



# Q1 2024 RETAIL MARKET REPORT

# Retail Market - Key Trends Snapshot

## Retail Market

**Overview:** The retail market continues to tighten in Virginia. The vacancy rate fell from a year ago, which drove up rents in most metro markets around the Commonwealth in the first quarter. The pipeline of new retail construction is growing in Virginia, most of which is in Hampton Roads and Northern Virginia.

**Absorption:** After trending up all of 2023, retail leasing fell in the first quarter of 2024 with 239,144 sq ft of negative net absorption. This is a large drop off from the 1.33 million sq ft of positive absorption in Q1 2023. Both small/neighborhood (-12,185 sq ft) and large/big box retail (-330,351 sq ft) had negative absorption this quarter. Hampton Roads had -216,269 sq ft retail space absorbed followed by Northern Virginia with -71,308 sq ft. Retail space in the Richmond area had a positive net absorption of 87,335 sq ft.

**Vacancy Rate:** The vacancy rate for retail space in Virginia was 3.8% in Q1 2024, down 0.3 percentage point from a year ago. Charlottesville (+5.2%) and Hampton Roads (+4.9%) had the highest vacancy rate jumps compared to all other metro areas in the state. Small/neighborhood retail spaces saw a slight increase in vacancy rates going from 1.9% in Q1 2023 to 2.0% in Q1 2024.

**Rent:** Full-service retail rent went from \$16.50 to \$17.32 in Q1 2024, a 5% increase. Lower vacancy rates are continuing to keep prices elevated in Virginia. Large/big box retail rent rose 8.1% bringing the price per sq ft to \$14.02 in the first quarter. The largest decrease in rent growth happened in Blacksburg with retail rents down 17.4% from Q1 of last year. Winchester saw a double-digit gain with retail rent prices up 27.8%.

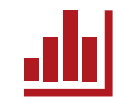
**Construction/Deliveries:** New construction went up 17.3% in Q1 2024 with much of the new retail space under construction in Northern Virginia (422,141 sq ft) and the Hampton Roads area (445,916 sq ft). Retail deliveries were up nearly one percent from Q1 2023 statewide.

## VIRGINIA (Statewide)



### Market Indicator Dashboard

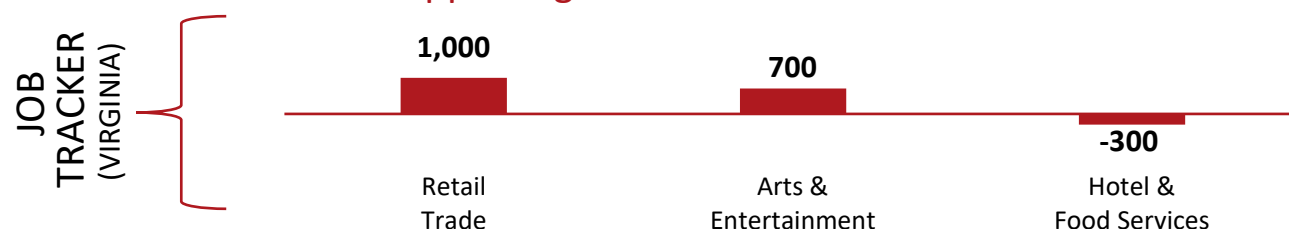
	YoY Chg	Q1-2024	Indicator
% chg	0.1%	458.1	<b>Total Inventory</b> (sq. ft, in millions)
sq. ft	-582,855	-239,144	<b>Net Absorption</b> (sq. ft)
pct point	-0.3%	3.8%	<b>Vacancy Rate</b> (%)
\$ per sq. ft	\$0.82	\$17.32	<b>Full Service Rent</b> (\$ per sq. ft)
sq. ft	2,480	262,350	<b>New Supply Delivered</b> (sq. ft)
sq. ft	191,931	1,300,996	<b>Under Construction</b> (sq. ft)



### Economic Indicator Dashboard

	MoM % Chg	Feb-24	Indicator
% chg	0.3%	4.2	<b>Total Jobs, Virginia</b> (in millions, seasonally adjusted)
% chg	0.2%	811.3	<b>Retail-Supporting Jobs, Virginia</b> (in thousands, seasonally adjusted)
pct point	0	3.0%	<b>Unemployment Rate, Virginia</b> (% seasonally adjusted)
pct point	QoQ Chg -1.5%	Q4-2023 3.4%	<b>Gross Domestic Product, U.S.</b> (seasonally adjusted annual rate)

### Retail-Supporting Job Sectors (# Chg Jan-24 to Feb-24, seasonally asjusted)



## Virginia Retail Market

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Absorption & Construction Trends ----- 4

Rent Trends ----- 5

Vacancy Trends ----- 6

MSA-Level Trends ----- 7

Northern Virginia ----- 8

Richmond MSA ----- 9

Hampton Roads ----- 10

Roanoke MSA ----- 11

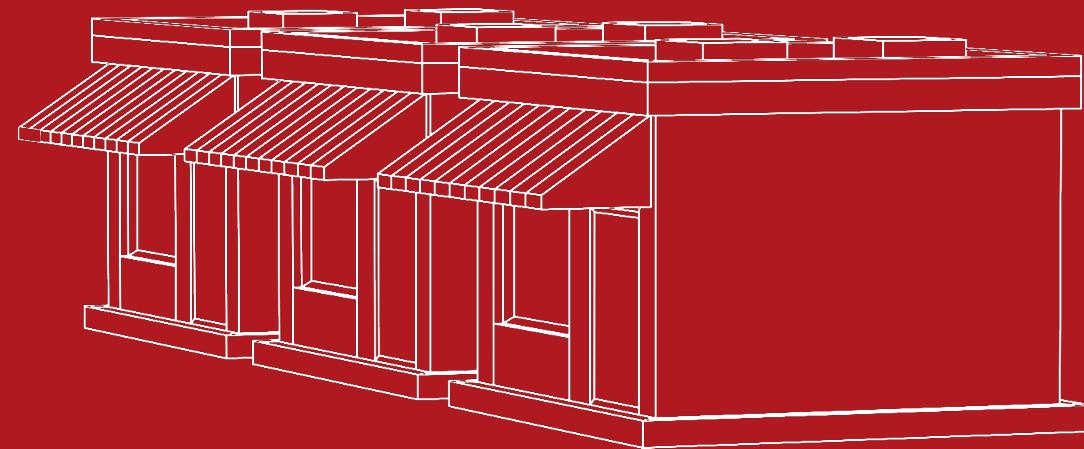
Lynchburg MSA ----- 12

Charlottesville MSA ----- 13

Blacksburg MSA ----- 14

Winchester MSA ----- 15

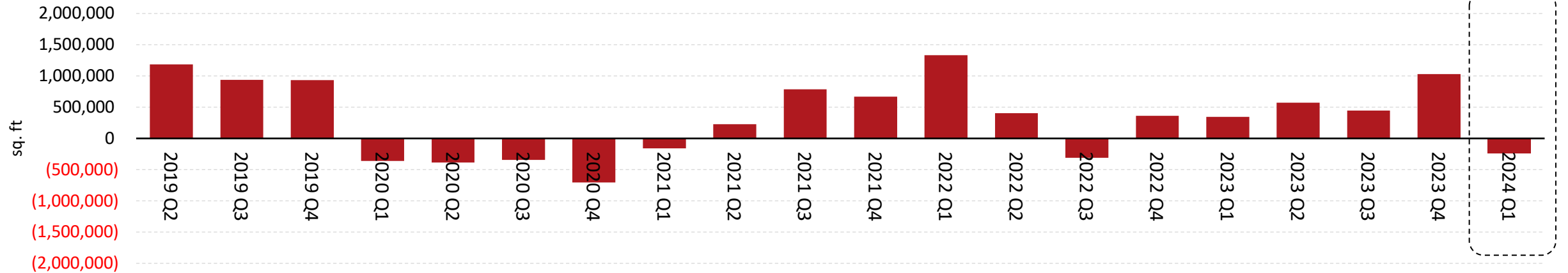
Harrisonburg MSA ----- 16



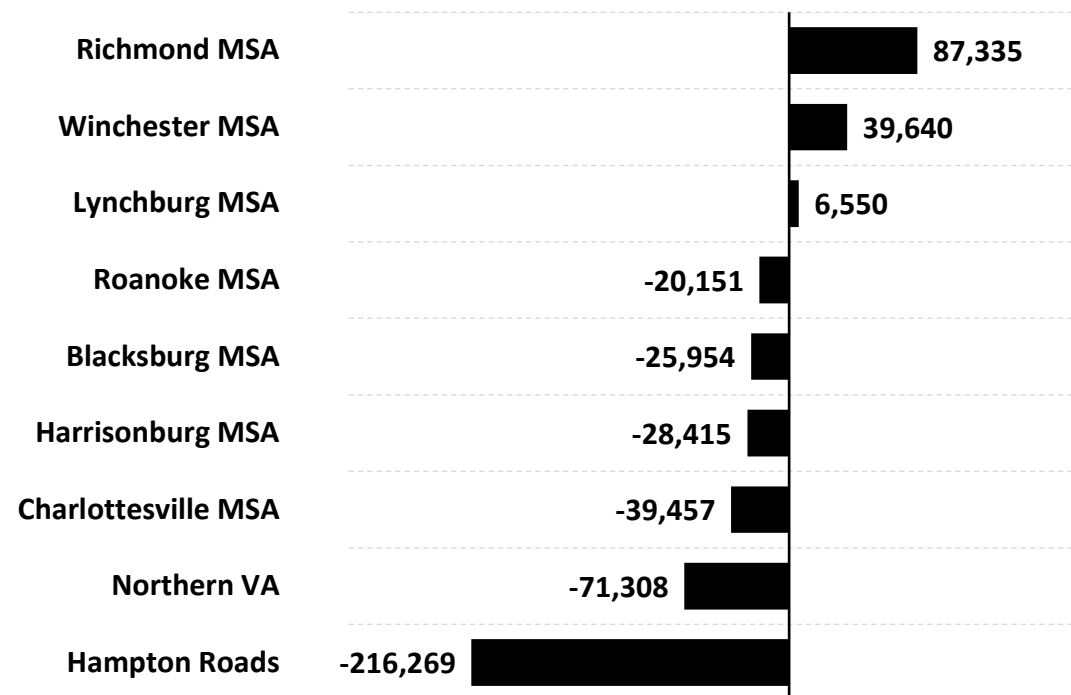
# Retail Market - Absorption & Construction Trends

## VIRGINIA (Statewide)

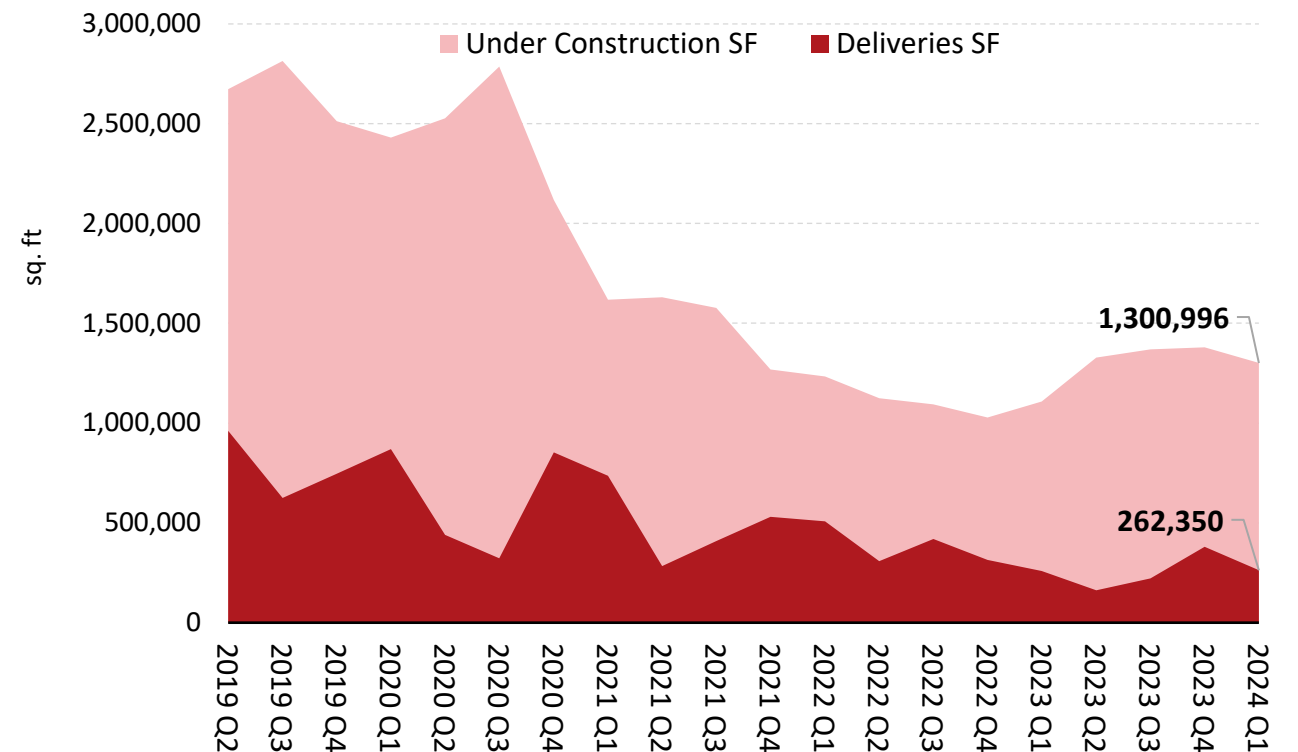
Net Absorption (sq. ft)



