

## FREDERICKSBURG INDUSTRIAL

## Economic Indicators

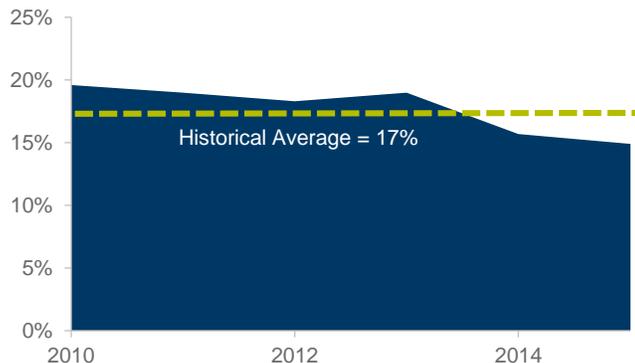
	Q4 14	Q4 15	12-Month Forecast
Washington DC MSA Employment	3,130k	3,187k	▲
Washington DC MSA Unemployment	4.8%	4.5%	▼
U.S. Unemployment	5.7%	5.0%	▼

## Market Indicators (Overall, All Product Types)

	2014	2015	12-Month Forecast
Vacancy	12.7%	12.8%	▲
Net Absorption (sf)	31k	311k	▲
Under Construction (sf)	0	0	■
Average Asking Rent*	\$5.78	\$5.53	▼

\*Rental rates reflect net asking \$psf/year

## Overall Vacancy



## Economy and Market Overview

Fourth quarter reported continued positive statistics in employment as the unemployment rate declined further. With this higher employment, the job market has strengthened, which should lead to an even higher level of consumer confidence. This trend is moving in the right direction and has been consistent across all Fredericksburg submarkets.

The industrial market was stable in the fourth quarter with a slight increase in vacancy to 12.8% overall. Asking lease rates remain the same but since the remaining inventory is increasingly older manufacturing buildings the overall lease rate for the quarter declined. Newer product continues to show minimal vacancy and is increasing pressure for new construction next year.

The end of the fourth quarter recorded increased activity of companies looking to expand in Q1 and Q2 of 2016, primarily tied to distribution of items for the residential building industry as the local housing market continues to improve.

## Key Lease Transactions 2015

PROPERTY	SF	TENANT	PROPERTY TYPE
10848 Houser Drive	32,000	Technology and Supply Management	Warehouse
1127 International Pkwy	20,500	Stealth Sports	Warehouse
Berkley Commerce Park	16,840	Irby Utilities	Warehouse
16517 Bull Church Rd	11,000	Infiniti Cheer & Dance Studio	Warehouse

## Key Sales Transactions 2015

PROPERTY	SF	SELLER/BUYER	PRICE
Motion Control Building	84,367	Summit Investment	\$2,200,000
Northern Neck Farmers Market	56,000	Parker & Sons	\$1,200,000
1101 International Pkwy	49,256	U-Haul Co	\$2,500,000

## Outlook

Continued absorption of existing inventory is expected in 2016 as the economy improves which will gradually lead to higher asking rates.