



Q2 2024 RETAIL MARKET REPORT

Retail Market - Key Trends Snapshot

Retail Market

Overview: Virginia’s retail market had a solid second quarter. Absorption was positive, rents are climbing, and vacancy inched downward. Rent growth was driven by larger retail spaces, while smaller footprints had a dip compared to a year ago. Deliveries rose from a year ago, but the construction pipeline contracted.

Absorption: Absorption levels trended up in Q2 with 468,707 sq ft of occupied space. Large big box retail accounted for 230,467 sq ft of statewide absorption while small neighborhood had 165,575 sq ft absorbed. Most of the positive retail absorption came from Northern Virginia (+103,986 sq ft) and Hampton Roads (+145,141 sq ft). In Blacksburg, there was more retail space vacated than occupied this quarter (-27,217 sq ft).

Vacancy Rate: At 3.8%, retail vacancy rates continued to moderate statewide. Large/big box vacancy rates decreased going from 5.3% to 5.0% in Q2 2024. The metro areas with the lowest vacancy rates this quarter were Harrisonburg (1.7%) and Blacksburg (2.1%).

Rent: In Virginia, retail rent rose to \$17.64 in the second quarter, 5.4% higher than a year earlier. Small/neighborhood retail experienced negative rent growth going from \$21.65 to \$21.16 in Q2, dipping 2.3%, while rent for large/big box retail spaces rose 11.1% to \$14.75 per sq ft. In Blacksburg retail rents dropped 20% bringing the price per sq ft to \$10.24, the lowest it has been in eight years.

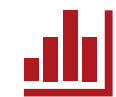
Supply+Deliveries: Retail deliveries went up 11.2% in Q2 2024 with 196,823 sq ft of new space. There was 1.28 million sq ft of retail space under construction, most of which came from large/big box retail at 738,322 sq ft.

VIRGINIA (Statewide)



Market Indicator Dashboard

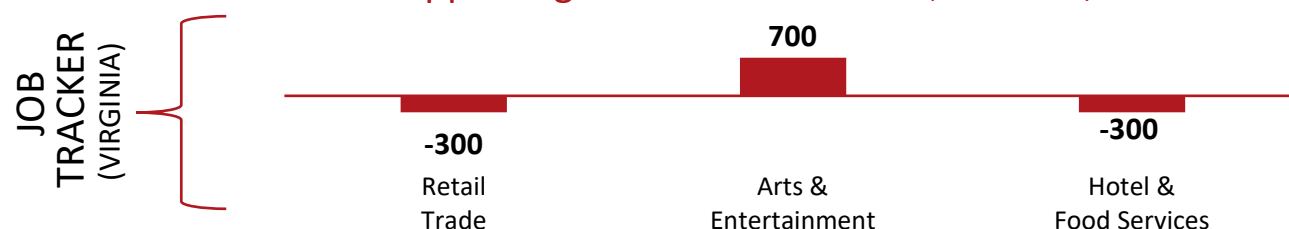
	YoY Chg	Q2-2024	Indicator
% chg	0.2%	457.9	Total Inventory (sq. ft, in millions)
sq. ft	-116,268	468,707	Net Absorption (sq. ft)
pct point	-0.1%	3.8%	Vacancy Rate (%)
\$ per sq. ft	\$0.90	\$17.64	Full Service Rent (\$ per sq. ft)
sq. ft	19,850	196,823	New Supply Delivered (sq. ft)
sq. ft	-45,974	1,281,012	Under Construction (sq. ft)



Economic Indicator Dashboard

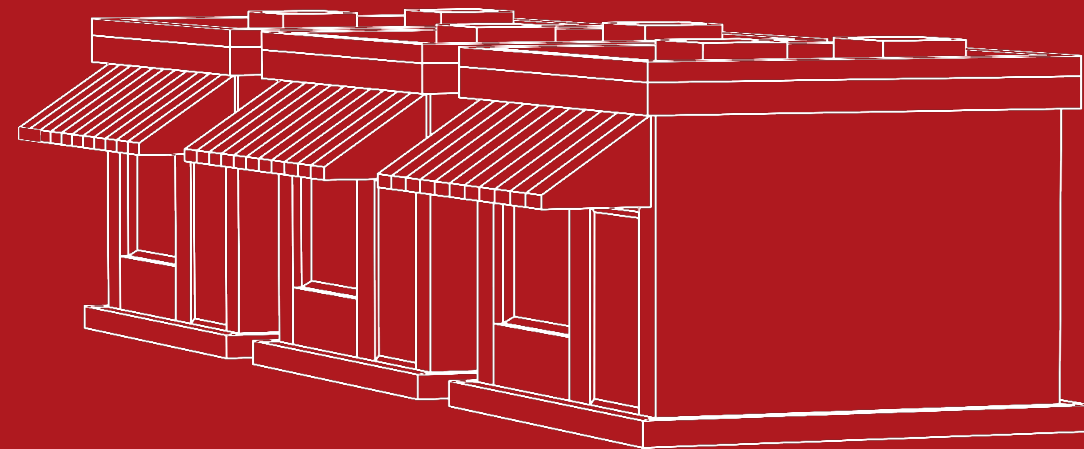
	MoM % Chg	May-24	Indicator
% chg	0.2%	4.2	Total Jobs, Virginia (in millions, seasonally adjusted)
% chg	0.0%	814.0	Retail-Supporting Jobs, Virginia (in thousands, seasonally adjusted)
pct point	-0.1%	2.7%	Unemployment Rate, Virginia (% seasonally adjusted)
	QoQ Chg	Q1-2024	
pct point	-2.0%	1.4%	Gross Domestic Product, U.S. (seasonally adjusted annual rate)

Retail-Supporting Job Sectors (# Chg Apr-24 to May-24, seasonally asjusted)



Virginia Retail Market

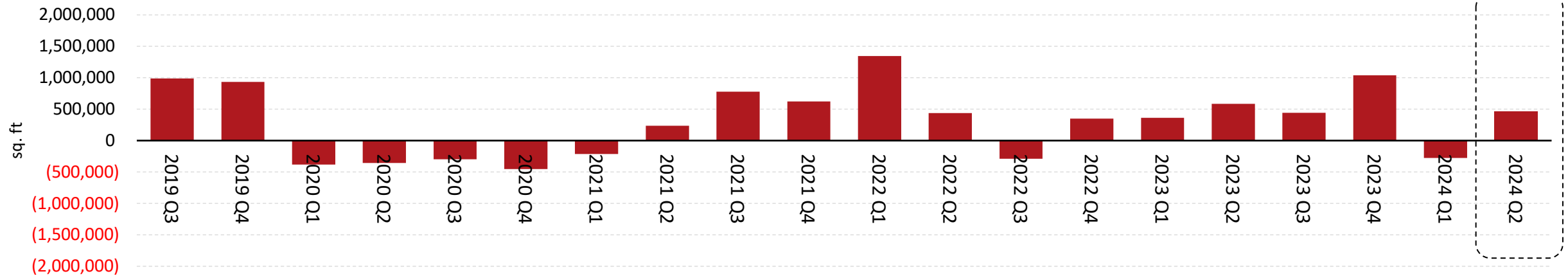
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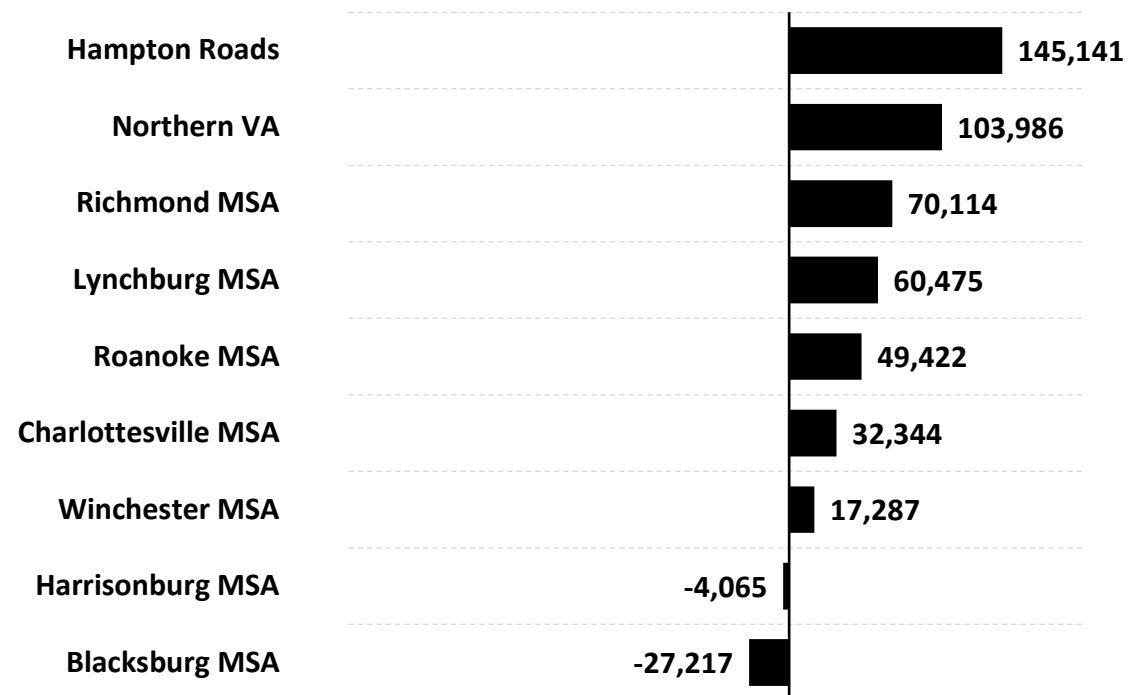
Retail Market - Absorption & Construction Trends