Q1-2024 Net Absorption by Metro Area (sq ft)

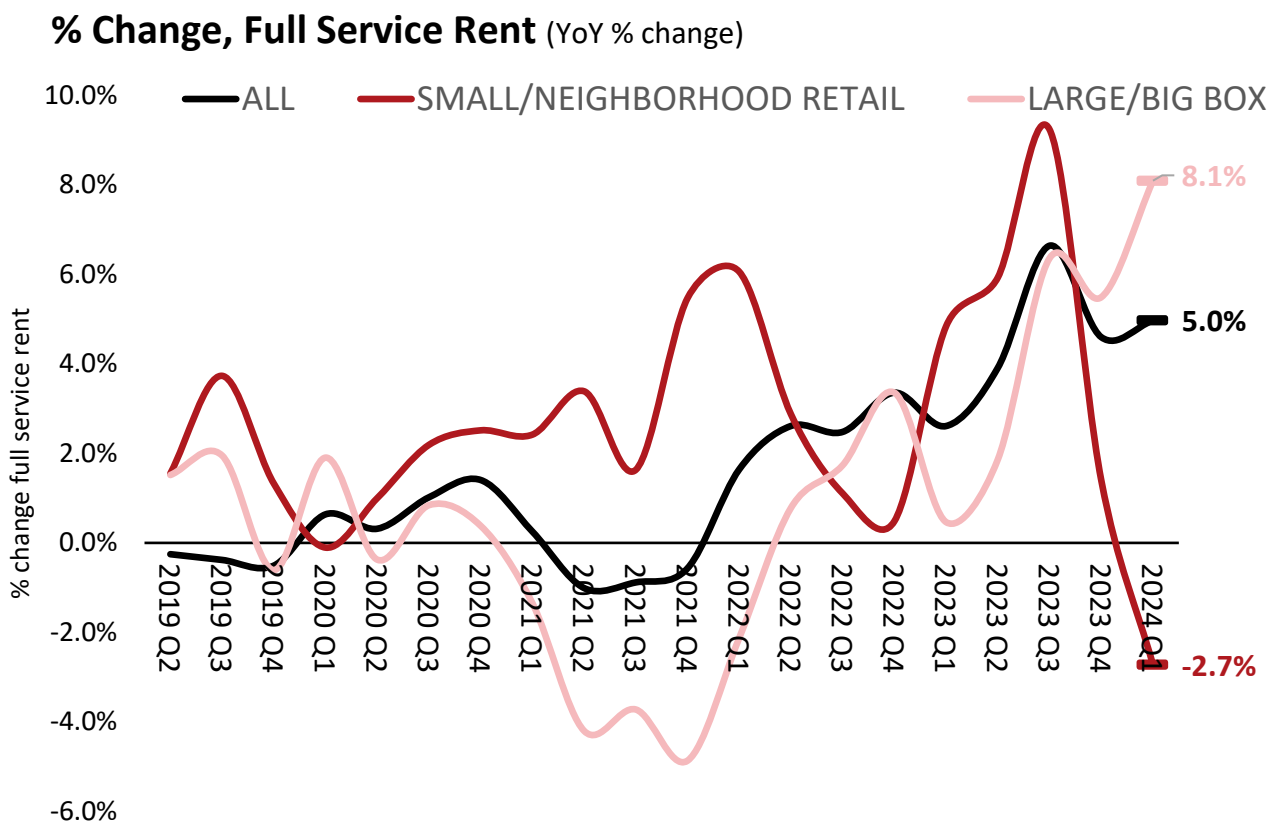
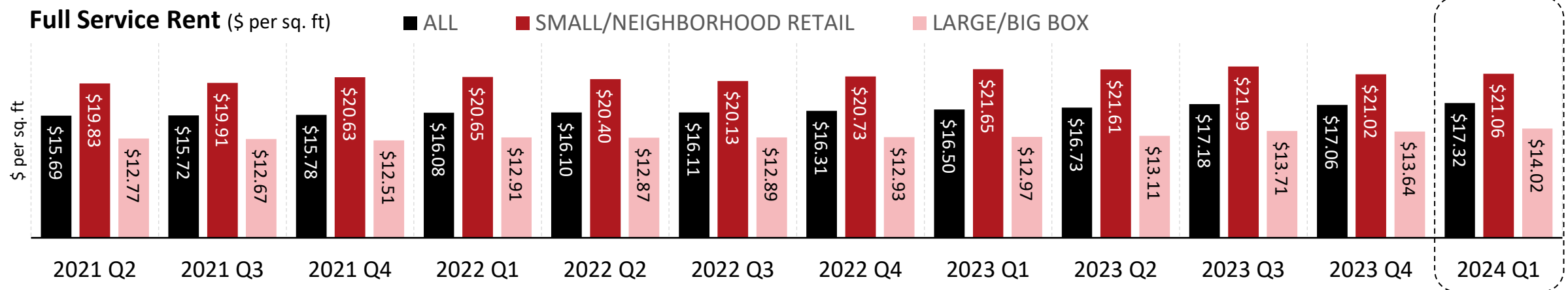


Under Construction & Net Deliveries (sq. ft)

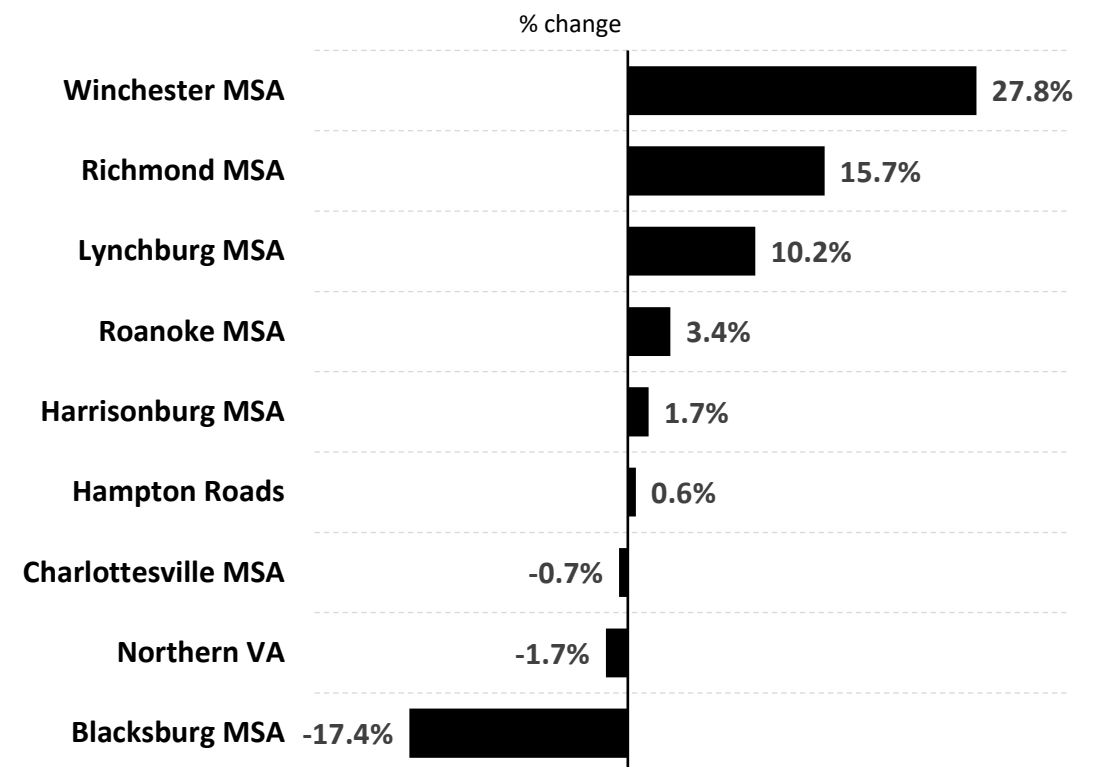


# Retail Market - Rent Trends

## VIRGINIA (Statewide)

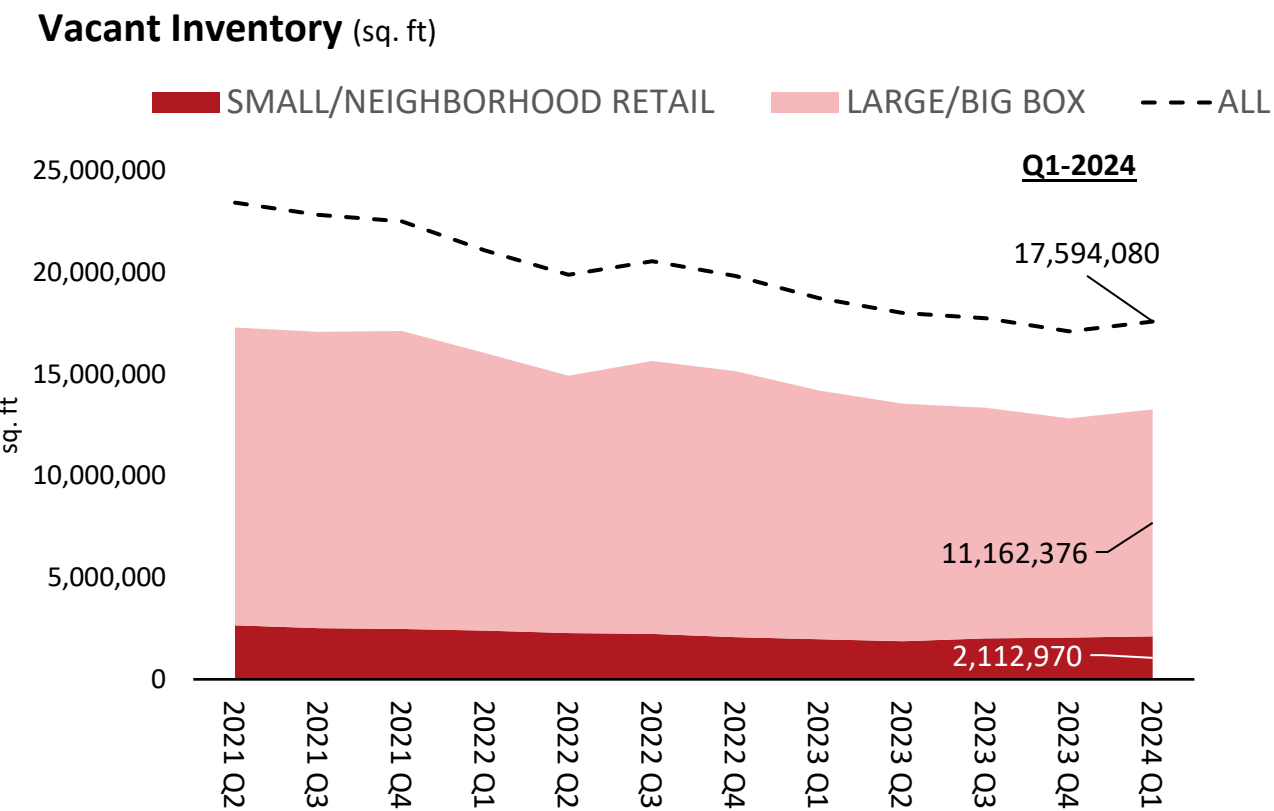
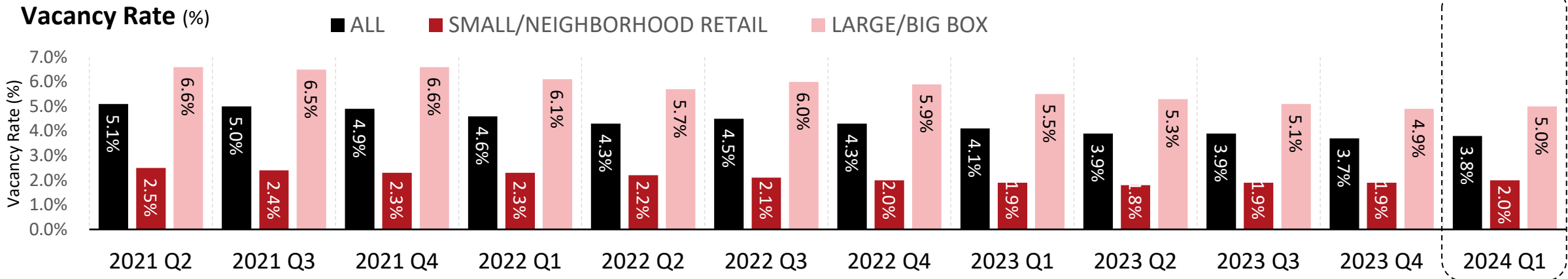


