

## Office Snapshot Q4 2015

Fredericksburg, VA

## FREDERICKSBURG OFFICE

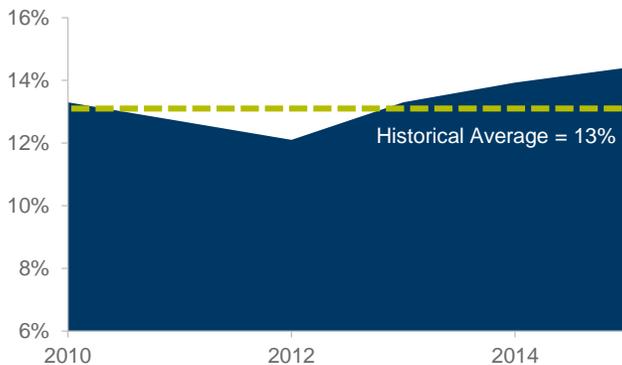
## Economic Indicators

	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 Classes)

	Q4 14	Q4 15	12-Month Forecast
Overall Vacancy	14.6%	14.4%	▼
Net Absorption (sf)	-71k	-18k	▼
Under Construction (sf)	0k	0k	■
Overall Average Asking Rent	\$22.07	\$20.04	▼

## Overall Vacancy



## Economy and Market Overview

The Fredericksburg market continued to report positive statistics in employment fourth quarter as the unemployment rate was further reduced. 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 submarkets.

## About Cushman &amp; Wakefield

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Along with improved employment, the overall office vacancy rate decreased 20 basis points from a year ago to 14.4%. Despite a relatively unhealthy high vacancy rate and negative absorption in Q4, the positive employment numbers in the region will likely lead to positive absorption in the office sector throughout 2016.

Leasing activity this quarter included a few large spaces filled by government contractors and healthcare companies. However, at the same time a few announcements were made of similar size spaces being back on the market and available for sublease. The trend of tenants filling smaller but higher quality spaces with better efficiencies is still common.

## Key Lease Transactions 2015

PROPERTY	SF	TENANT	CLASS
Stafford Commerce Center IV	20,000	IPKEYS Technologies	A
The Town Center at Aquia	17,588	Undisclosed	A
Pogonia Medical Arts Building	17,272	MultiSpecialty Health Group	A
Central Park Corporate Center	12,758	Regus	A

## Key Sales Transactions 2015

PROPERTY	SF	SELLER/BUYER	PRICE
Lee's Hill II	157,819	Joseph Haim	\$18,000,000
105 Tech Parkway	103,560	Titanium RE Advrs	\$28,250,000
The Free Lance-Star	75,670	WJ Vakos	\$5,575,000
Liberty Place	26,696	The Wack Co.	\$2,820,000

## Outlook

2015 finished the year at a slower pace than the previous three quarters. We suspect that was only temporary and the beginning of 2016 will pick-up the pace. The government contractor industry is again active and employment numbers continue their positive trend. With very little new product in the pipeline, we forecast increasing net absorption in the office sector in 2016.

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