VIRGINIA (Statewide)

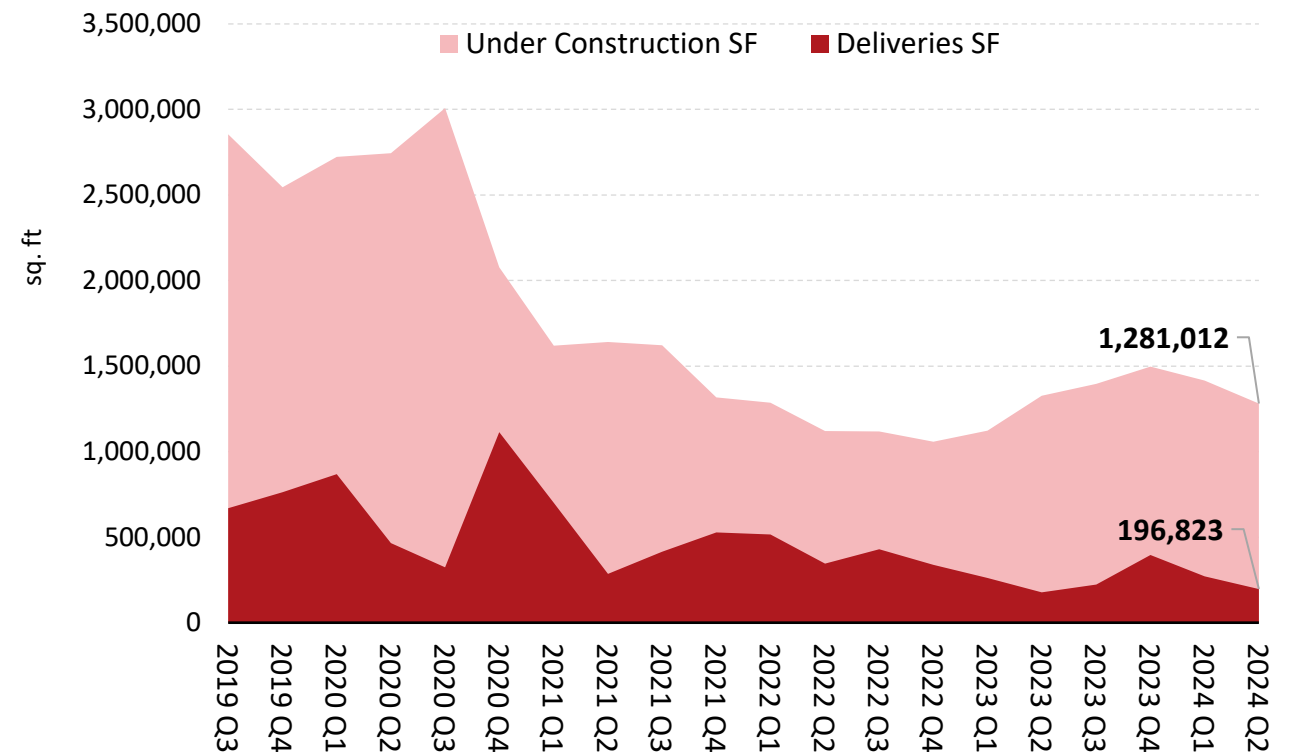
Net Absorption (sq. ft)



Q2-2024 Net Absorption by Metro Area (sq ft)

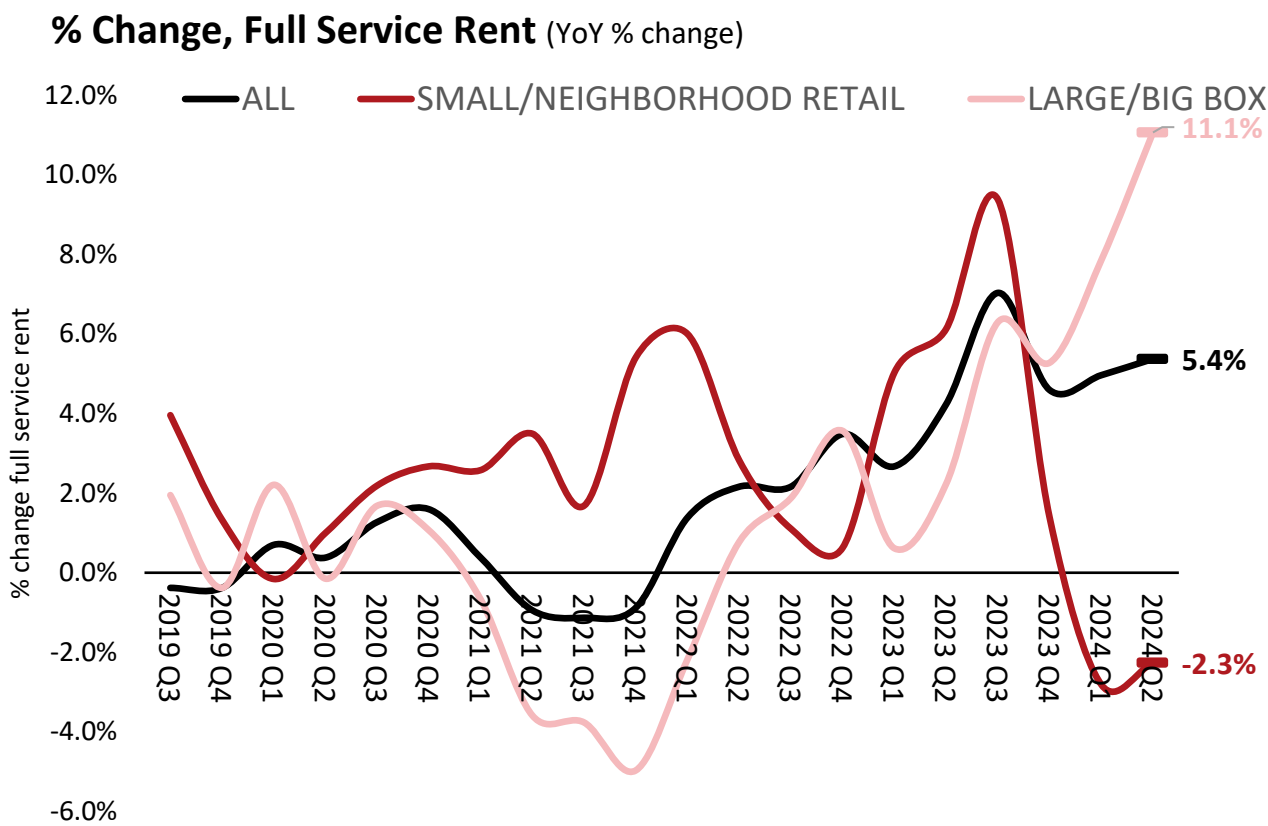
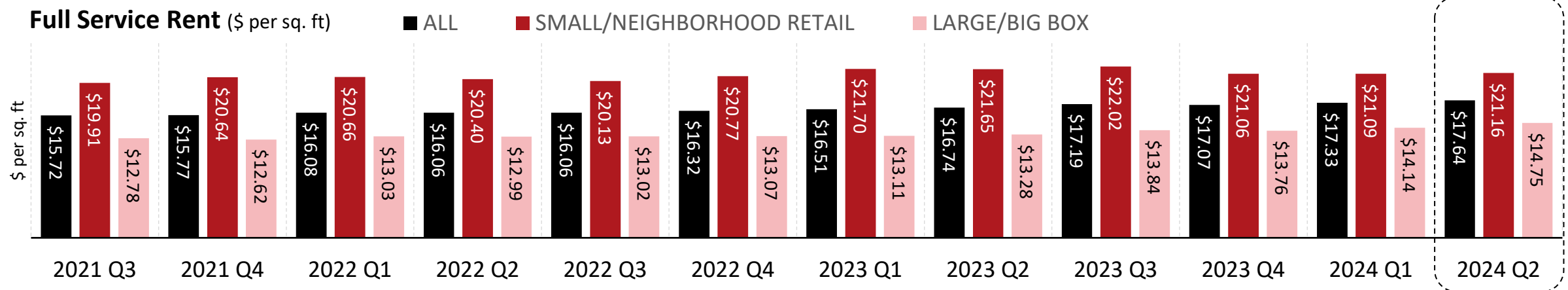