### Q1-2024 by MSA: % Change, Full Service Rent (YoY % change)

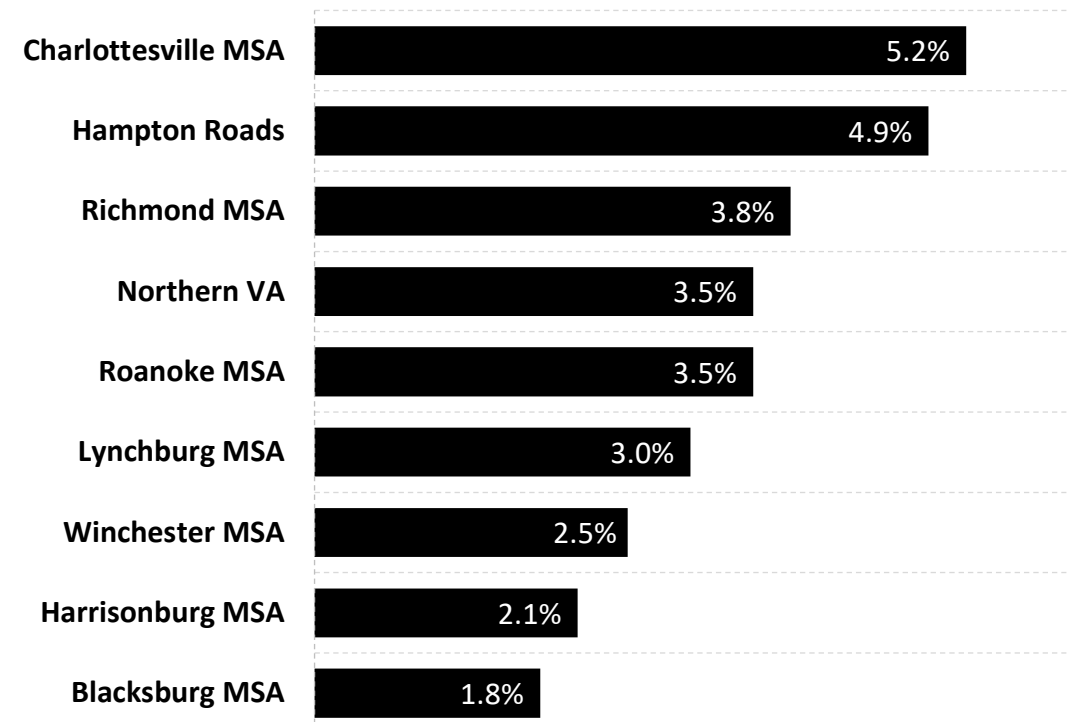


# Retail Market - Vacancy Trends

## VIRGINIA (Statewide)



## Q1-2024 Retail Vacancy Rate by MSA



# MSA TRENDS

METROPOLITAN STATISTICAL AREA

Q1



2024

RETAIL  
Market Report



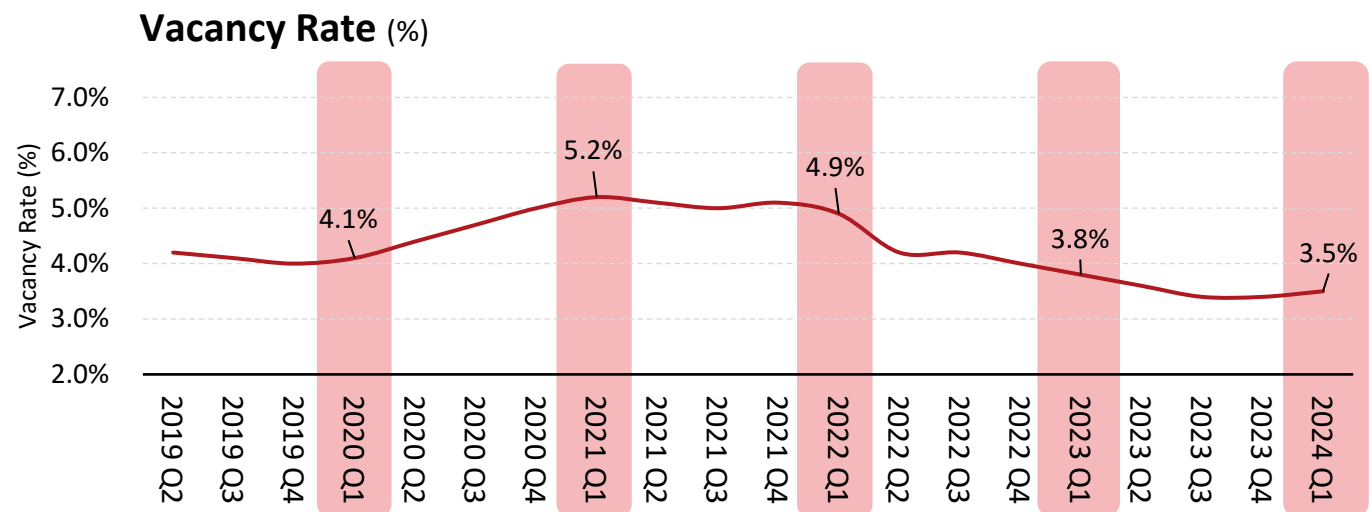
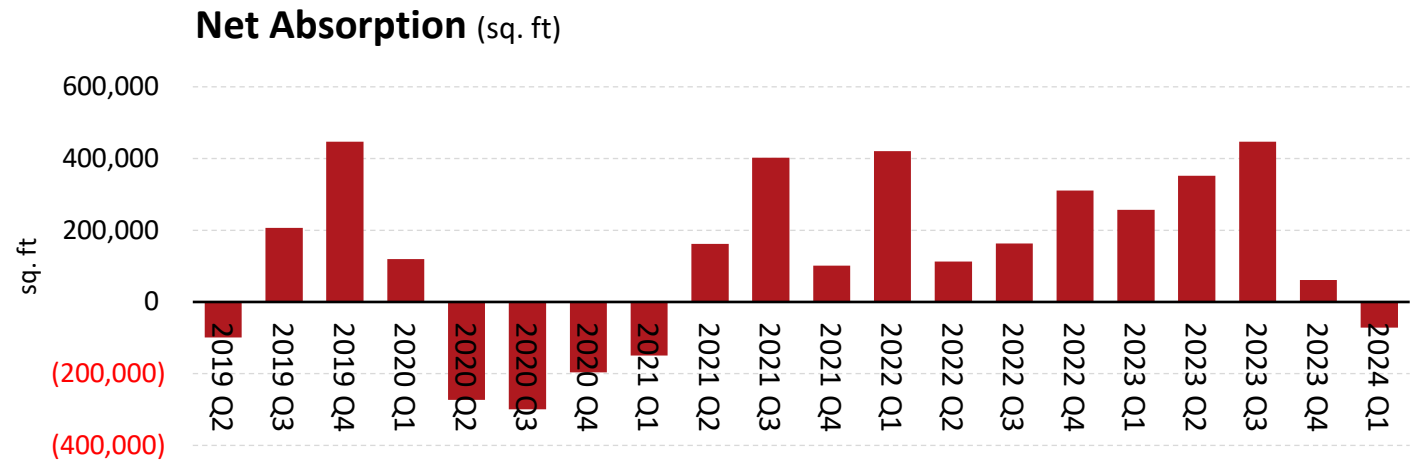
*Snapshot of Retail Market Conditions Around Virginia*

# Retail Market - MSA Trends

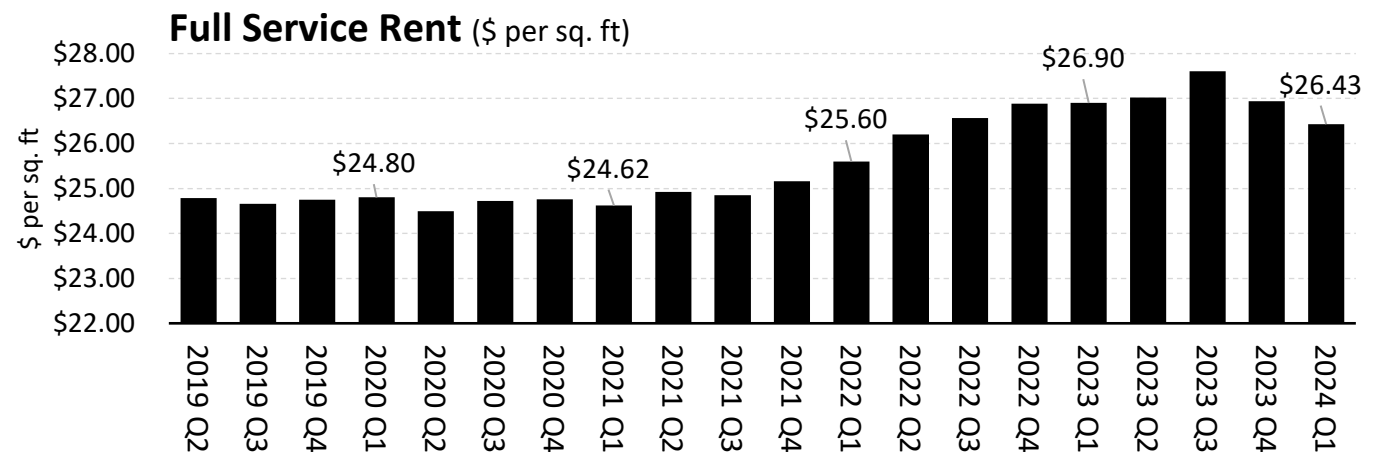
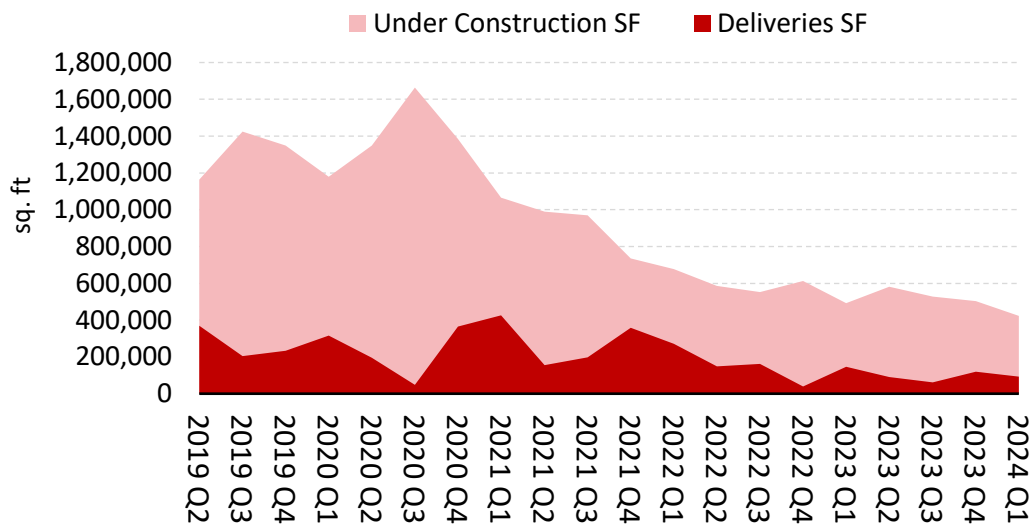
## NORTHERN VIRGINIA

### Local Market Indicator Dashboard

	Q1-2024	YoY Chg	
Total Inventory (sq. ft, millions)	137.7	0.2%	% chg
Vacancy Rate (%)	3.5%	-0.3%	pct points
Net Absorption (sq. ft)	(71,308)	-328,496	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$26.43	-\$0.47	\$ per sq. ft
Deliveries (sq. ft)	93,689	-52,643	sq. ft
Under Construction (sq. ft)	422,141	-70,372	sq. ft



