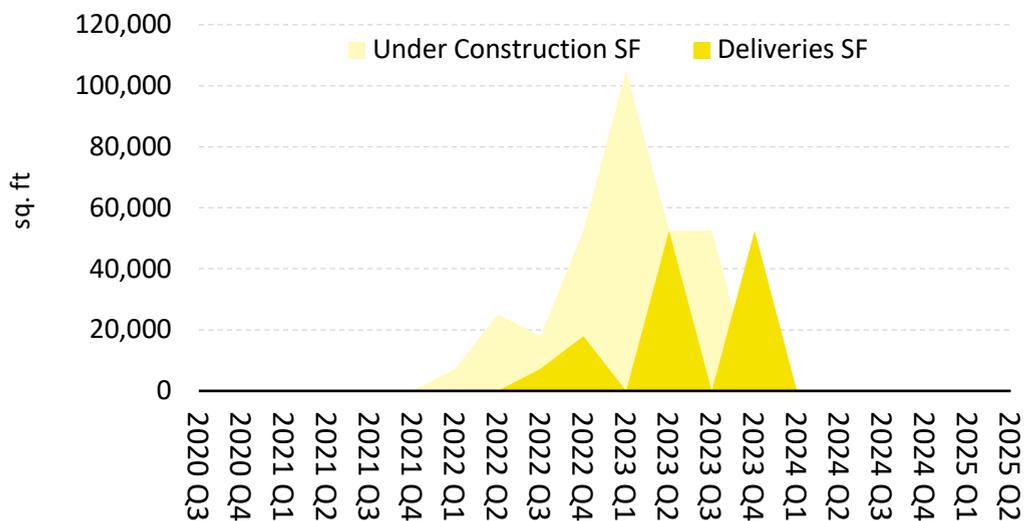
Industrial Market - MSA Trends

CHARLOTTESVILLE MSA

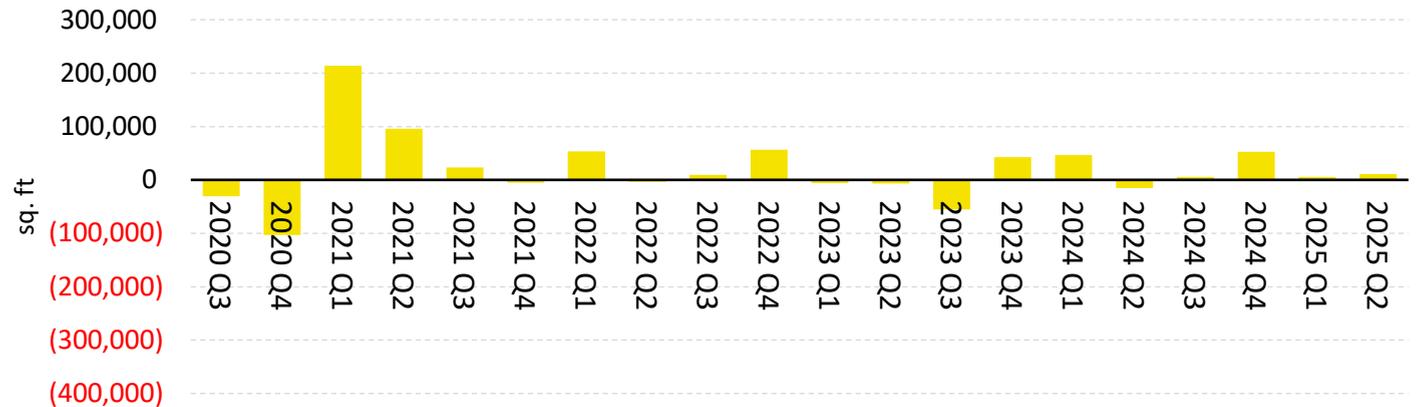
Local Market Indicator Dashboard

	Q2-2025	YoY Chg	
Total Inventory (sq. ft, millions)	4.3	0	% chg
Vacancy Rate (%)	0.7%	-1.8%	pct points
Net Absorption (sq. ft)	10,800	25,723	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$10.57	-\$1.90	\$ per sq. ft
Deliveries (sq. ft)	0	0	sq. ft
Under Construction (sq. ft)	0	0	sq. ft