Under Construction & Net Deliveries (sq. ft)

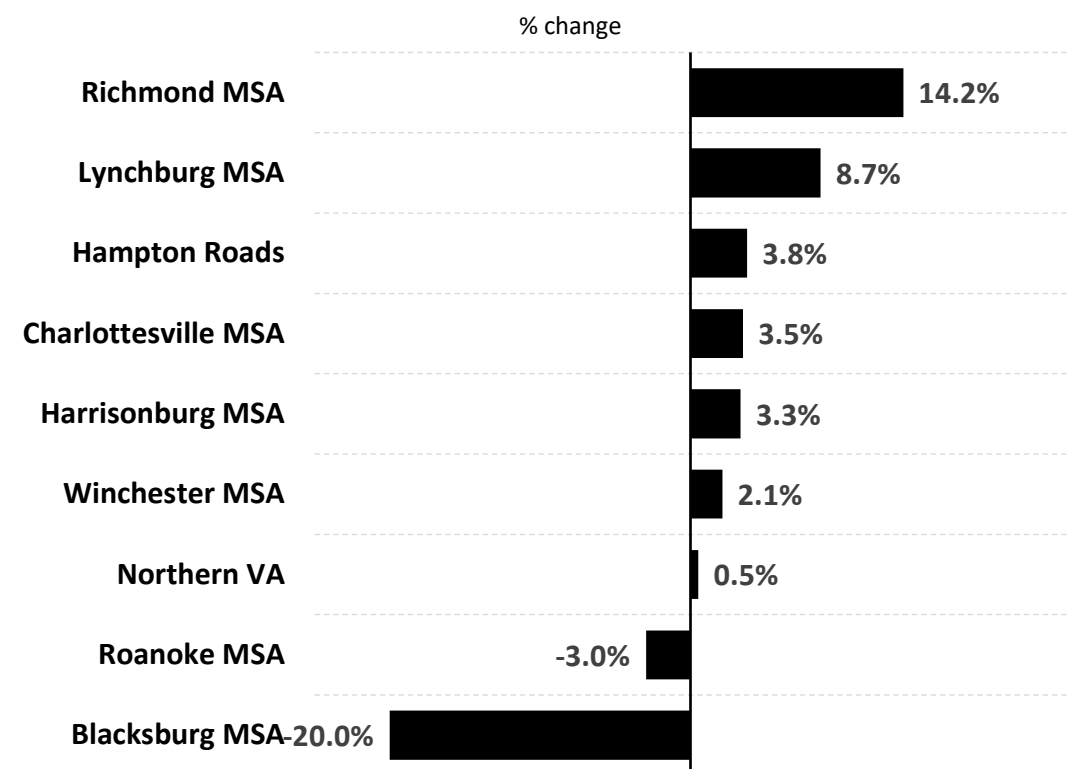


Retail Market - Rent Trends

VIRGINIA (Statewide)

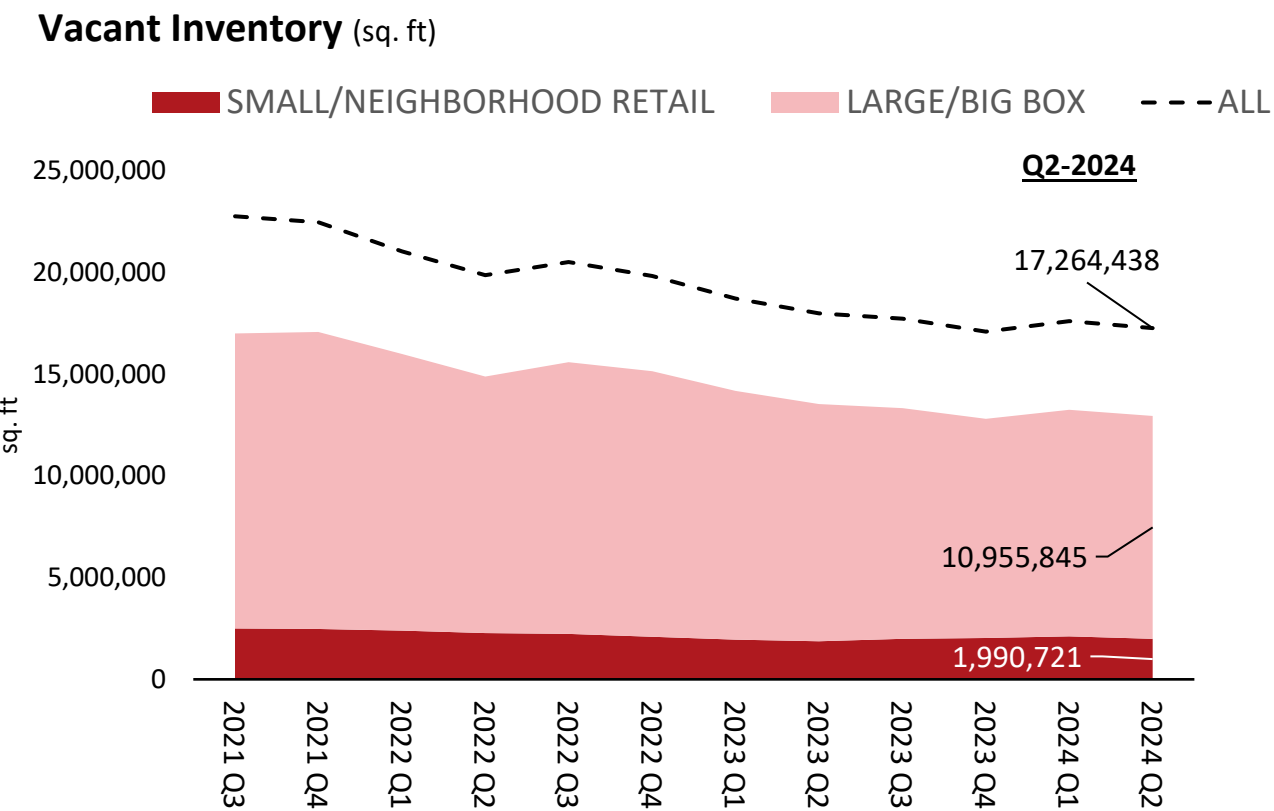
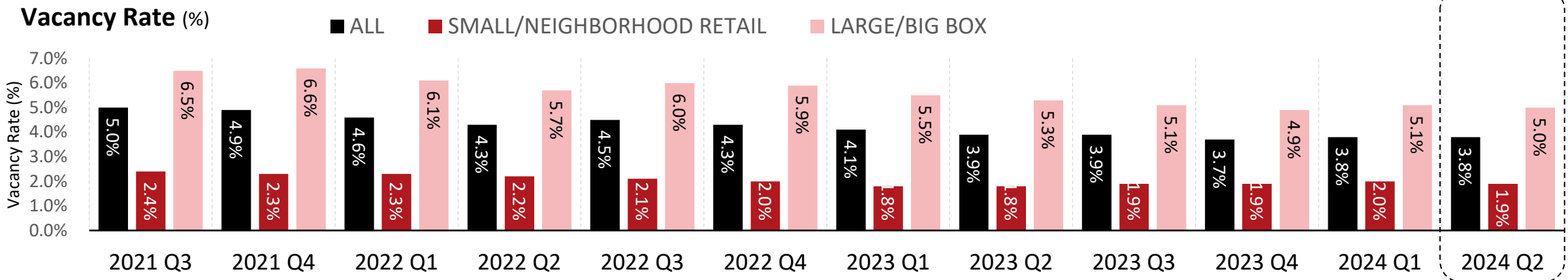


Q2-2024 by MSA: % Change, Full Service Rent (YoY % change)