### Under Construction & Net Deliveries (sq. ft)



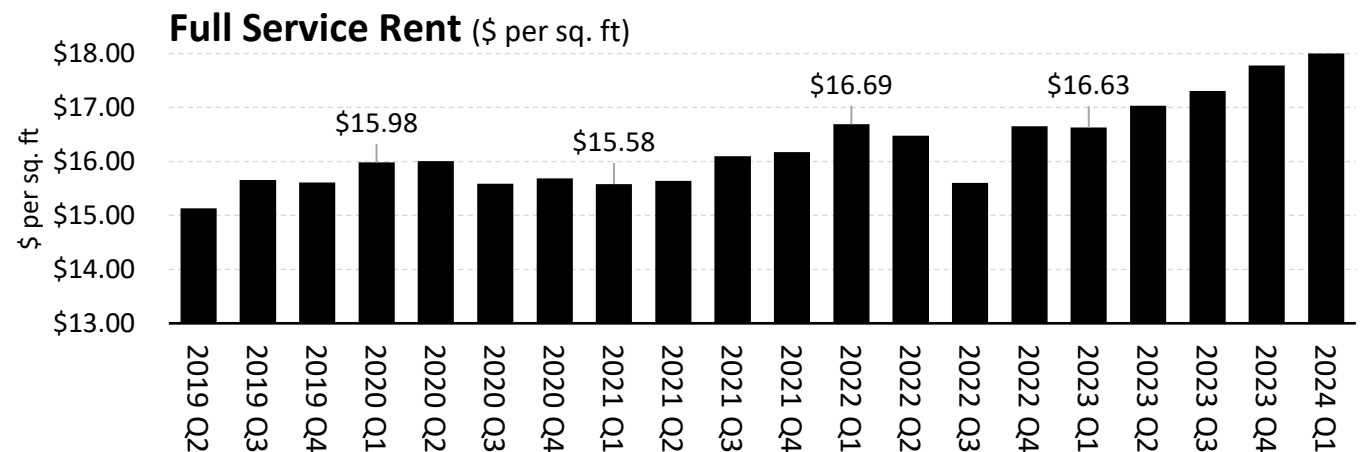
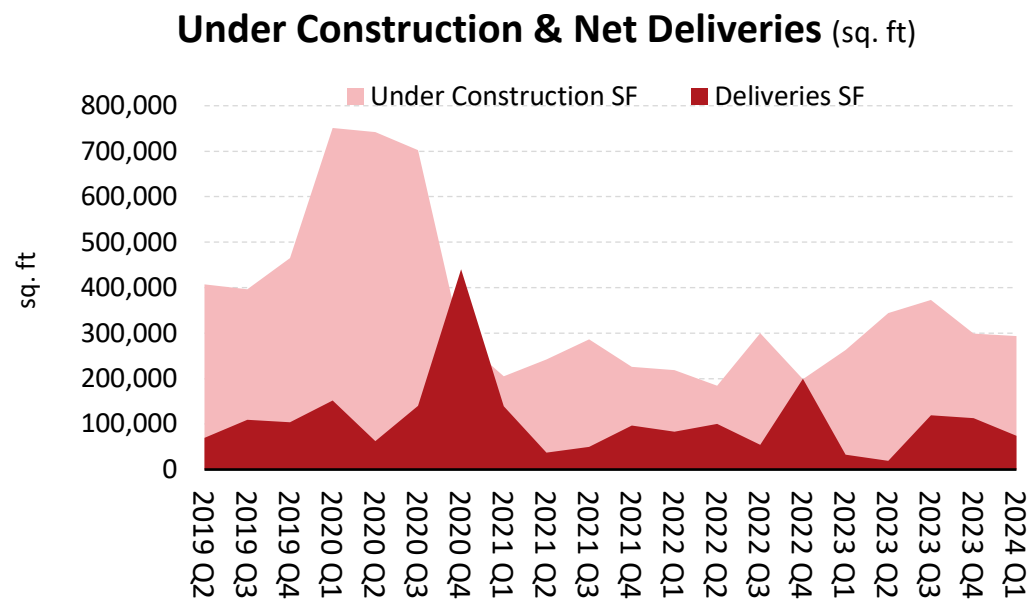
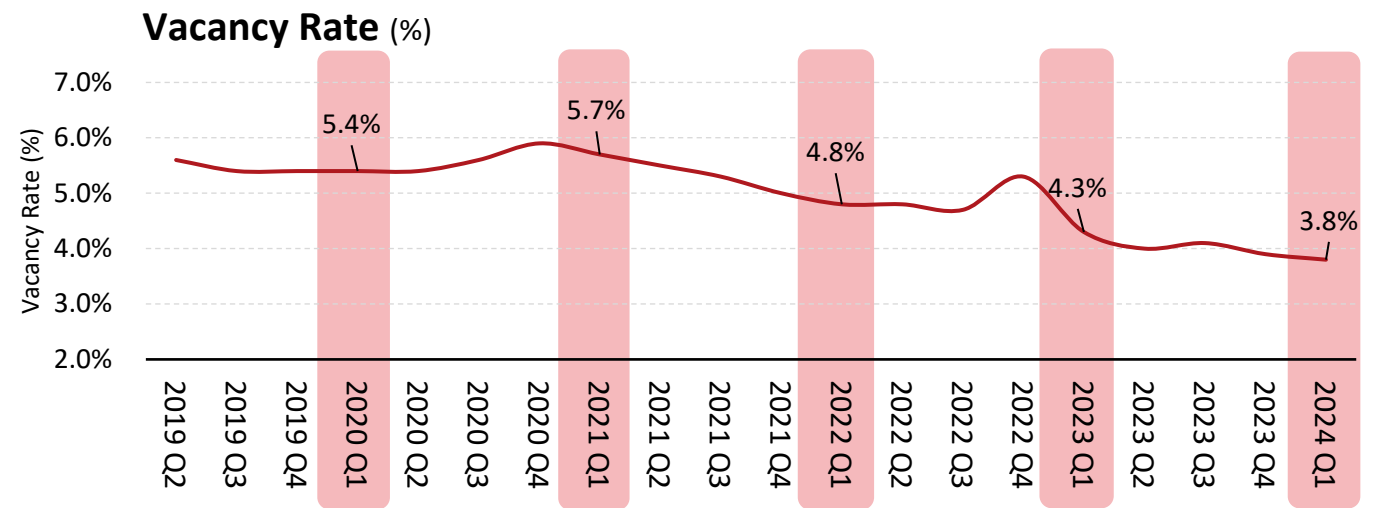
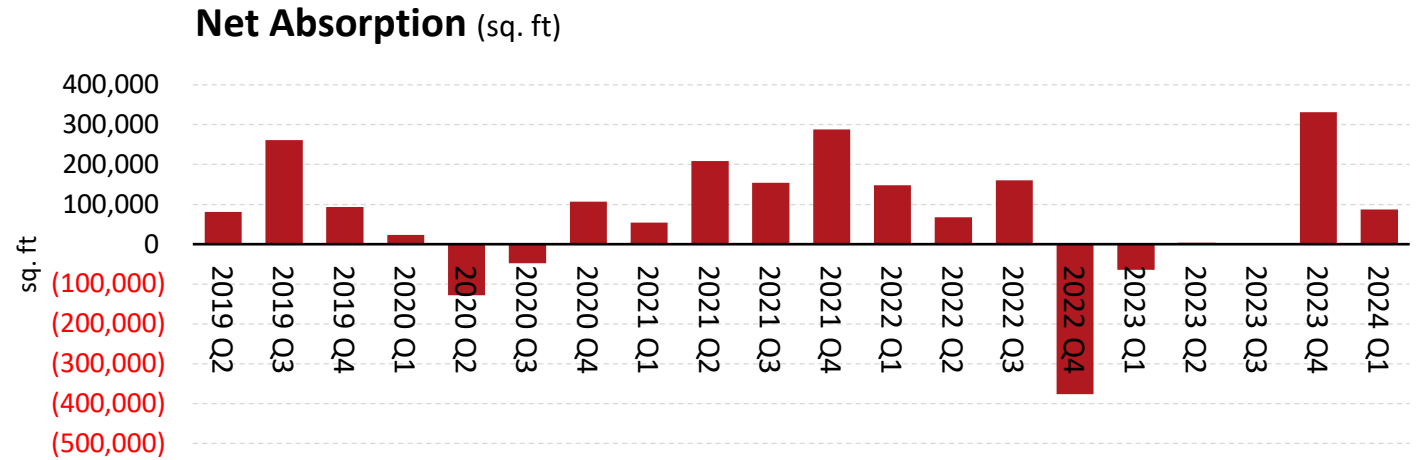


# Retail Market - MSA Trends

## RICHMOND MSA

### Local Market Indicator Dashboard

	Q1-2024	YoY Chg	
Total Inventory (sq. ft, millions)	<b>80.1</b>	<b>0.0%</b>	% chg
Vacancy Rate (%)	<b>3.8%</b>	<b>-0.5%</b>	pct points
Net Absorption (sq. ft)	<b>87,335</b>	<b>151,150</b>	sq. ft
Avg Full Service Rent (\$ / sq. ft)	<b>\$19.24</b>	<b>\$2.61</b>	\$ per sq. ft
Deliveries (sq. ft)	<b>74,577</b>	<b>42,075</b>	sq. ft
Under Construction (sq. ft)	<b>293,298</b>	<b>30,601</b>	sq. ft



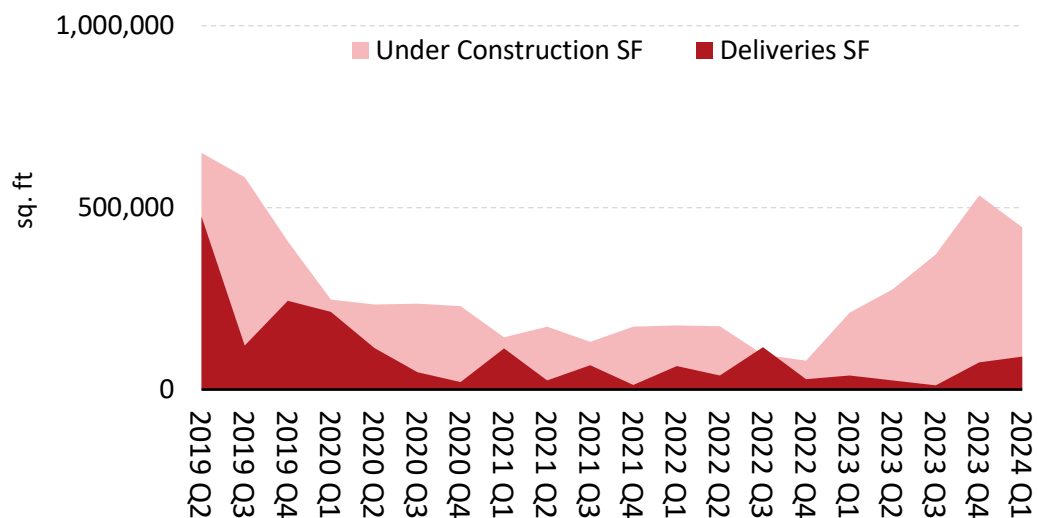
# Retail Market - MSA Trends

## HAMPTON ROADS

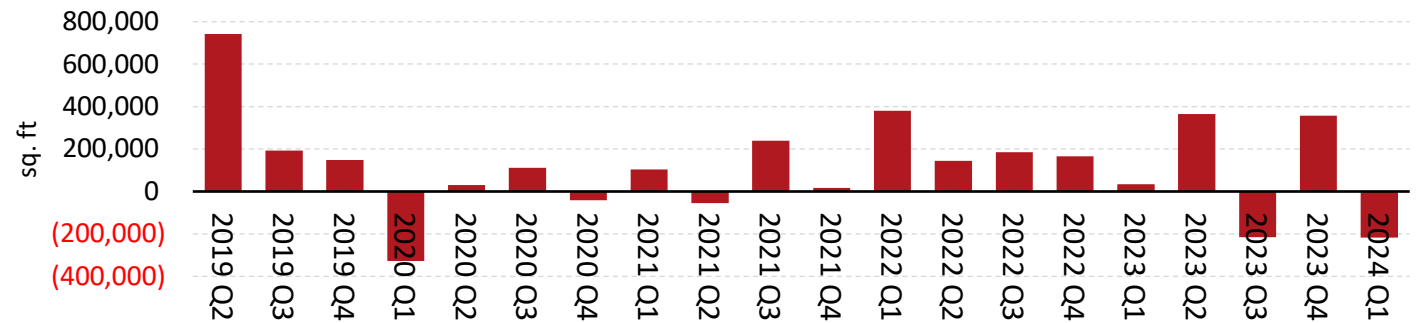
### Local Market Indicator Dashboard

	Q1-2024	YoY Chg	
Total Inventory (sq. ft, millions)	<b>107.4</b>	<b>0.2%</b>	% chg
Vacancy Rate (%)	<b>4.9%</b>	<b>-0.1%</b>	pct points
Net Absorption (sq. ft)	<b>(216,269)</b>	<b>-251,215</b>	sq. ft
Avg Full Service Rent (\$ / sq. ft)	<b>\$15.84</b>	<b>\$0.10</b>	\$ per sq. ft
Deliveries (sq. ft)	<b>90,084</b>	<b>51,499</b>	sq. ft
Under Construction (sq. ft)	<b>445,916</b>	<b>234,434</b>	sq. ft

