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**Industrial Market Leads Virginia’s Q2 Commercial Real Estate Industry**

*Demands for e-commerce lead to robust industrial real estate market*

Richmond, VA – (July 15, 2021) – According to the [Q2 2021 Commercial Market Report](https://virginiarealtors.org/research/reports/commercial-market-reports/) released by Virginia REALTORS®, the industrial market continues to be the strongest segment of the commercial market in Virginia, with demand being driven by robust traditional e-commerce (e.g., Amazon), as well as by shifts in brick-and-mortal retailers to focus more heavily on online sales. A desire to move supply chains local also fuels demand in some local markets.

The growth in e-commerce sales has been a key support for the industrial and warehousing market. E-commerce sales peaked at nearly 16% of all retail sales in Q2 2020. While the share has dropped, e-commerce still accounts for nearly 14% of all retail sales nationally.

As a result of strong demand, new construction of industrial space has ramped up over the past year. In Q2 2021, there was more than 10 million square feet of industrial space under construction in Virginia. More than half of the new industrial/warehouse construction activity is in the Hampton Roads market where new Amazon facilities are nearing completion.

COVID-19 and the economic downturn have brought major changes to the industrial market landscape. It is likely that there will continue to be significant demand for industrial space, as well as shifts in industrial space uses as the economy continues to open up.

“There is significant pent-up consumer demand in the market, which is a good sign for strong economic growth this year,” says Virginia REALTORS® Chief Economist Lisa Sturtevant, PhD. “At the same time, there remains uncertainty about the types of long-term changes COVID-19 will have both on the overall economy and the commercial real estate market.”

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 Q2 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 36,000 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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