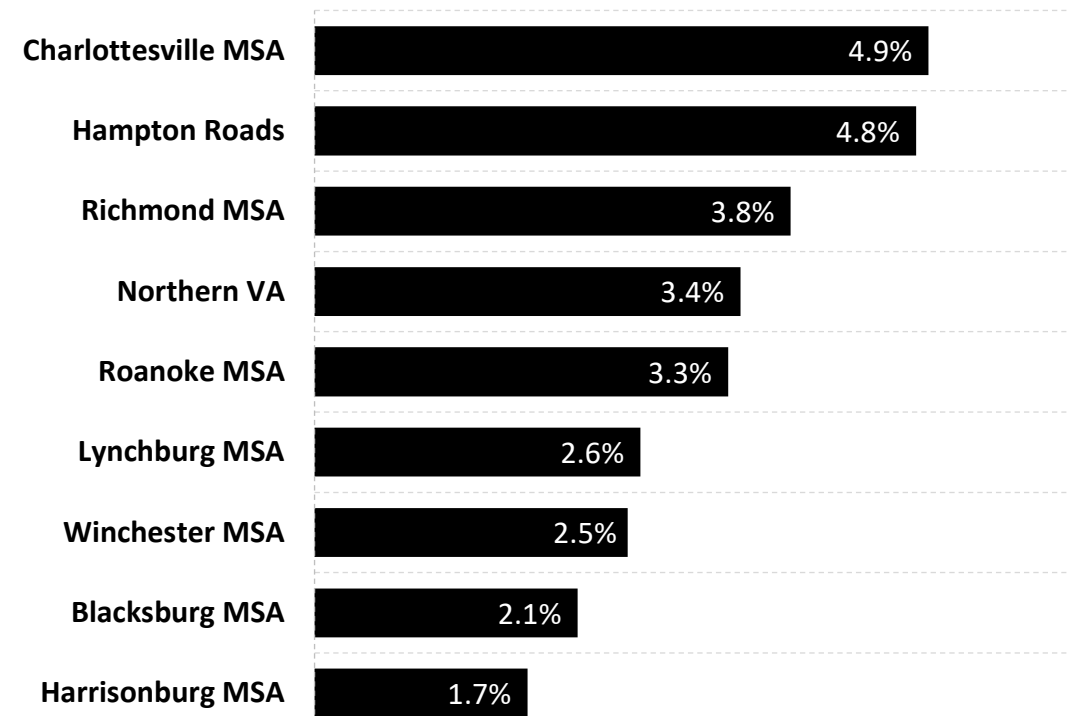


Retail Market - Vacancy Trends

VIRGINIA (Statewide)



Q2-2024 Retail Vacancy Rate by MSA



MSA TRENDS

METROPOLITAN STATISTICAL AREA

Q2



2024

RETAIL
Market Report



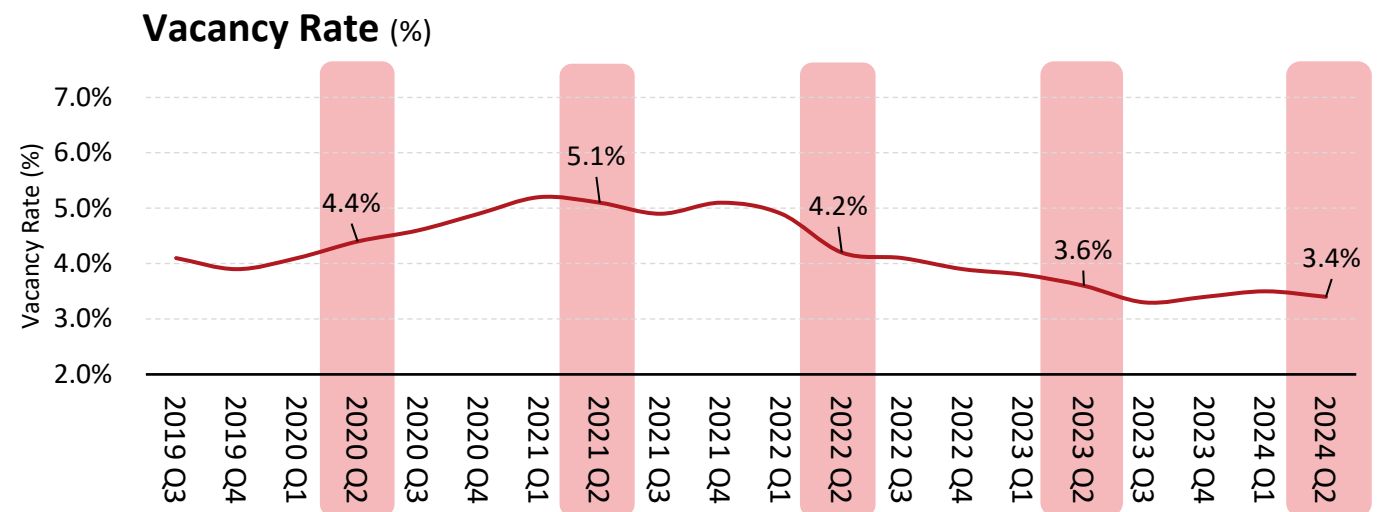
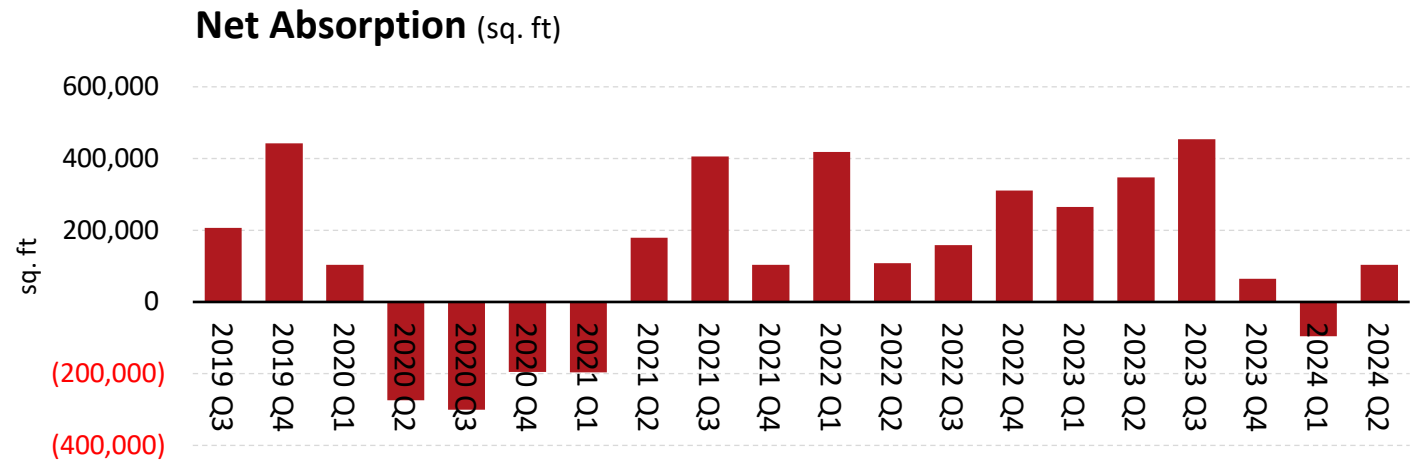
Snapshot of Retail Market Conditions Around Virginia

Retail Market - MSA Trends

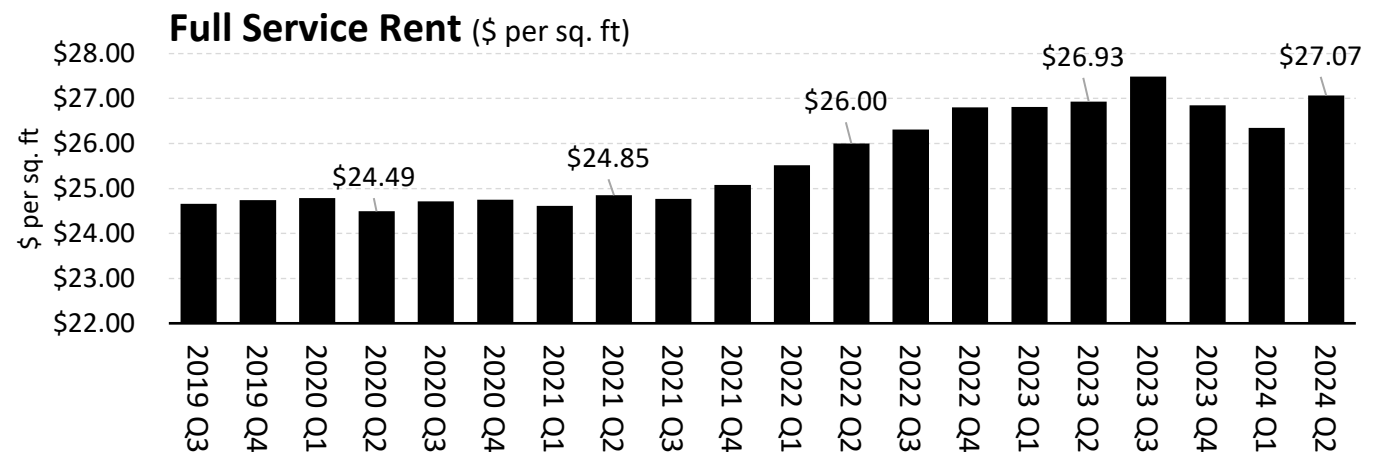
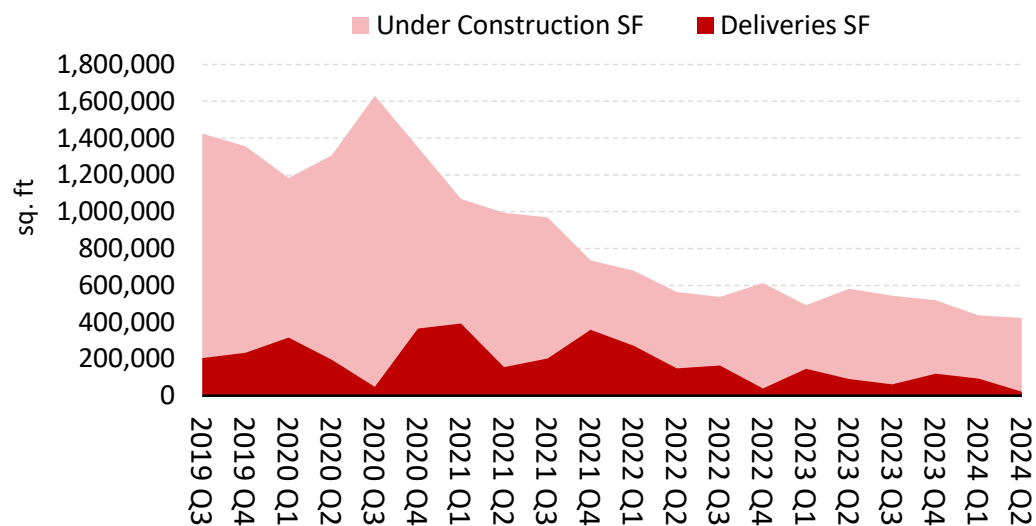
NORTHERN VIRGINIA