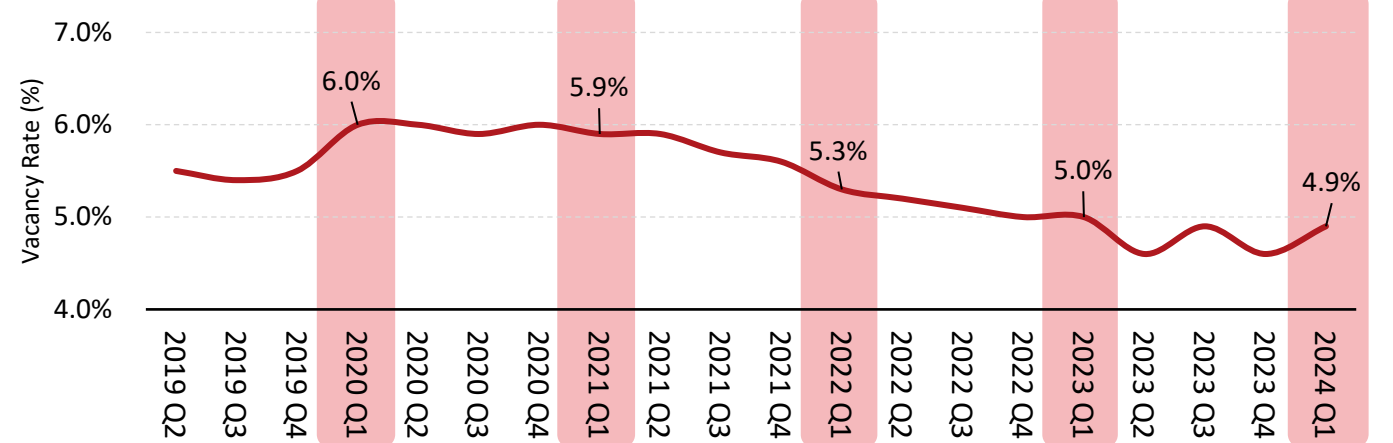
### Under Construction & Net Deliveries (sq. ft)



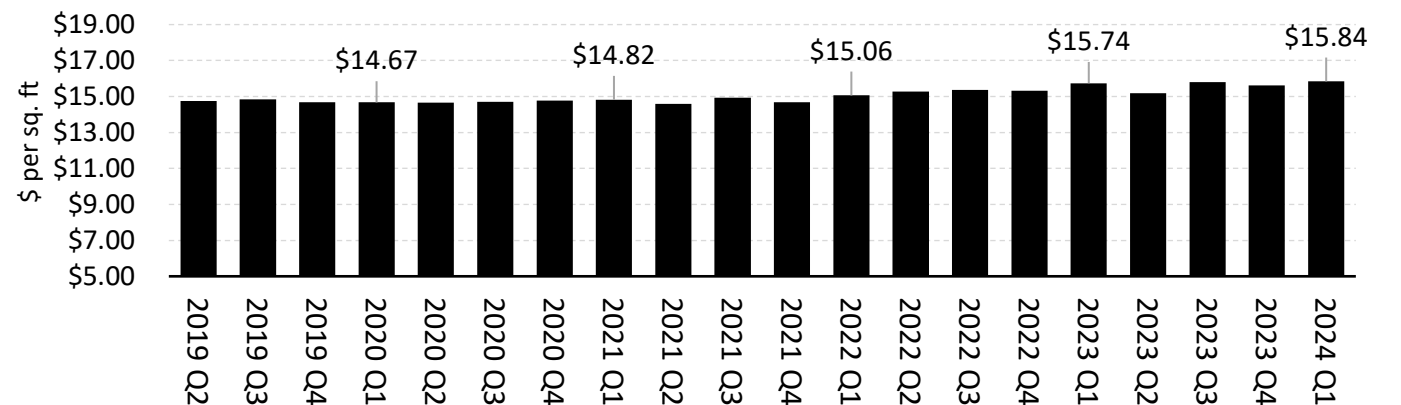
### Net Absorption (sq. ft)



### Vacancy Rate (%)



### Full Service Rent (\$ per sq. ft)

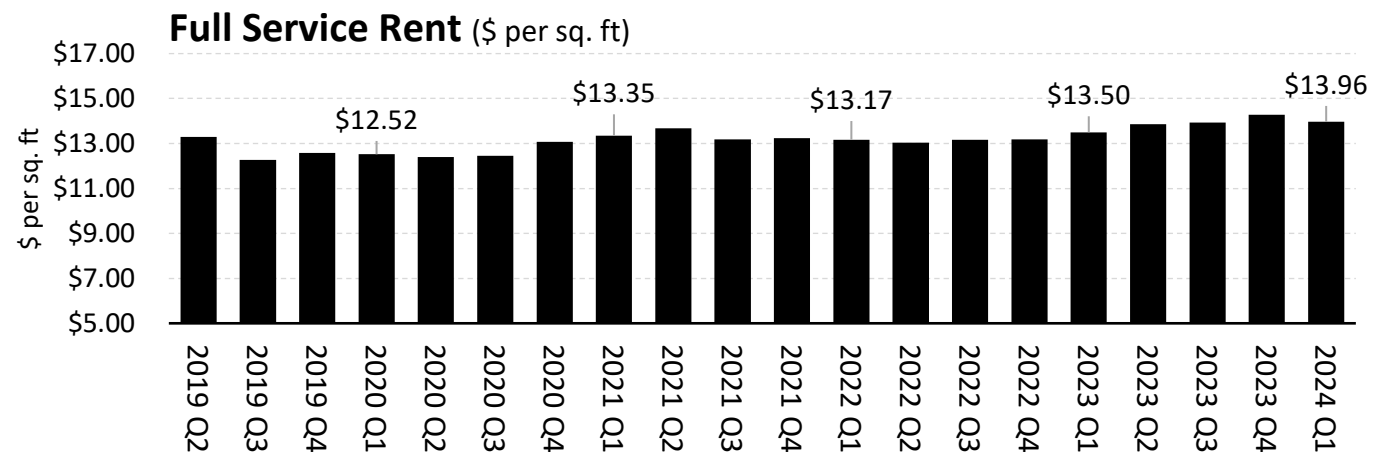
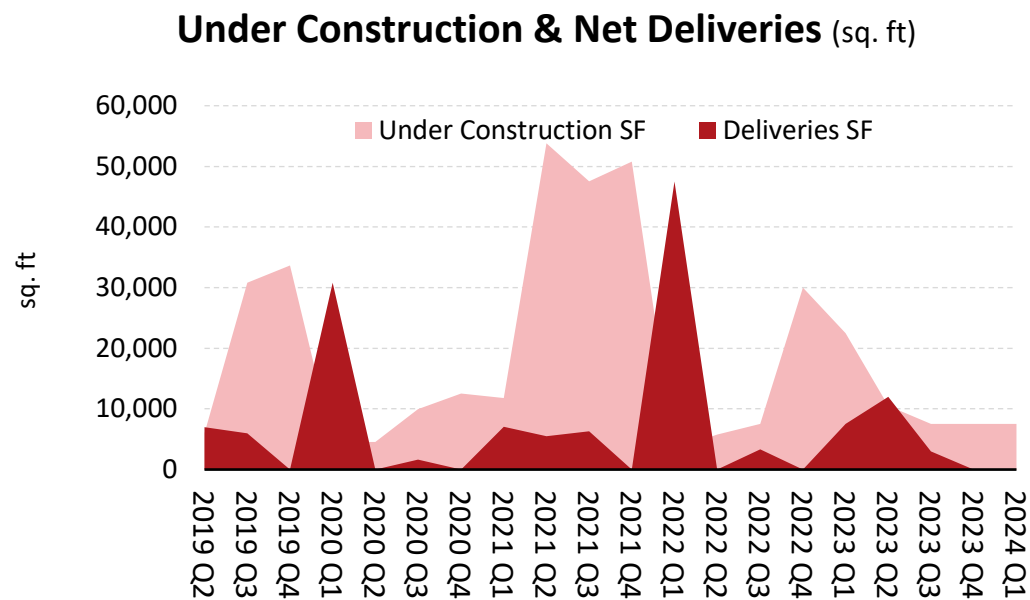
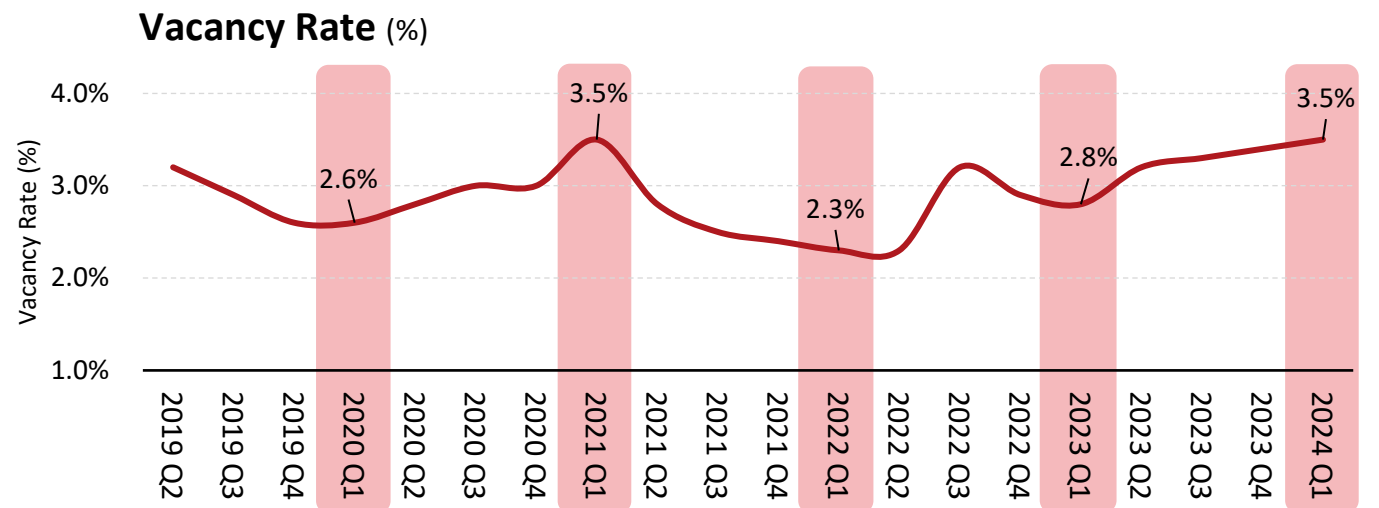
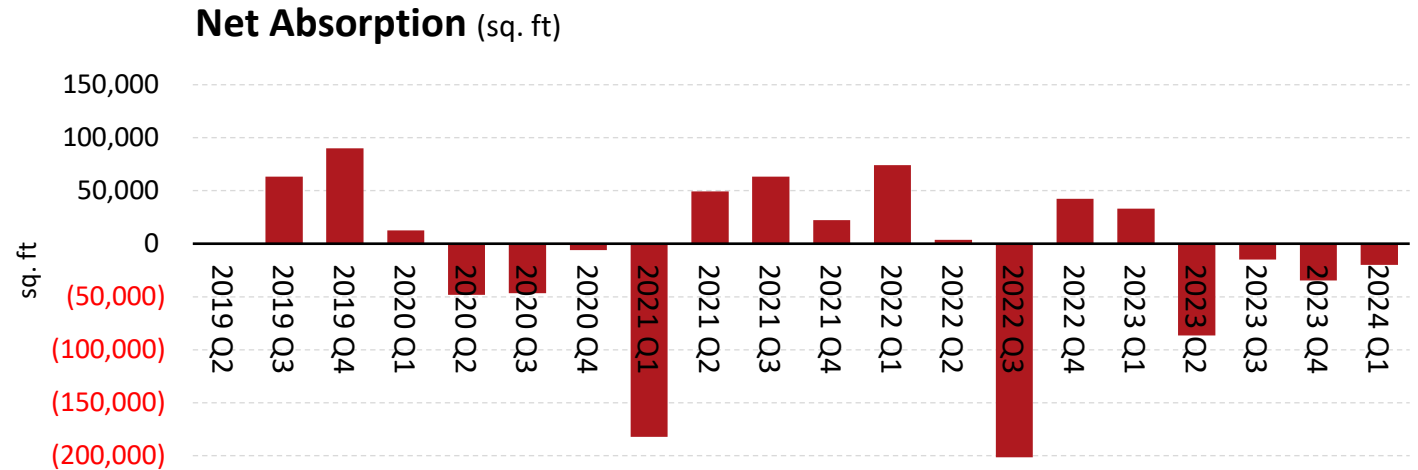


# Retail Market - MSA Trends

## ROANOKE MSA

### Local Market Indicator Dashboard

	Q1-2024	YoY Chg
Total Inventory (sq. ft, millions)	<b>24.0</b>	<b>0.0%</b> % chg
Vacancy Rate (%)	<b>3.5%</b>	<b>0.7%</b> pct points
Net Absorption (sq. ft)	<b>(20,151)</b>	<b>-53,033</b> sq. ft
Avg Full Service Rent (\$ / sq. ft)	<b>\$13.96</b>	<b>\$0.46</b> \$ per sq. ft
Deliveries (sq. ft)	<b>0</b>	<b>-7,500</b> sq. ft
Under Construction (sq. ft)	<b>7,500</b>	<b>-15,000</b> sq. ft

