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**Virginia’s Commercial Real Estate Market Resilient Amid COVID-19**

*Industrial real estate booms as office rents see modest rise*

Richmond, VA – (April 28, 2021) – According to the [Q1 2021 Commercial Market Report](https://virginiarealtors.org/research/reports/commercial-market-reports/) released by Virginia REALTORS®, the commercial real estate market in Virginia has been surprisingly resilient, despite concerns about a serious downturn as a result of the COVID-19 pandemic.

Virginia’s office market has seen a modest rise in vacancy rates. Office rents have risen or remained stable in most markets across the state, and mid-sized and suburban markets have been performing best. In the 1st quarter, the fastest rent growth occurred in Charlottesville and Roanoke.

One key reason behind the resiliency of Virginia’s office market is growth in several key office-supporting sectors. Virginia REALTORS® Chief Economist Lisa Sturtevant, PhD, says, “In the commonwealth, the economy has gained back all of the jobs that were lost in the important Professional & Technical Services sector. In addition, the Finance & Insurance sector has remained steady throughout the past year.”

The impact of COVID-19 on Virginia’s retail market has not been as severe as expected. Despite early predictions, there has been no major fleeing from retail spaces in many Virginia markets. While retail vacancy rates have increased over the past year in Virginia, vacancy has remained fairly low—under 6%—in all markets across the state. Retail rents have declined modestly in Northern Virginia and Richmond, though there has been rent growth in some smaller markets, including Hampton Roads and Roanoke.

Industrial real estate has outperformed all other property sectors, benefiting from the pandemic’s fallout, rather than being set back by it. Growth in e-commerce sales has been a key driver of the strong demand for industrial space, particularly warehousing and fulfillment centers.

Virginia REALTORS® publishes quarterly reports on the commercial real estate market. These reports summarize trends in the office, retail, and industrial markets in nine regions across the state, and provide an outlook for future commercial market conditions. [Click here](https://virginiarealtors.org/research/reports/commercial-market-reports/) to view the full Q1 2021 Commercial Market Report.

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**About Virginia REALTORS®**

Virginia REALTORS® (previously known as the Virginia Association of REALTORS®) is the largest trade association in Virginia, representing 35,000 REALTORS® engaged in the residential and commercial real estate business. Virginia REALTORS® serves as an advocate for homeownership and homeowners and represents the interests of property owners in the Commonwealth of Virginia. For more information, visit [www.virginiarealtors.org](http://www.virginiarealtors.org) or follow Virginia REALTORS® on [Facebook](https://www.facebook.com/REALTORSVirginia/), [Twitter](https://twitter.com/REALTORS_VA), and [LinkedIn](https://www.linkedin.com/groups/31801).

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