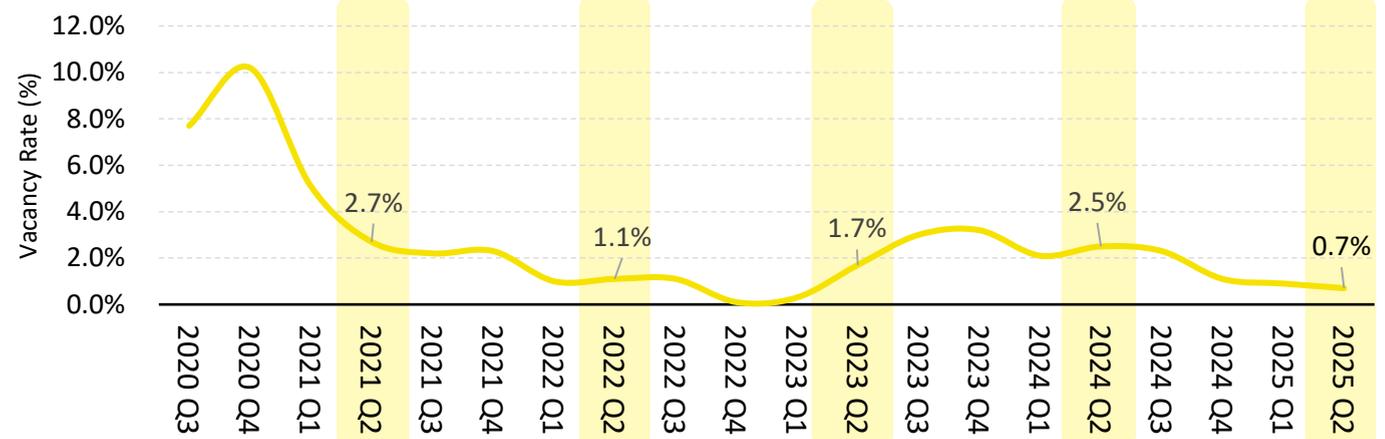
Under Construction & Net Deliveries (sq. ft)



Net Absorption (sq. ft)



Vacancy Rate (%)



Full Service Rent (\$ per sq. ft)