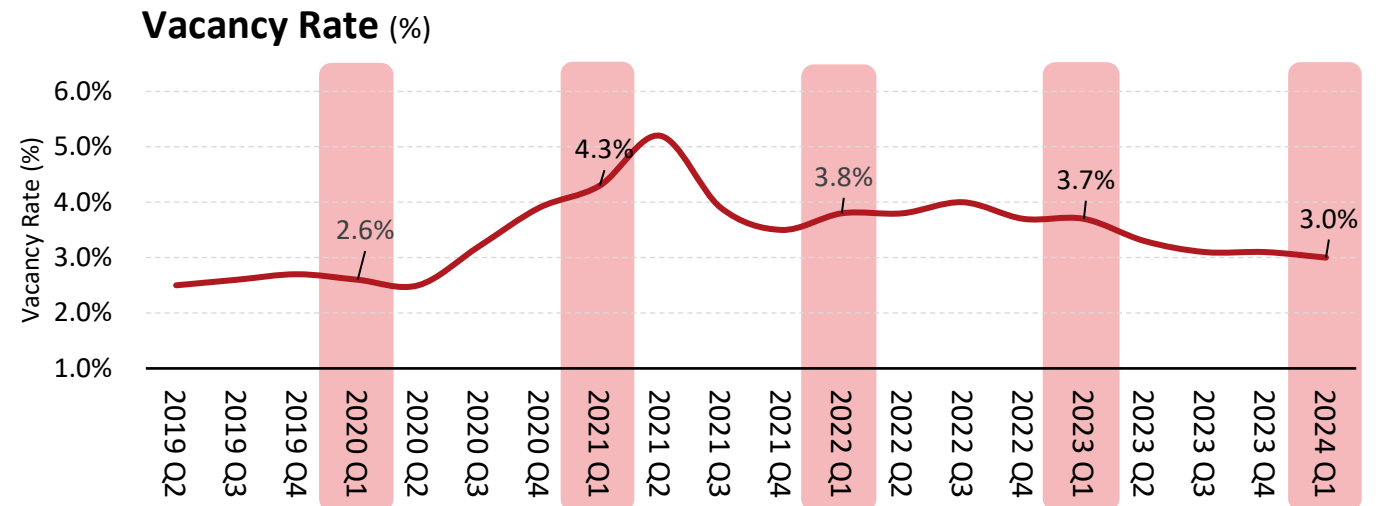
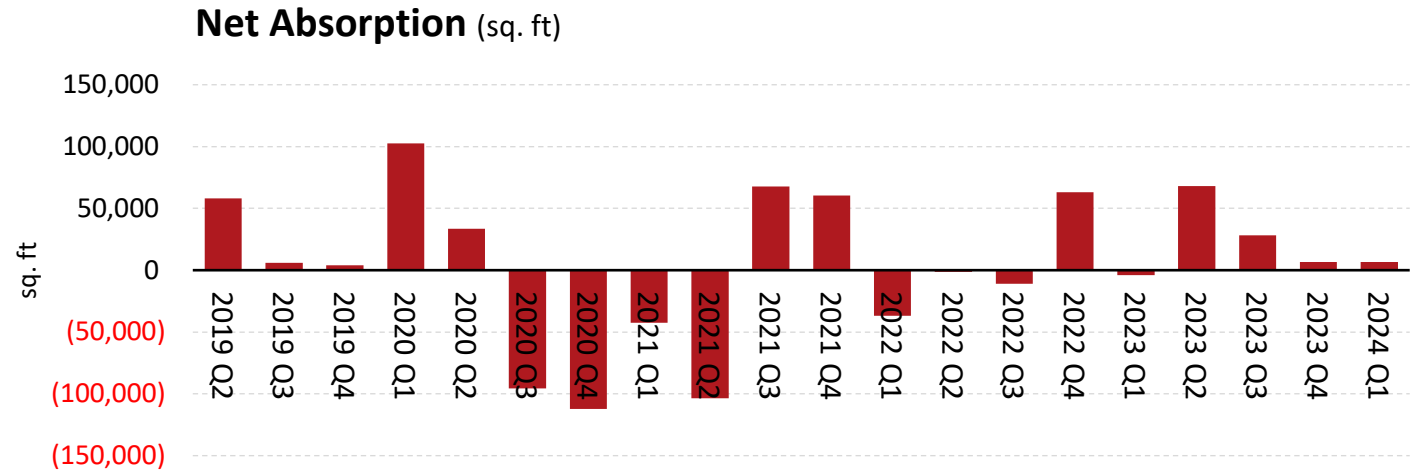


# Retail Market - MSA Trends

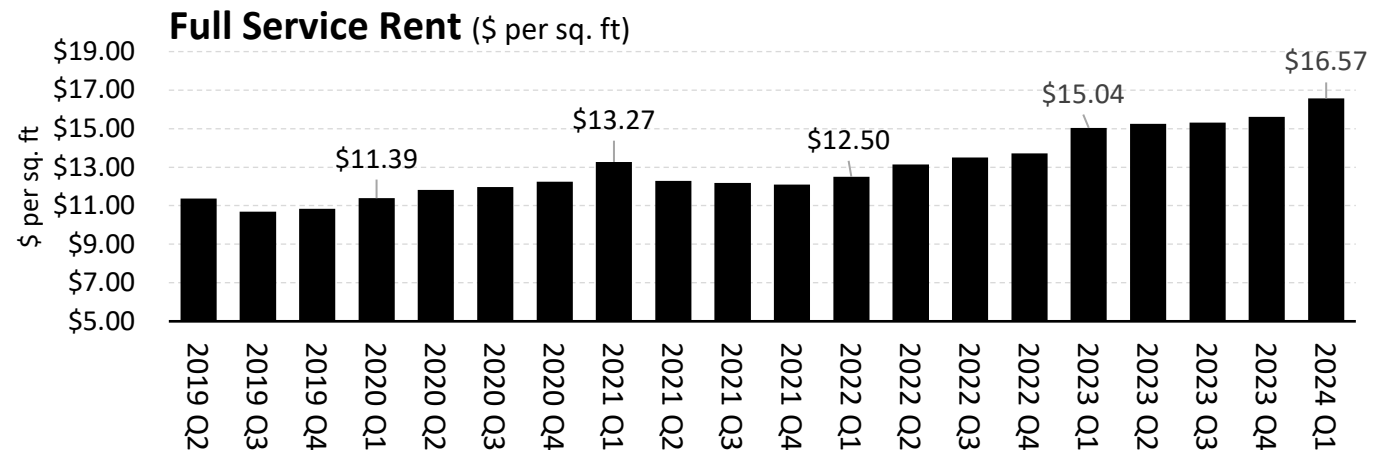
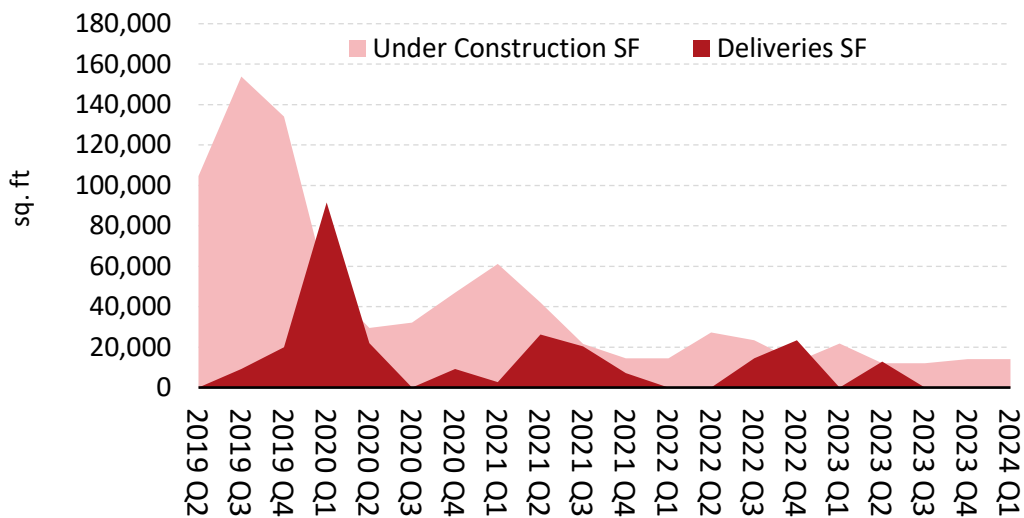
## LYNCHBURG MSA

### Local Market Indicator Dashboard

	Q1-2024	YoY Chg	
Total Inventory (sq. ft, millions)	14.2	0.1%	% chg
Vacancy Rate (%)	3.0%	-0.7%	pct points
Net Absorption (sq. ft)	6,550	10,608	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$16.57	\$1.53	\$ per sq. ft
Deliveries (sq. ft)	0	0	sq. ft
Under Construction (sq. ft)	14,100	-7,686	sq. ft



