

## Office Snapshot 2Q 2016

Fredericksburg, VA

## FREDERICKSBURG OFFICE

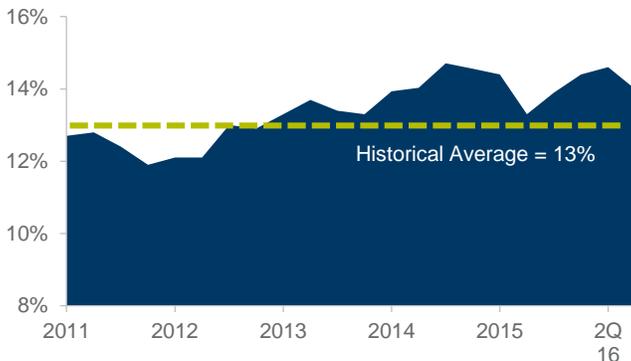
## Economic Indicators

	2Q 15	2Q 16	12-Month Forecast
Washington DC MSA Employment	2,578k	2,638k	▲
Washington DC MSA Unemployment	4.5%	3.9%	▼
U.S. Unemployment	5.4%	4.9%	▼

## Market Indicators (Overall, All Classes)

	2Q 15	2Q 16	12-Month Forecast
Overall Vacancy	13.3%	14.0%	▲
Net Absorption (sf)	31k	55k	▲
Under Construction (sf)	0	0	▲
Overall Average Asking Rent	\$22.56	\$19.52	▼

## Overall Vacancy



Vacancy fell from first quarter 2016 by 6 basis points, but remains higher than the second quarter 2015 rate and continuing the 13% average. Absorption continues to rise despite lower asking rental rates.

Notably, Garrisonville Road in Stafford is active with several new leases signed along that corridor. Most of the activity continues to be under 6,000 square feet (SF). While several businesses relocated, a few are new to the market, evidence of more consumer confidence in the market. The majority of new leases were signed by defense-related firms in Fredericksburg.

The largest new deal for the Fredericksburg area is the relocation of The Free Lance-Star headquarters. The local newspaper company, which has been located in Downtown Fredericksburg for 131 years, chose to relocate to a 18,700-SF space at 1340 Central Park Blvd. in Central Park Corporate Center. This new location provides the newspaper with a high visibility location in the heart of Central Park.

The overall office market has stabilized and is starting to show improvement with lower vacancy rates throughout the market.

## Key Lease Transactions 2Q 2016

PROPERTY	SF	TENANT	CLASS
1340 Central Park Blvd.	18,700	Free Lance-Star	A
65 Barrett Heights Rd.	6,165	Undisclosed	A
16 Center St.	5,986	Undisclosed	B
50 Tech Pkwy.	5,911	Undisclosed	A

## Outlook

This quarter continues the positive trend of the first quarter with a noticeable rise in activity. Expect activity to continue to improve for the remainder of 2016.

## Economy and Market Overview

The Washington DC and Fredericksburg office markets continue to exhibit positive trends with employment numbers rising and unemployment declining considerably lower than second quarter 2015. Improvement in this hardest hit office market is showing with movement in older vacancies.

## About Cushman &amp; Wakefield

Cushman & Wakefield is a global leader in commercial real estate services, helping clients transform the way people work, shop, and live. The firm's 43,000 employees in more than 60 countries provide deep local and global insights that create significant value for occupiers and investors around the world. Cushman & Wakefield is among the largest commercial real estate services firms in the world with revenues of \$5 billion across core services of agency leasing, asset services, capital markets, facilities services (branded C&W Services), global occupier services, investment management (branded DTZ Investors), tenant representation and valuations & advisory. To learn more, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com) or follow @Cushwake on Twitter.

## Brad McGetrick

Director, Brokerage Services  
725 Jackson Street  
Suite 101  
Tel: +1 540 373 0600  
[brad.mcgetrick@thalhimers.com](mailto:brad.mcgetrick@thalhimers.com)