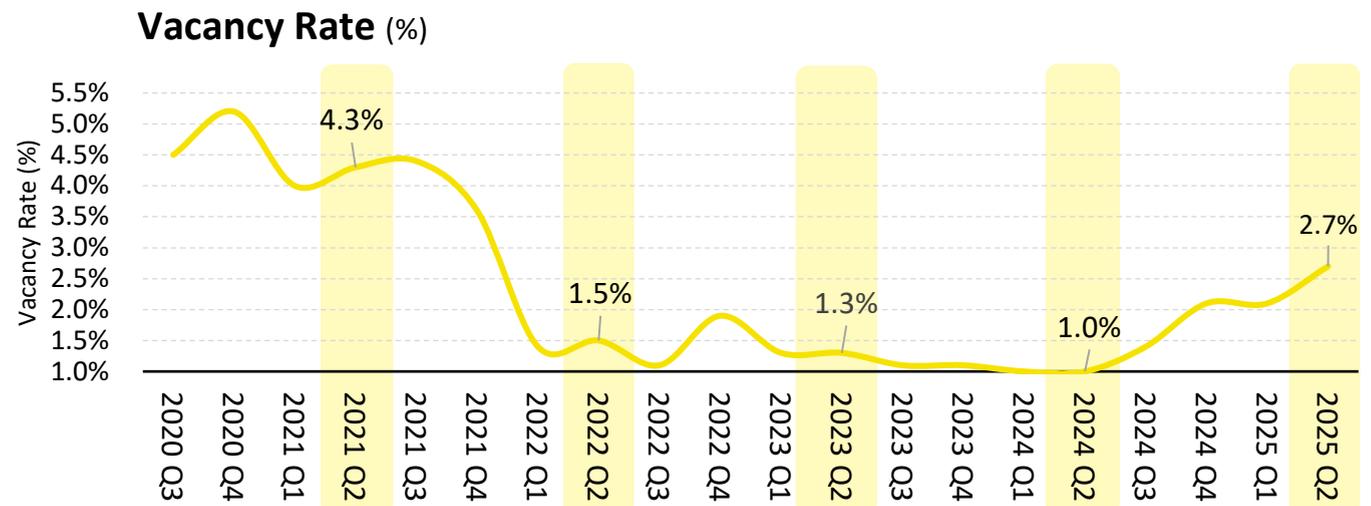
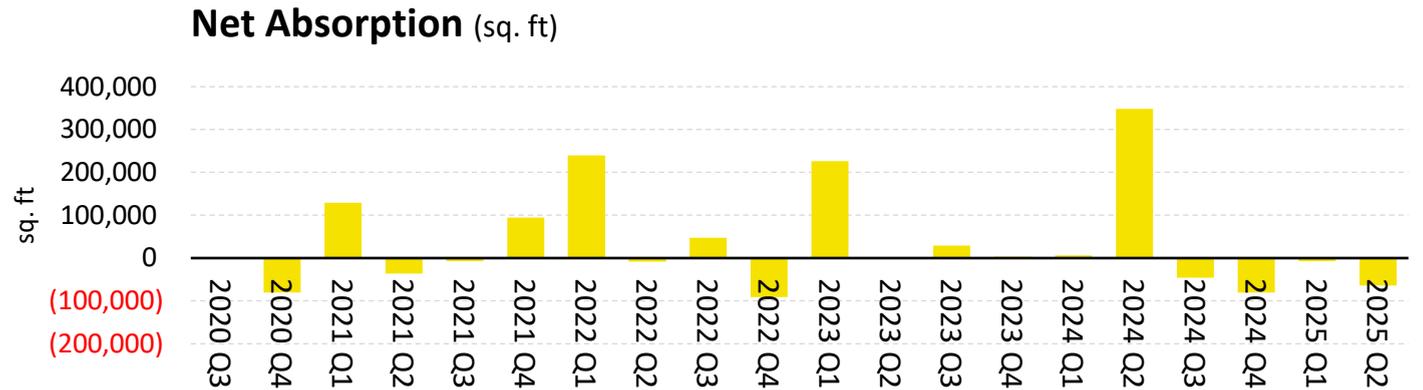


Industrial Market - MSA Trends