### Under Construction & Net Deliveries (sq. ft)

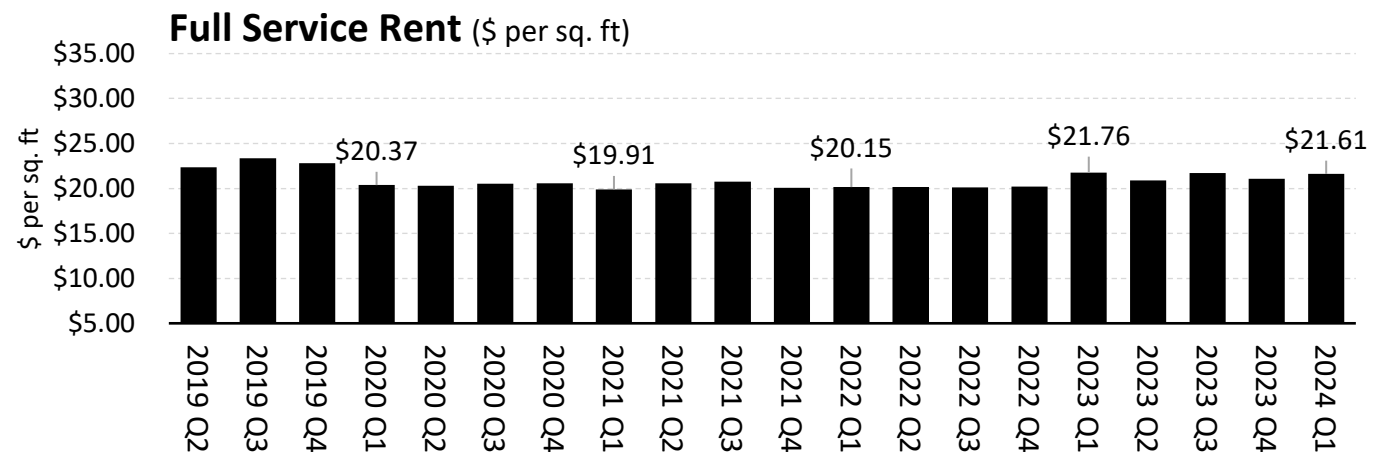
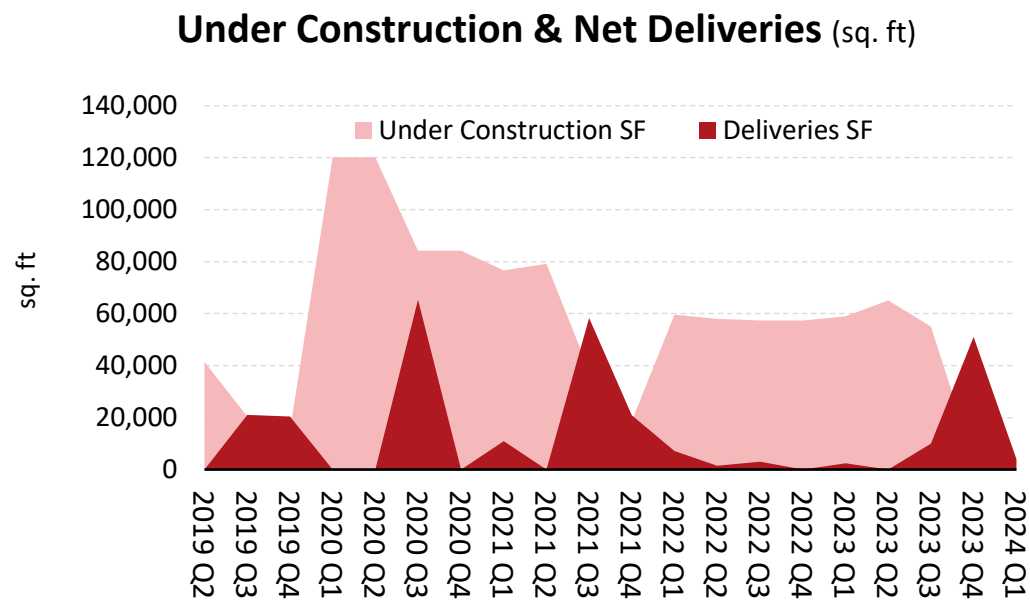
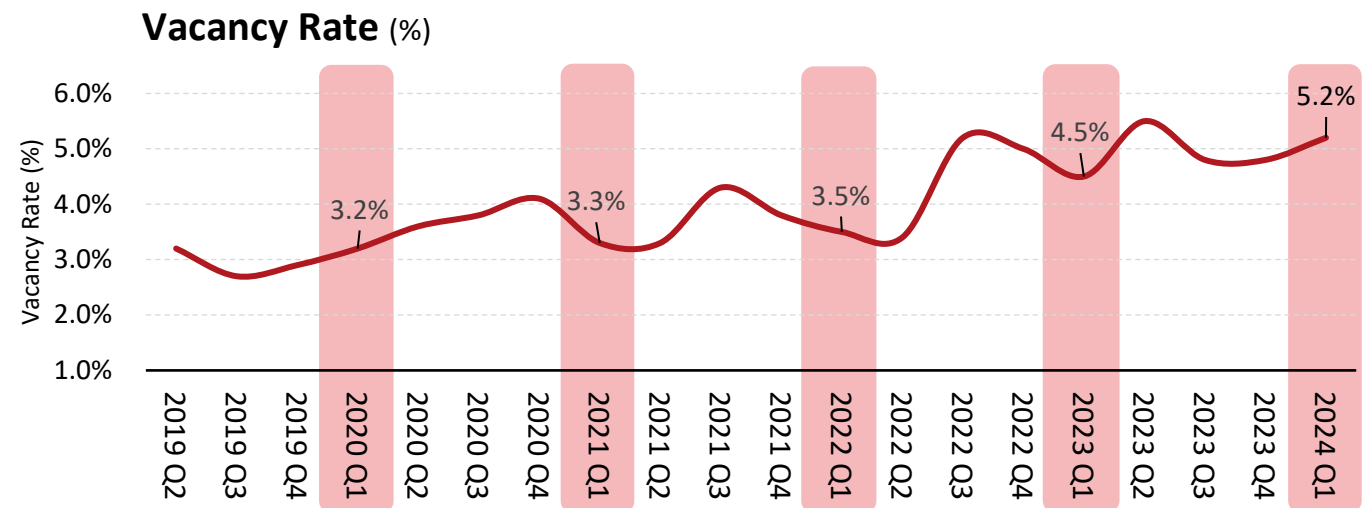
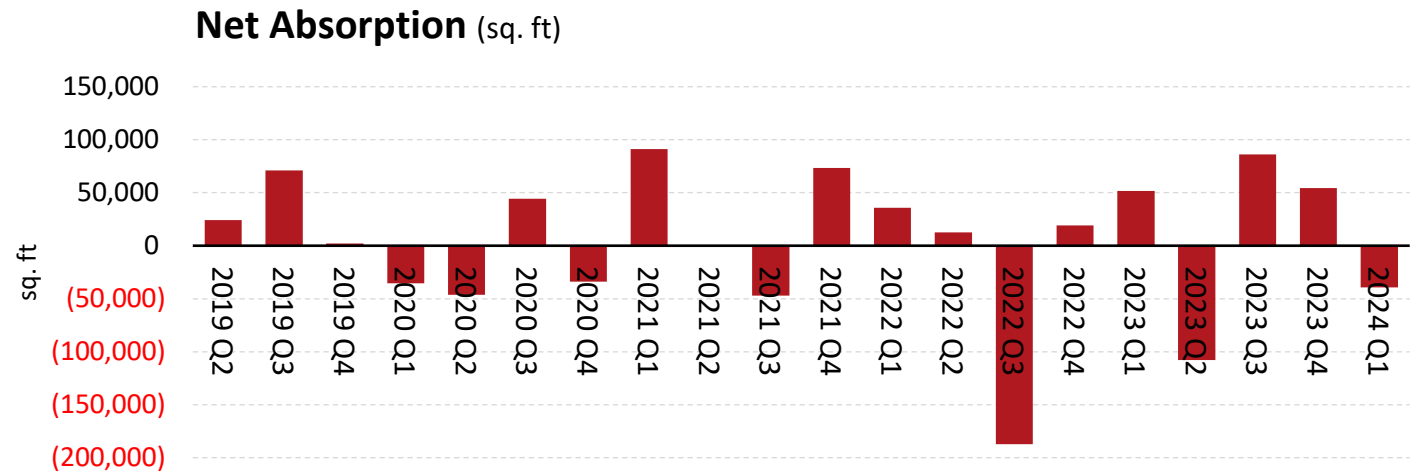


# Retail Market - MSA Trends

## CHARLOTTESVILLE MSA

### Local Market Indicator Dashboard

	Q1-2024	YoY Chg	
Total Inventory (sq. ft, millions)	10.5	0.6%	% chg
Vacancy Rate (%)	5.2%	0.7%	pct points
Net Absorption (sq. ft)	(39,457)	-91,025	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$21.61	-\$0.15	\$ per sq. ft
Deliveries (sq. ft)	4,000	1,600	sq. ft
Under Construction (sq. ft)	0	-59,000	sq. ft

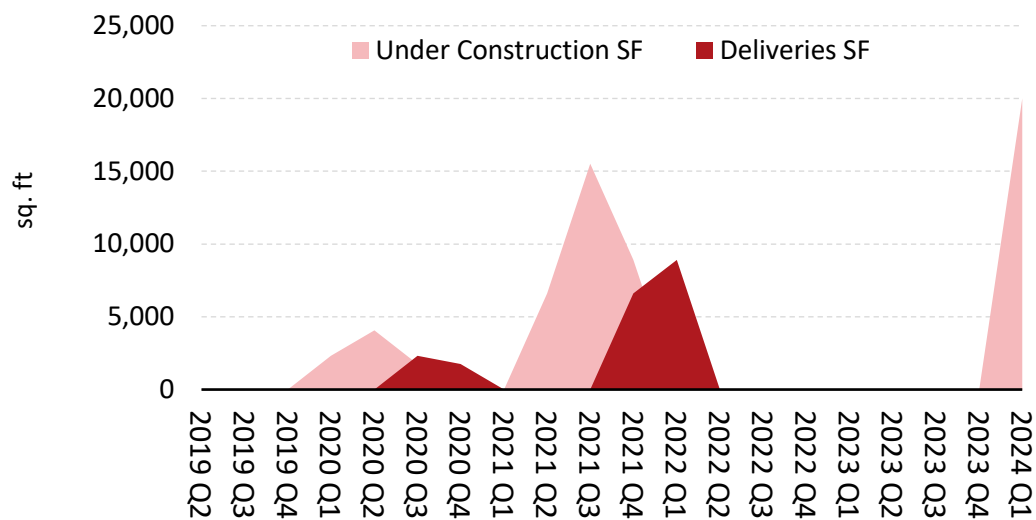


## BLACKSBURG MSA

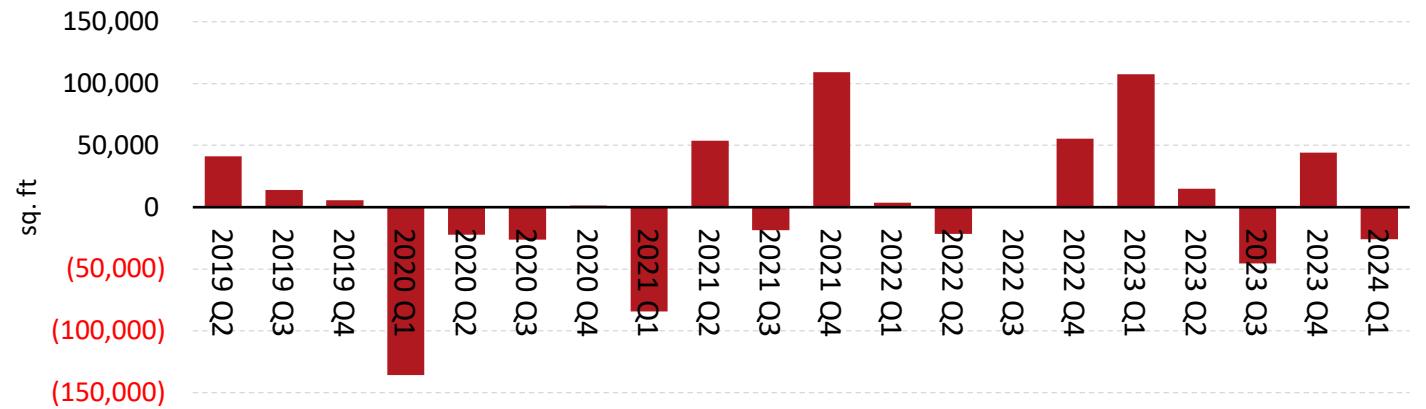
### Local Market Indicator Dashboard

	Q1-2024	YoY Chg	
Total Inventory (sq. ft, millions)	9.2	0	% chg
Vacancy Rate (%)	1.8%	0.1%	pct points
Net Absorption (sq. ft)	(25,954)	-133,515	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$10.75	-\$2.27	\$ per sq. ft
Deliveries (sq. ft)	0	0	sq. ft
Under Construction (sq. ft)	20,000	20,000	sq. ft

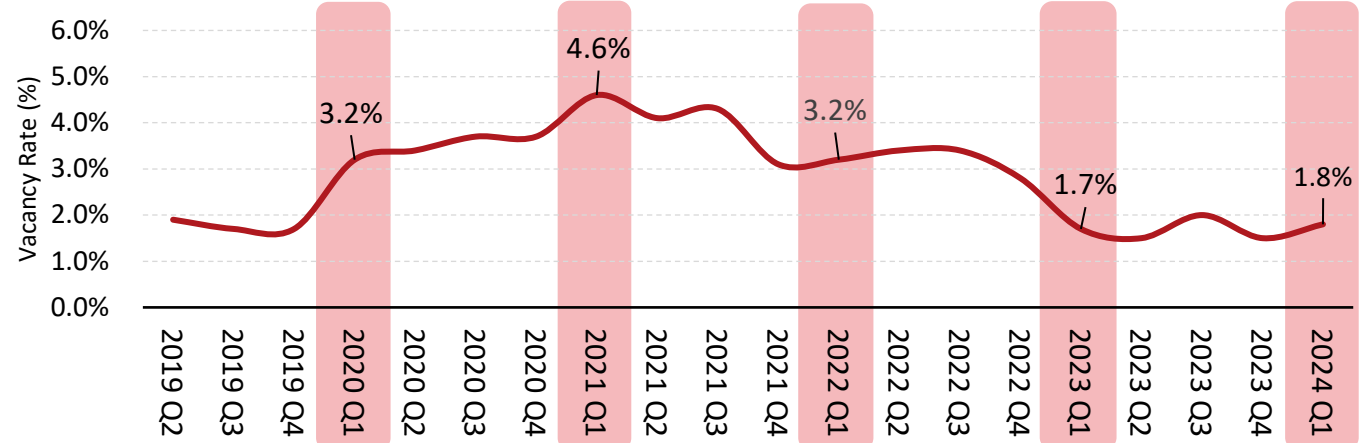
### Under Construction & Net Deliveries (sq. ft)