Local Market Indicator Dashboard

	Q2-2024	YoY Chg	
Total Inventory (sq. ft, millions)	138.0	0.2%	% chg
Vacancy Rate (%)	3.4%	-0.2%	pct points
Net Absorption (sq. ft)	103,986	-243,085	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$27.07	\$0.14	\$ per sq. ft
Deliveries (sq. ft)	22,209	-68,037	sq. ft
Under Construction (sq. ft)	423,932	-158,430	sq. ft



Under Construction & Net Deliveries (sq. ft)



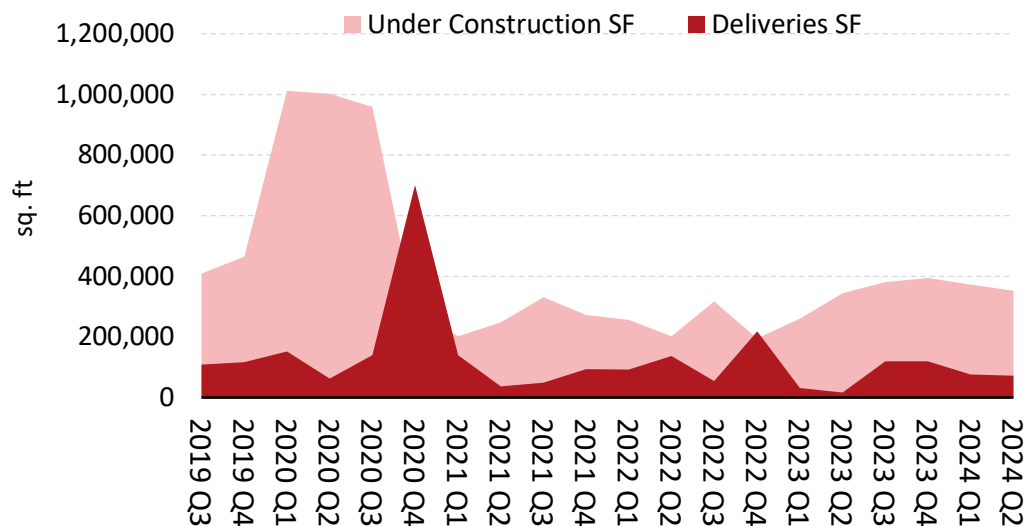
Retail Market - MSA Trends

RICHMOND MSA

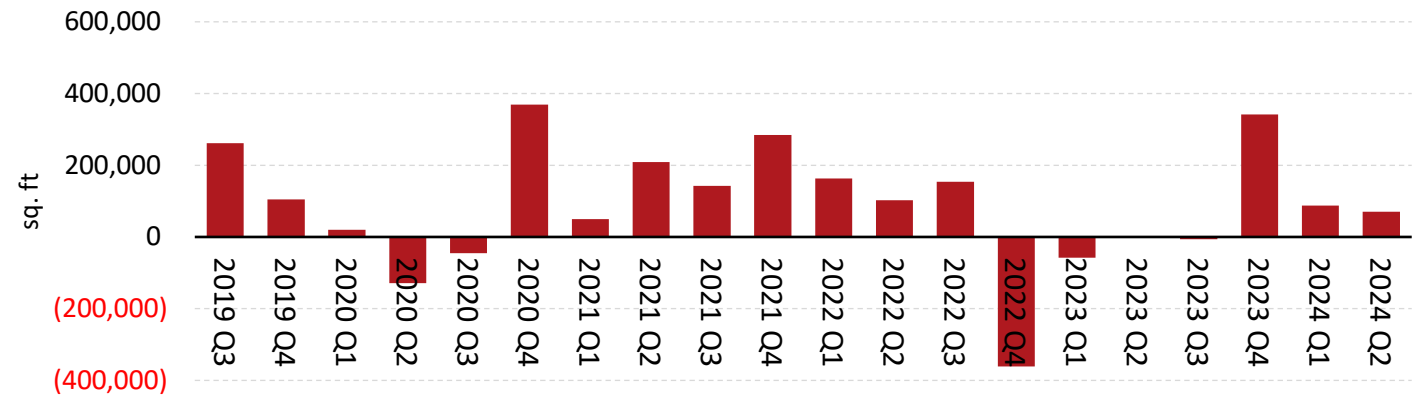
Local Market Indicator Dashboard

	Q2-2024	YoY Chg	
Total Inventory (sq. ft, millions)	80.2	0.5%	% chg
Vacancy Rate (%)	3.8%	-0.2%	pct points
Net Absorption (sq. ft)	70,114	69,332	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$19.44	\$2.41	\$ per sq. ft
Deliveries (sq. ft)	72,343	56,302	sq. ft
Under Construction (sq. ft)	351,646	8,049	sq. ft

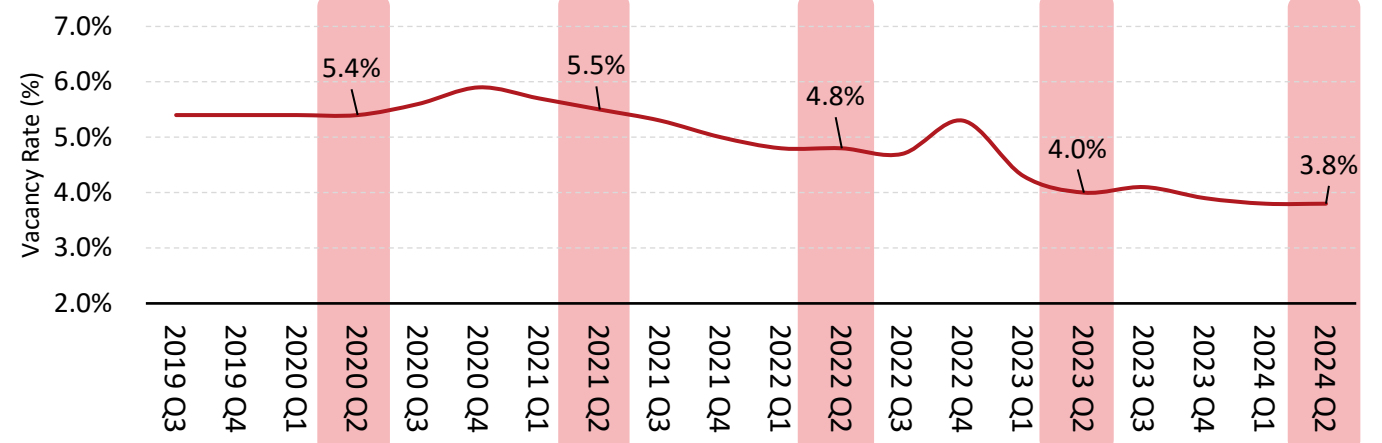
Under Construction & Net Deliveries (sq. ft)



Net Absorption (sq. ft)



Vacancy Rate (%)



Full Service Rent (\$ per sq. ft)