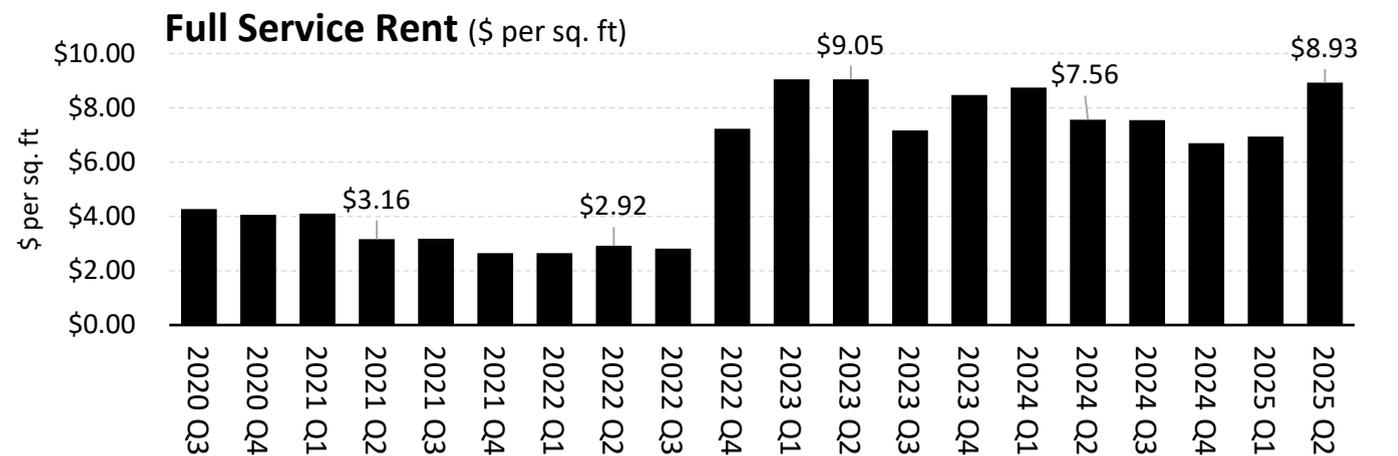
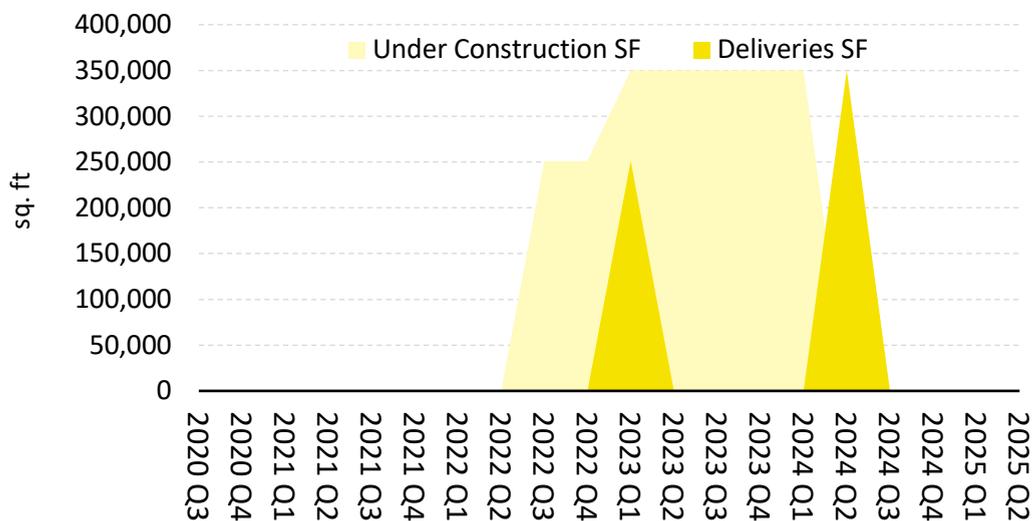
BLACKSBURG MSA