### Net Absorption (sq. ft)



### Vacancy Rate (%)



### Full Service Rent (\$ per sq. ft)



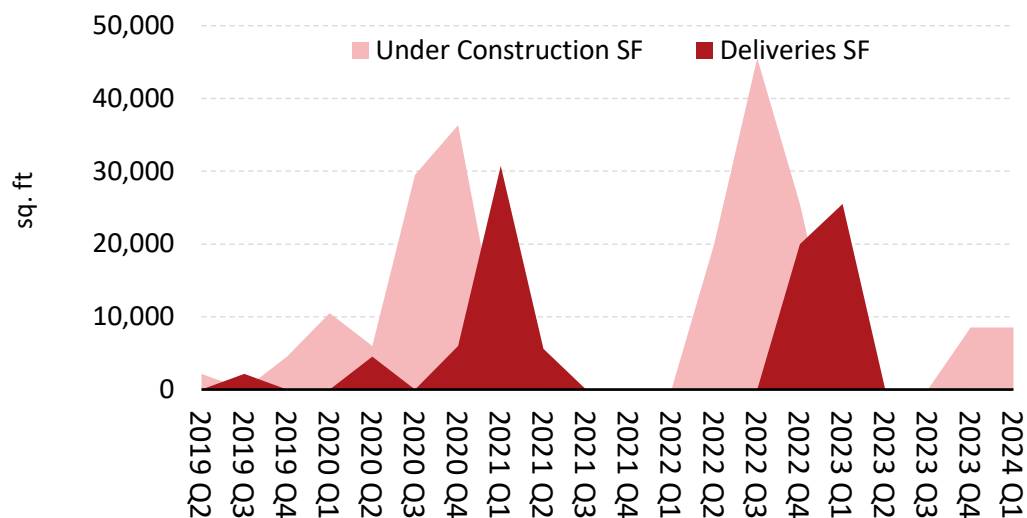
# Retail Market - MSA Trends

## WINCHESTER MSA

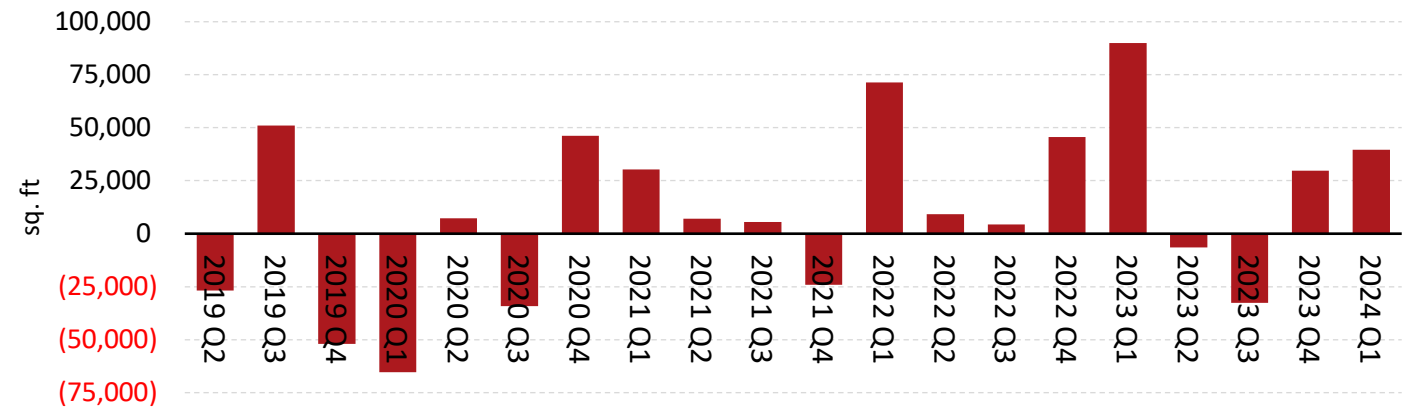
### Local Market Indicator Dashboard

	Q1-2024	YoY Chg
Total Inventory (sq. ft, millions)	9.1	0.0% % chg
Vacancy Rate (%)	2.5%	-0.3% pct points
Net Absorption (sq. ft)	39,640	-50,267 sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$14.47	\$3.15 \$ per sq. ft
Deliveries (sq. ft)	0	-25,534 sq. ft
Under Construction (sq. ft)	8,541	8,541 sq. ft

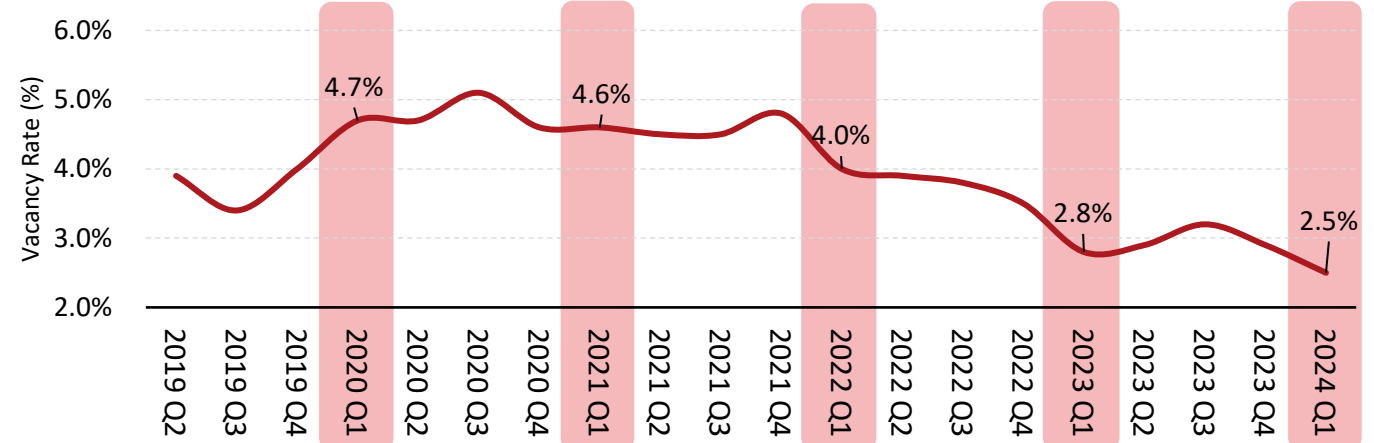
### Under Construction & Net Deliveries (sq. ft)



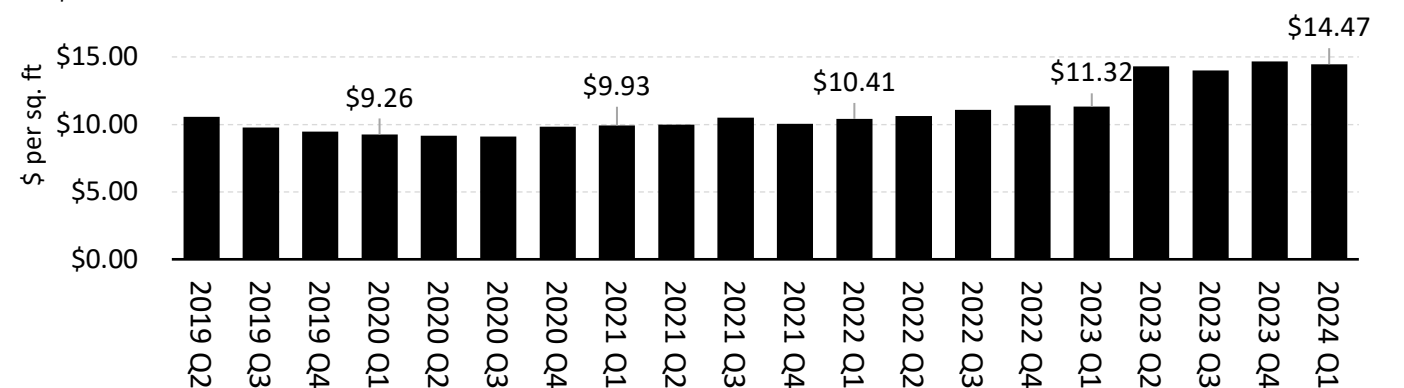
### Net Absorption (sq. ft)



### Vacancy Rate (%)



### Full Service Rent (\$ per sq. ft)



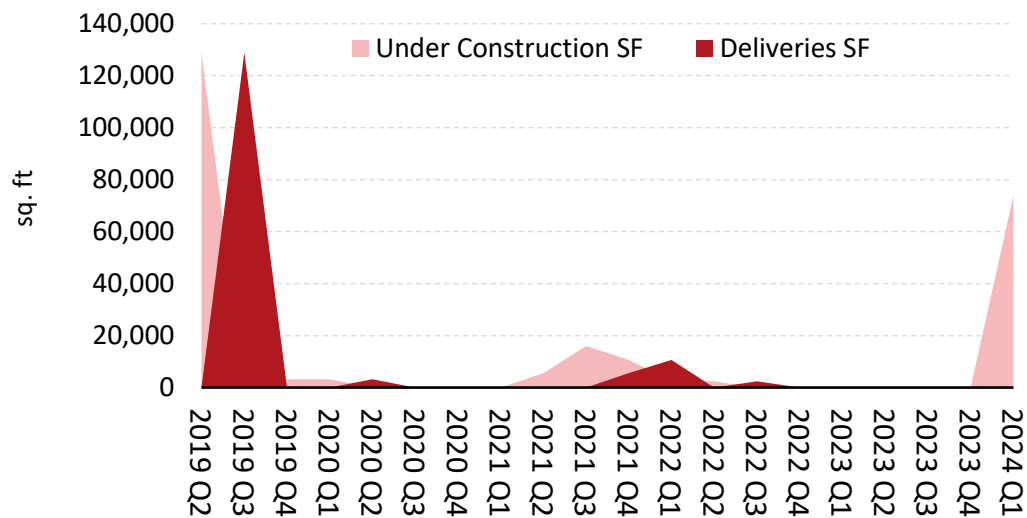
# Retail Market - MSA Trends

## HARRISONBURG MSA

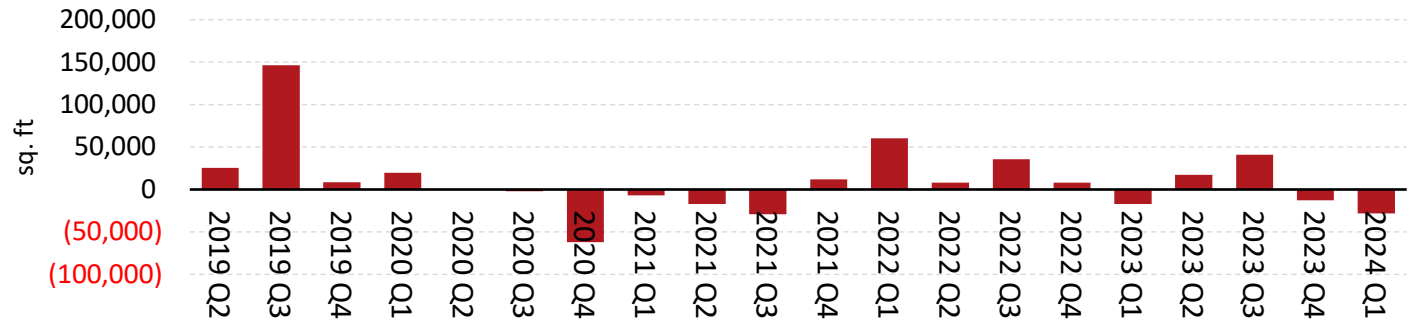
### Local Market Indicator Dashboard

	Q1-2024	YoY Chg	
Total Inventory (sq. ft, millions)	<b>6.8</b>	<b>0</b>	% chg
Vacancy Rate (%)	<b>2.1%</b>	<b>-0.2%</b>	pct points
Net Absorption (sq. ft)	<b>(28,415)</b>	<b>-11,526</b>	sq. ft
Avg Full Service Rent (\$ / sq. ft)	<b>\$13.50</b>	<b>\$0.22</b>	\$ per sq. ft
Deliveries (sq. ft)	<b>0</b>	<b>0</b>	sq. ft
Under Construction (sq. ft)	<b>74,000</b>	<b>74,000</b>	sq. ft

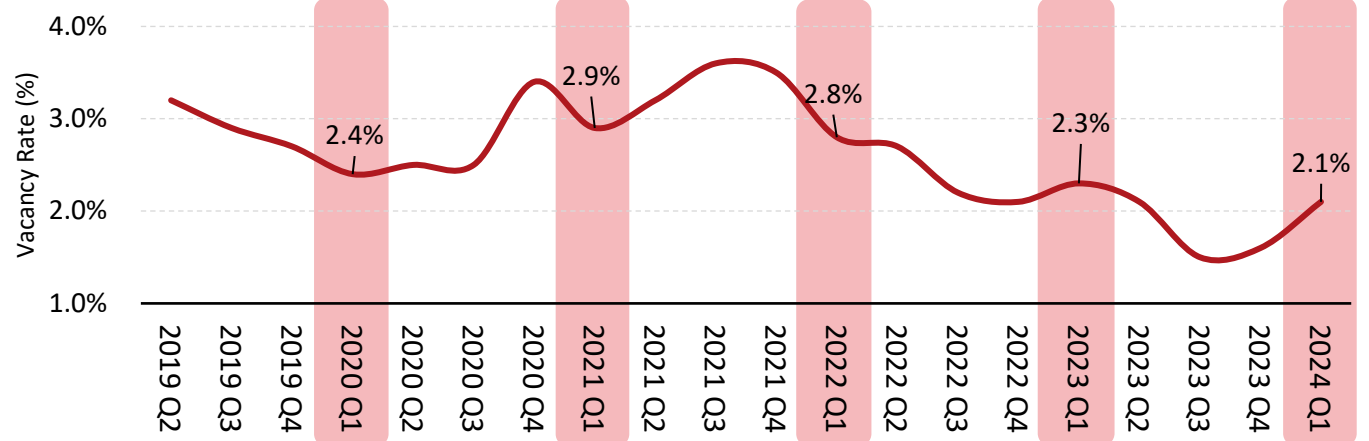
### Under Construction & Net Deliveries (sq. ft)



### Net Absorption (sq. ft)



### Vacancy Rate (%)



### Full Service Rent (\$ per sq. ft)





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Data and analysis provided by Virginia REALTORS® Chief Economist.

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