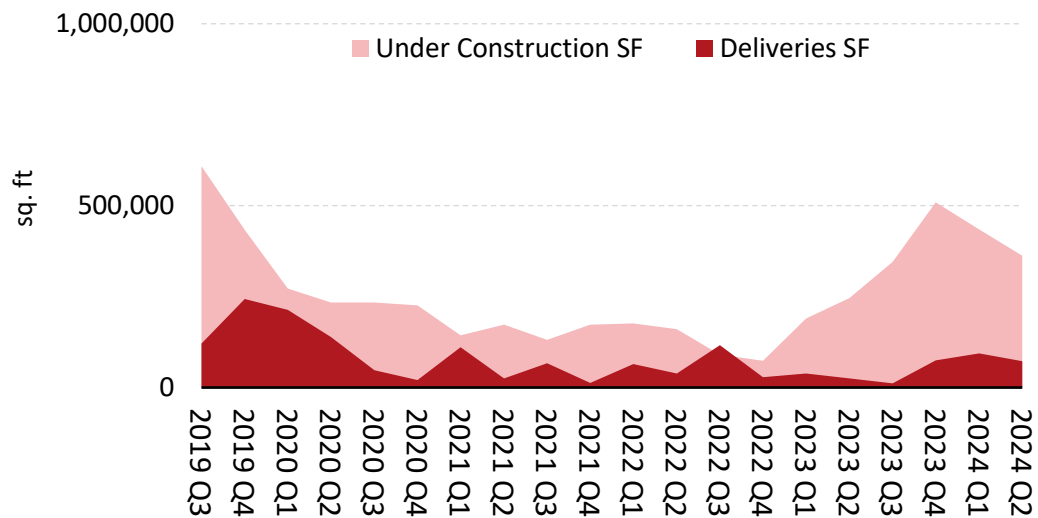
Retail Market - MSA Trends

HAMPTON ROADS

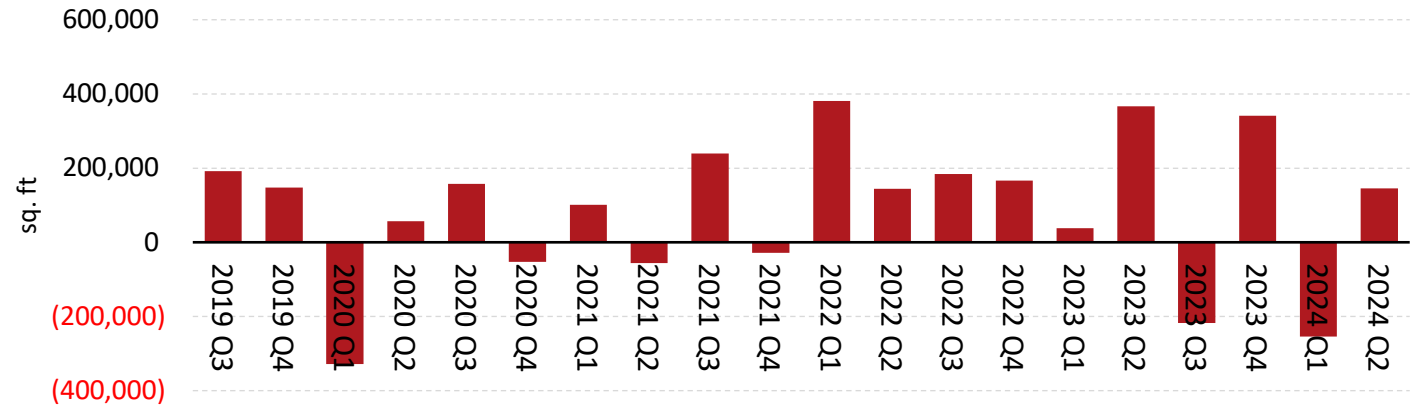
Local Market Indicator Dashboard

	Q2-2024	YoY Chg
Total Inventory (sq. ft, millions)	106.8	0.2% % chg
Vacancy Rate (%)	4.8%	0.1% pct points
Net Absorption (sq. ft)	145,141	-221,552 sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$15.76	\$0.57 \$ per sq. ft
Deliveries (sq. ft)	72,232	47,428 sq. ft
Under Construction (sq. ft)	362,793	116,090 sq. ft

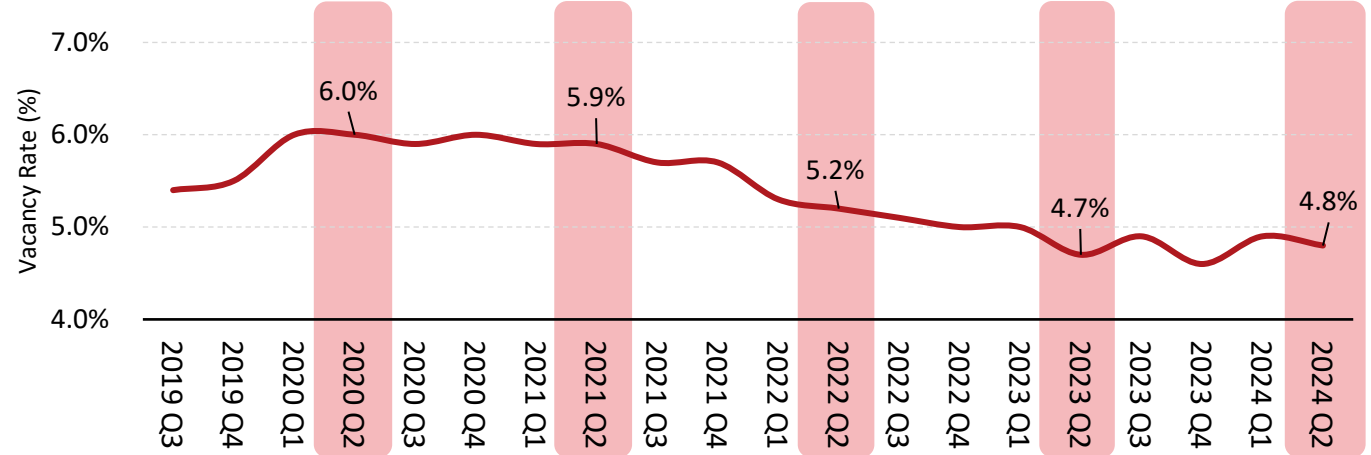
Under Construction & Net Deliveries (sq. ft)



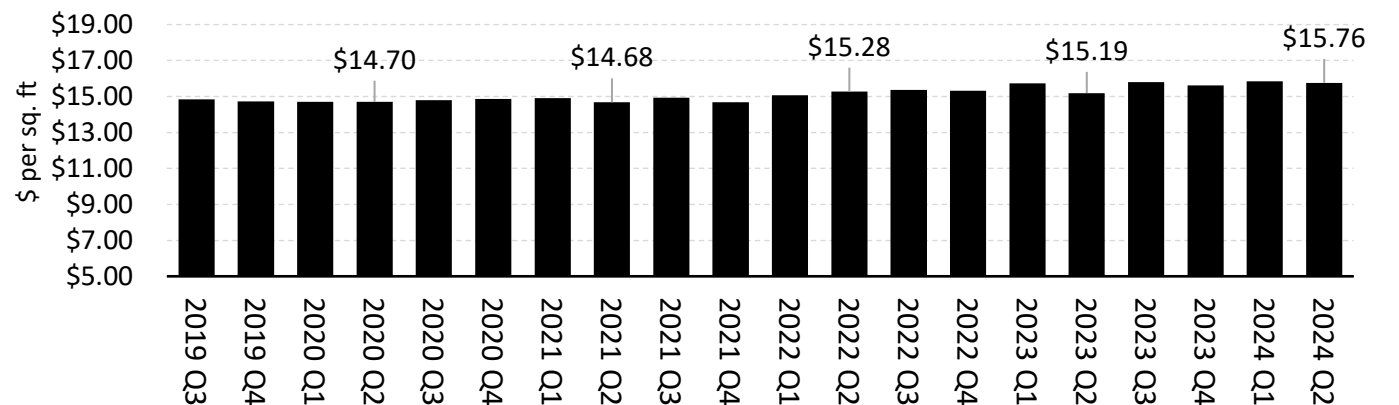
Net Absorption (sq. ft)



Vacancy Rate (%)



Full Service Rent (\$ per sq. ft)