Local Market Indicator Dashboard

	Q2-2025	YoY Chg	
Total Inventory (sq. ft, millions)	11.8	0	% chg
Vacancy Rate (%)	2.7%	1.7%	pct points
Net Absorption (sq. ft)	(63,937)	-412,642	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$8.93	\$1.37	\$ per sq. ft
Deliveries (sq. ft)	0	-350,000	sq. ft
Under Construction (sq. ft)	0	0	sq. ft



Under Construction & Net Deliveries (sq. ft)

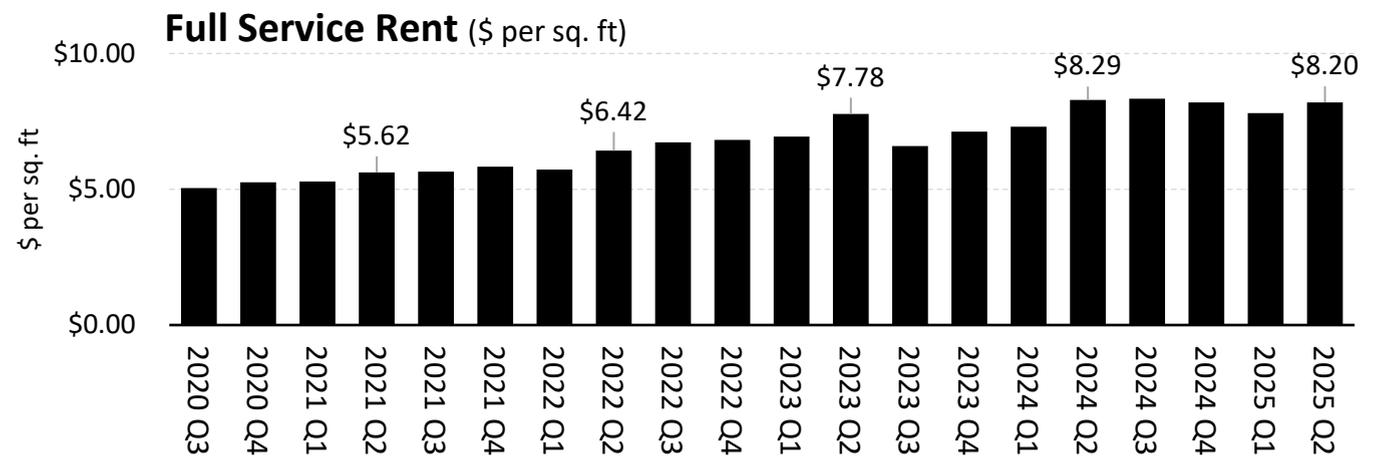
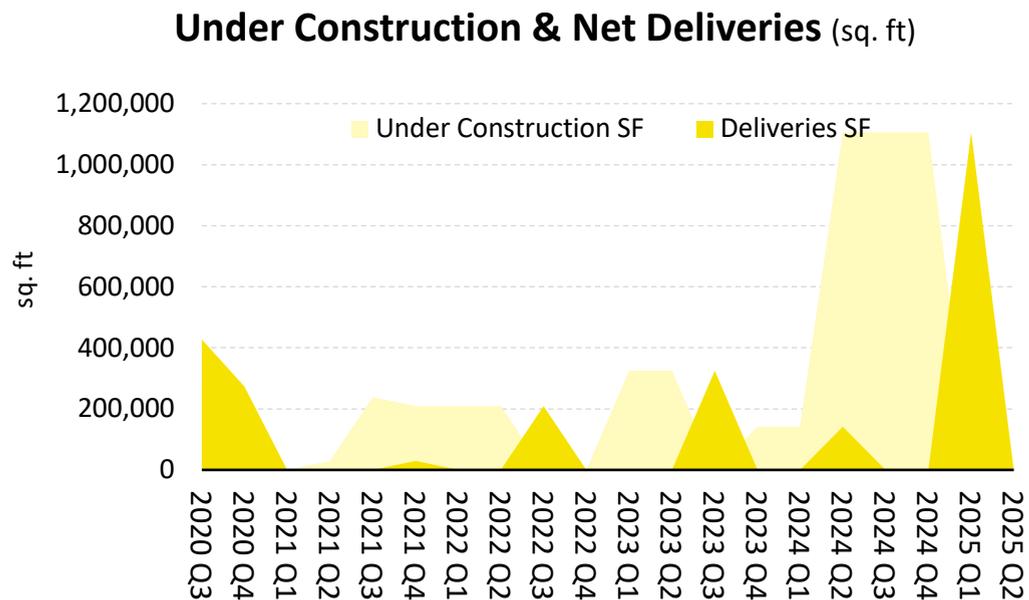
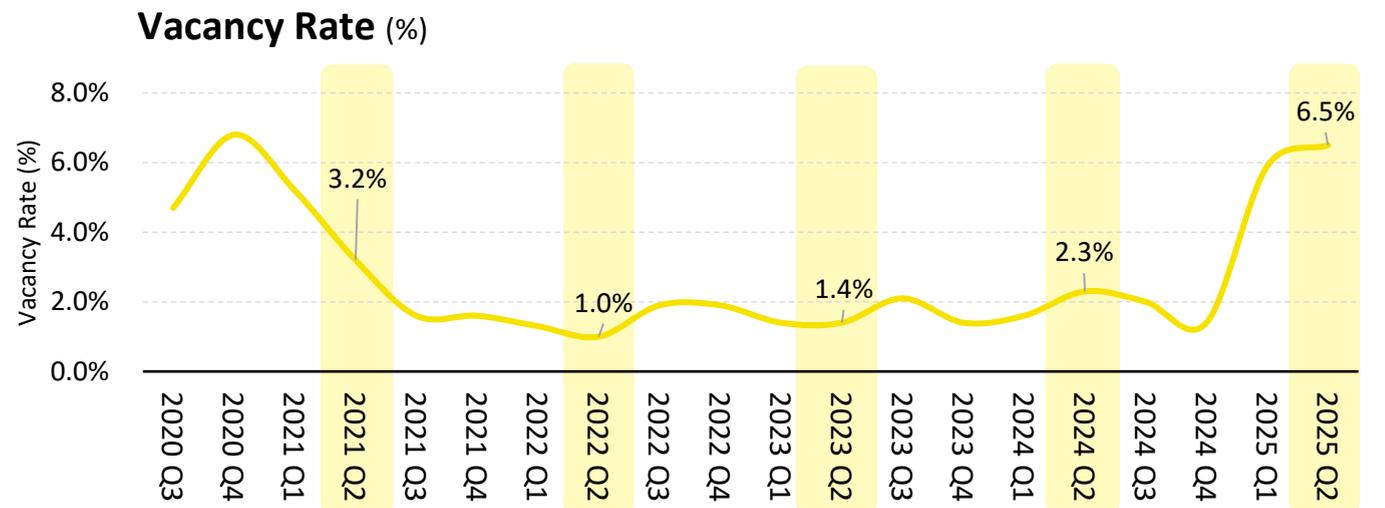
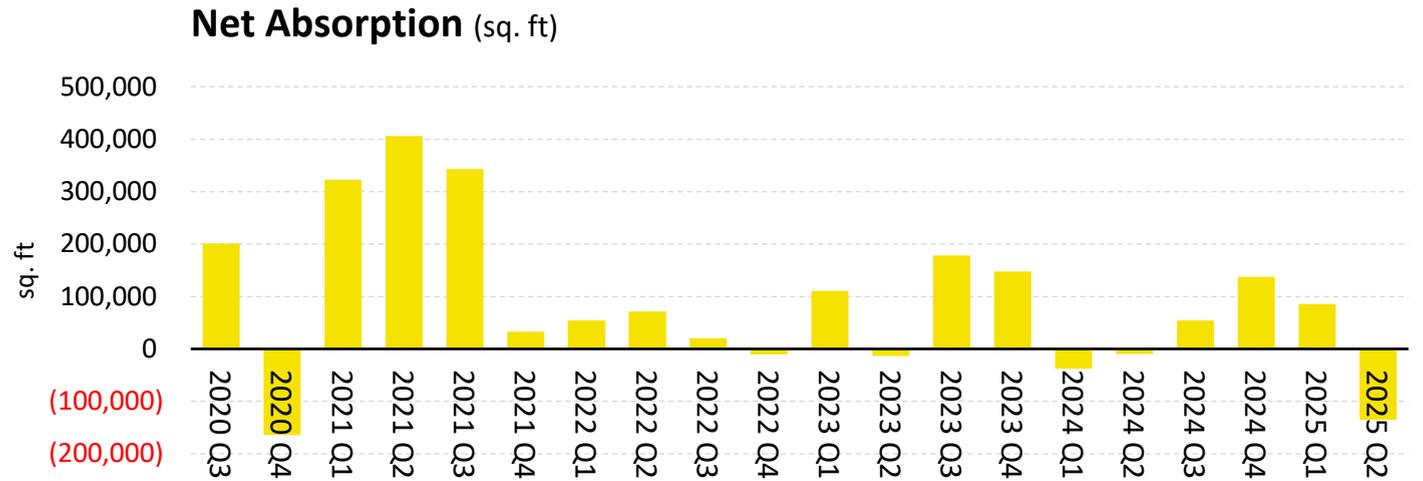