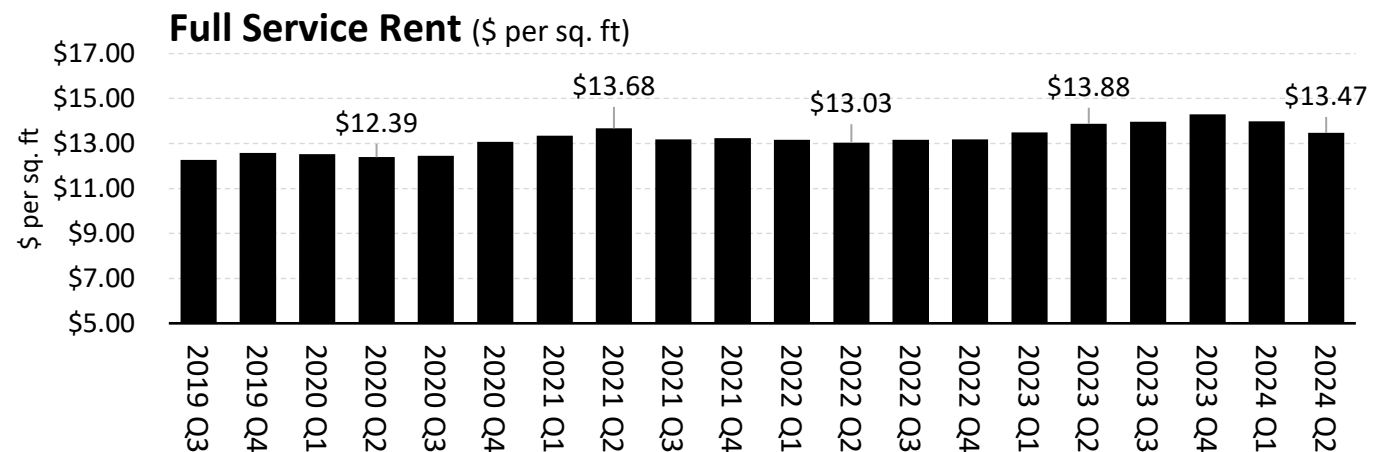
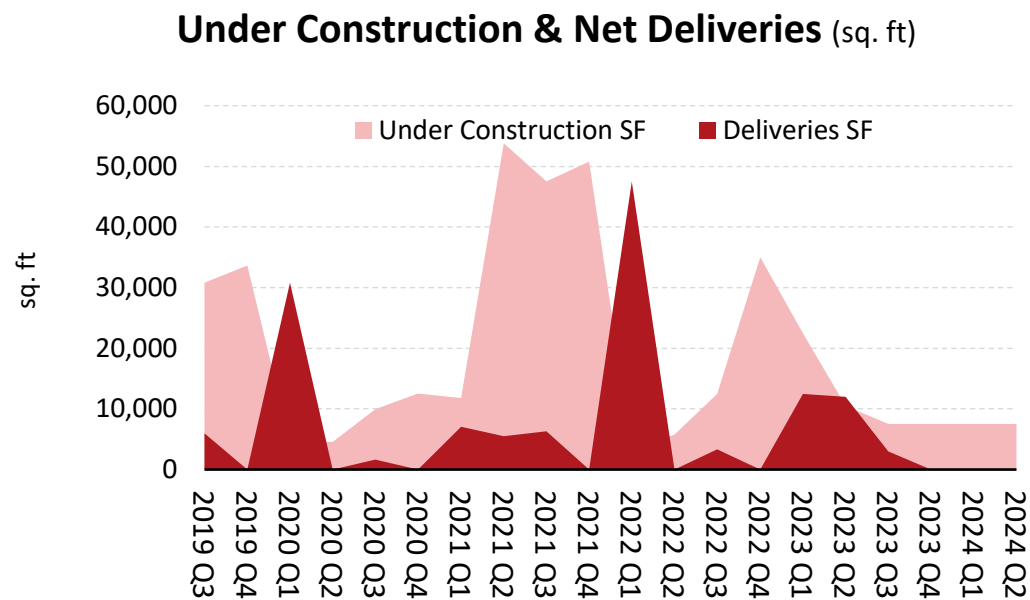
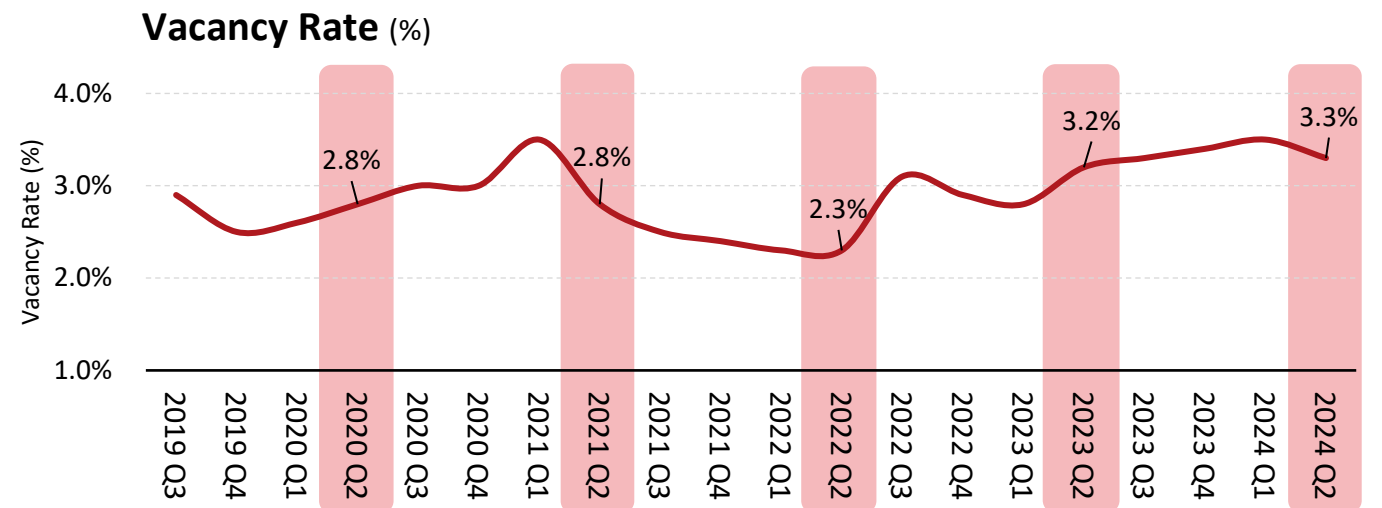
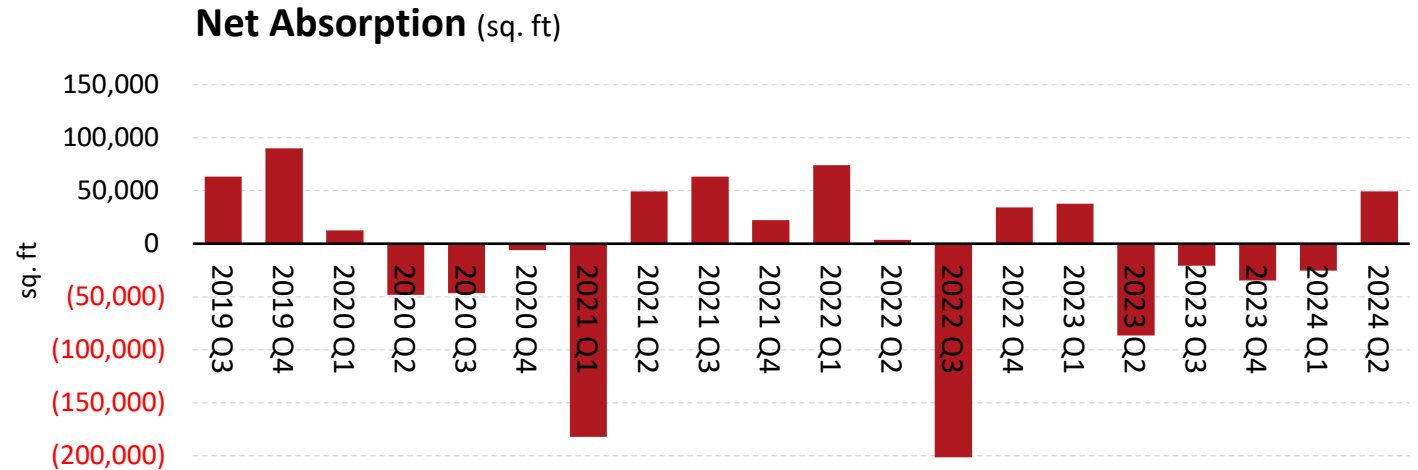


Retail Market - MSA Trends

ROANOKE MSA

Local Market Indicator Dashboard

	Q2-2024	YoY Chg	
Total Inventory (sq. ft, millions)	24.0	0.0%	% chg
Vacancy Rate (%)	3.3%	0.1%	pct points
Net Absorption (sq. ft)	49,422	135,917	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$13.47	-\$0.41	\$ per sq. ft
Deliveries (sq. ft)	0	-12,000	sq. ft
Under Construction (sq. ft)	7,500	-3,000	sq. ft