Industrial Market - MSA Trends

WINCHESTER MSA

Local Market Indicator Dashboard

	Q2-2025	YoY Chg
Total Inventory (sq. ft, millions)	22.4	5.2% <i>% chg</i>
Vacancy Rate (%)	6.5%	4.2% <i>pct points</i>
Net Absorption (sq. ft)	(135,075)	-125,243 <i>sq. ft</i>
Avg Full Service Rent (\$ / sq. ft)	\$8.20	-\$0.09 <i>\$ per sq. ft</i>
Deliveries (sq. ft)	0	-141,000 <i>sq. ft</i>
Under Construction (sq. ft)	0	-1,106,120 <i>sq. ft</i>



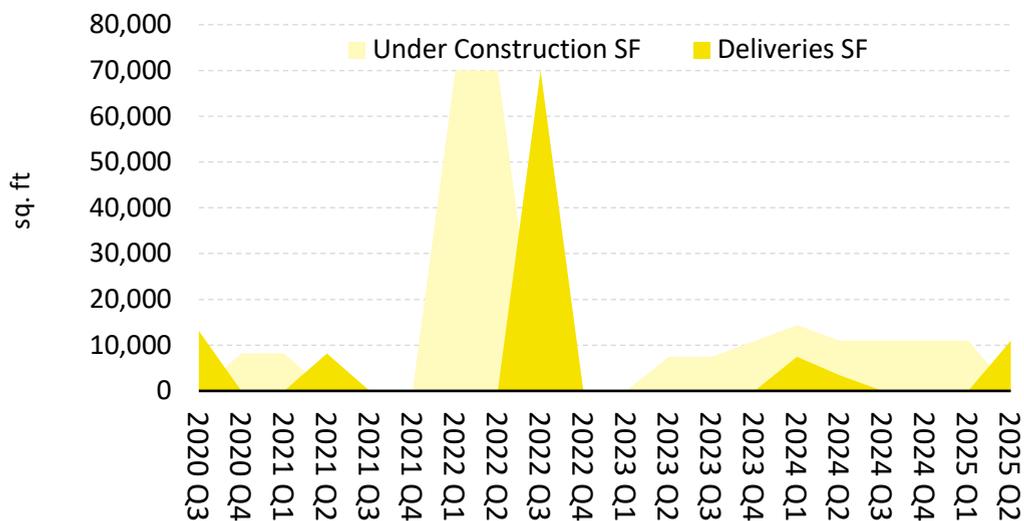
Industrial Market - MSA Trends

HARRISONBURG MSA

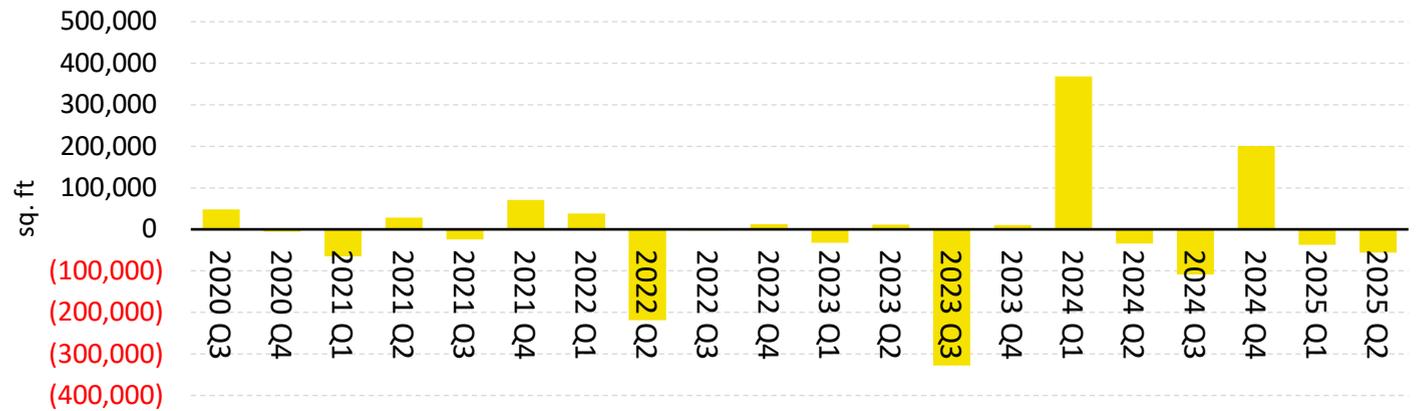
Local Market Indicator Dashboard

	Q2-2025	YoY Chg
Total Inventory (sq. ft, millions)	9.9	0.1% % chg
Vacancy Rate (%)	3.7%	0.1% pct points
Net Absorption (sq. ft)	(55,710)	-21,335 sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$9.02	-\$0.55 \$ per sq. ft
Deliveries (sq. ft)	11,000	7,600 sq. ft
Under Construction (sq. ft)	0	-11,000 sq. ft

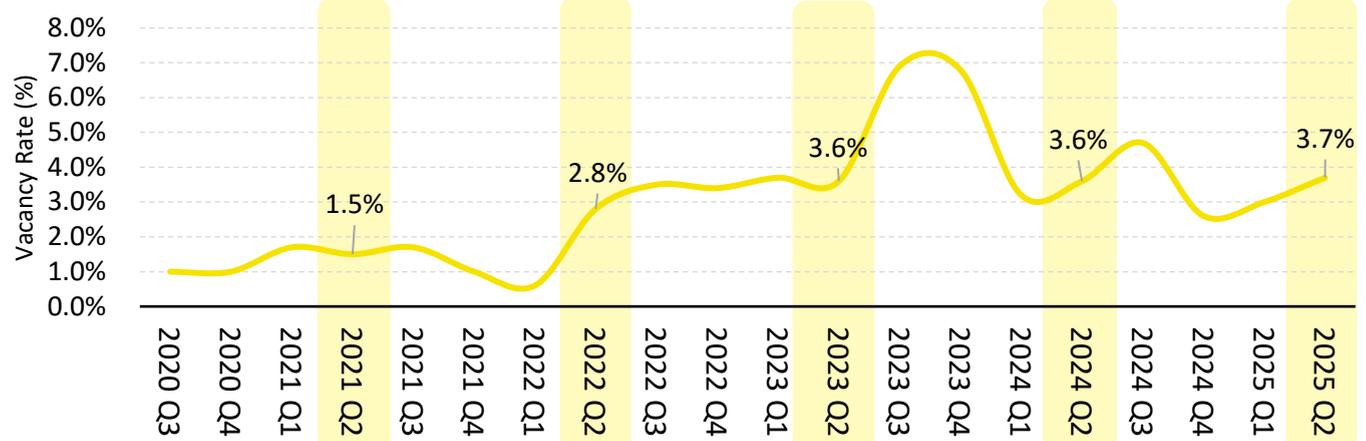
Under Construction & Net Deliveries (sq. ft)



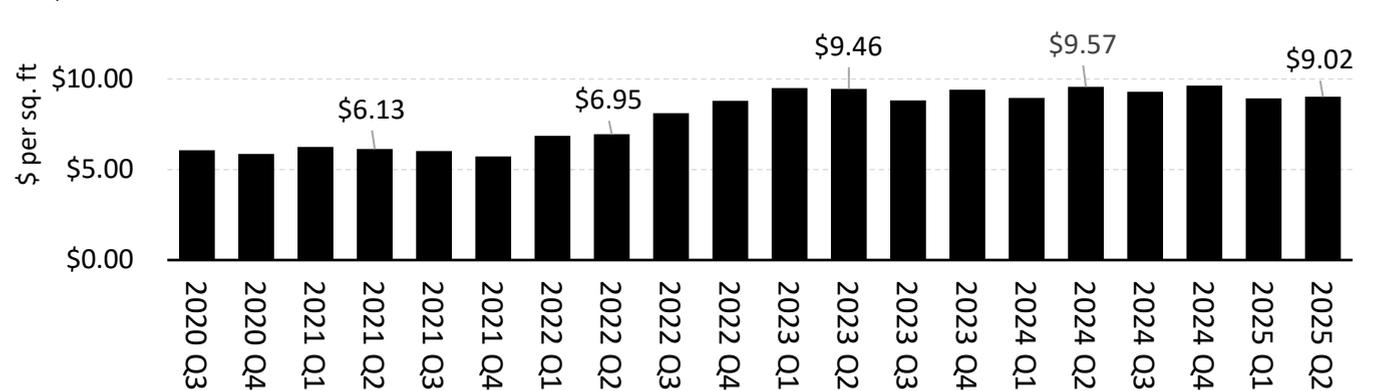
Net Absorption (sq. ft)



Vacancy Rate (%)



Full Service Rent (\$ per sq. ft)



The Virginia REALTORS® association is the largest professional trade association in Virginia, representing 37,000 REALTORS® engaged in the residential and commercial real estate business. The Virginia REALTORS® association serves as the advocate for homeownership and private property rights and represents the interests of real estate professionals and property owners in the Commonwealth of Virginia.

NOTE: The term REALTOR® is a registered collective membership mark that identifies a real estate professional who is a member of the National Association of REALTORS® and subscribes to its strict code of ethics.

All inquiries regarding this report may be directed to:

Robin Spensieri

Virginia REALTORS® Senior Vice President
of Corporate Communications
rspensieri@virginiarealtors.org
404-433-6015

Data and analysis provided by Virginia REALTORS® Research Team.

The numbers reported here are based on data from CoStar.

Cover Photo: @aleksei/Adobe Stock

TOC Graphic: @yuromanovich/Adobe Stock