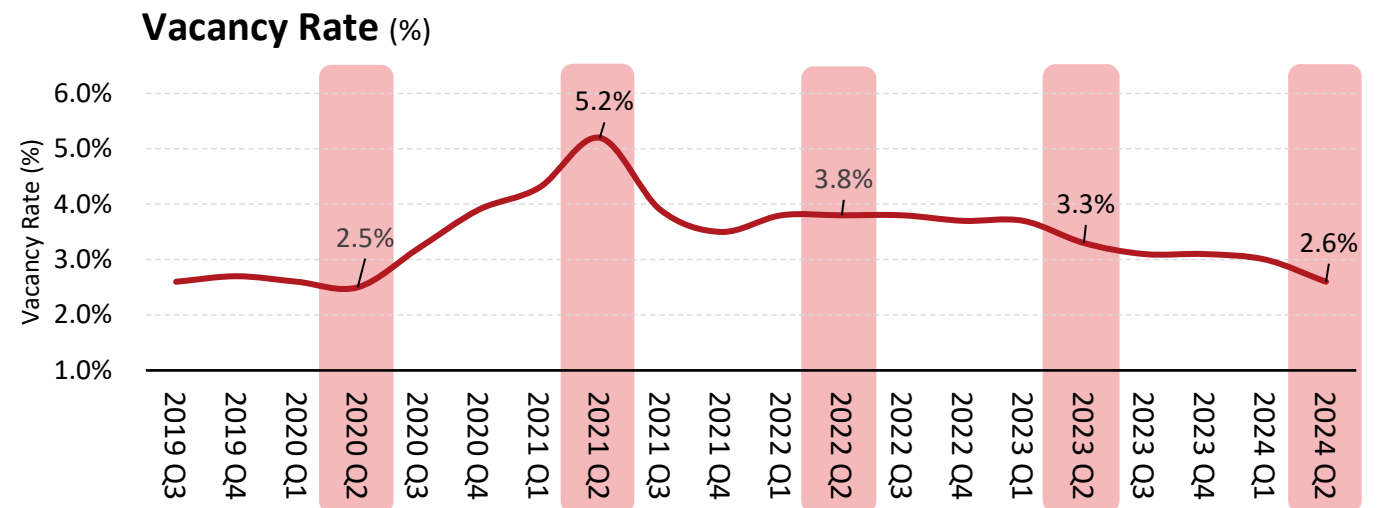
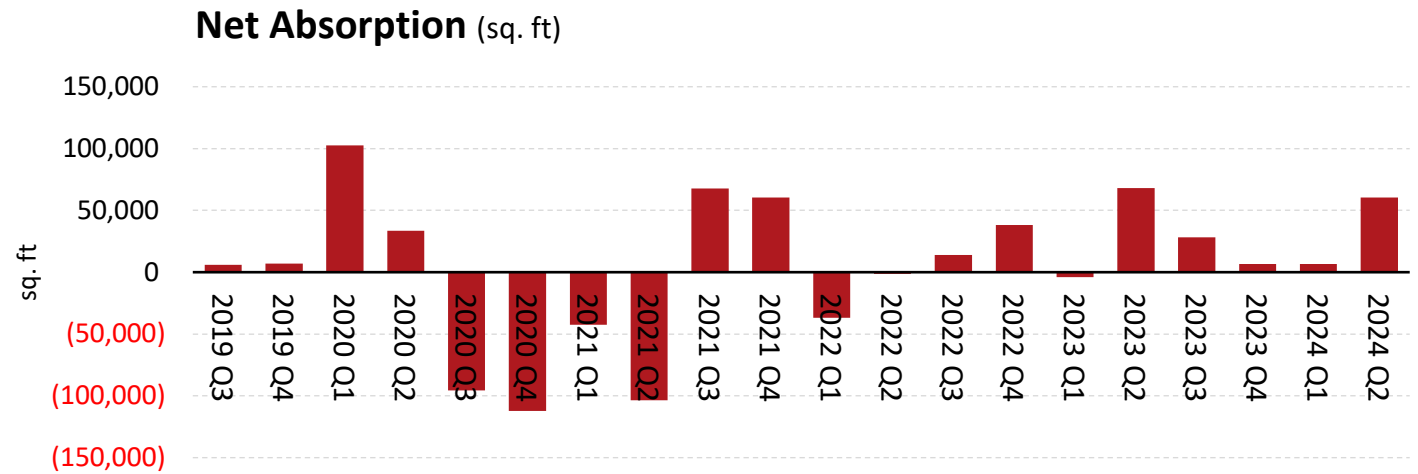


Retail Market - MSA Trends

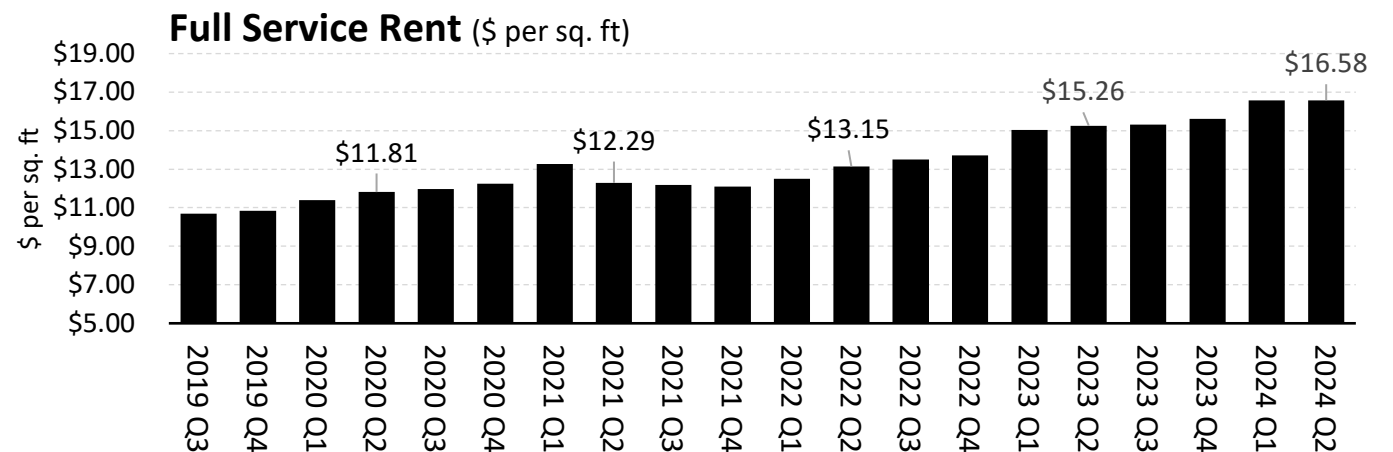
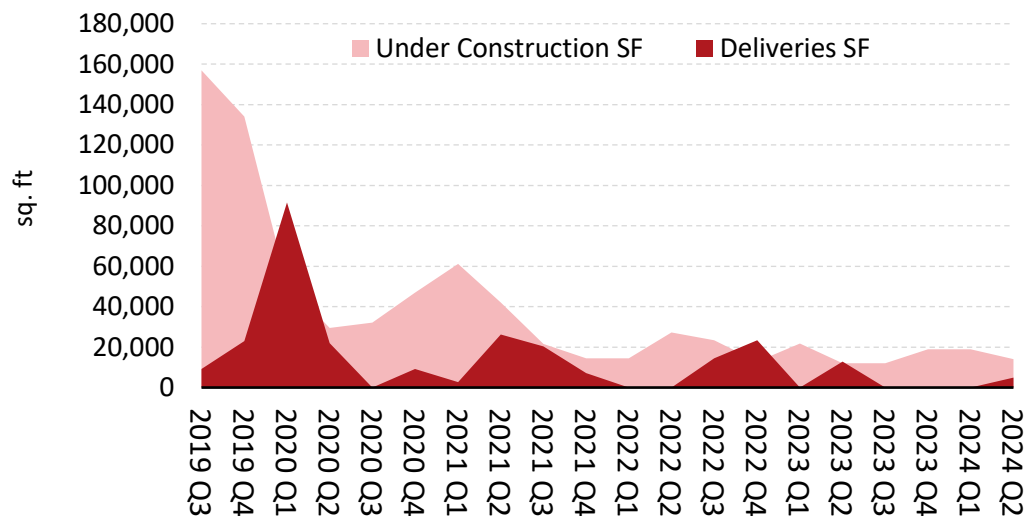
LYNCHBURG MSA

Local Market Indicator Dashboard

	Q2-2024	YoY Chg	
Total Inventory (sq. ft, millions)	14.2	0.0%	% chg
Vacancy Rate (%)	2.6%	-0.7%	pct points
Net Absorption (sq. ft)	60,475	-7,544	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$16.58	\$1.32	\$ per sq. ft
Deliveries (sq. ft)	4,922	-7,864	sq. ft
Under Construction (sq. ft)	14,100	2,130	sq. ft



Under Construction & Net Deliveries (sq. ft)

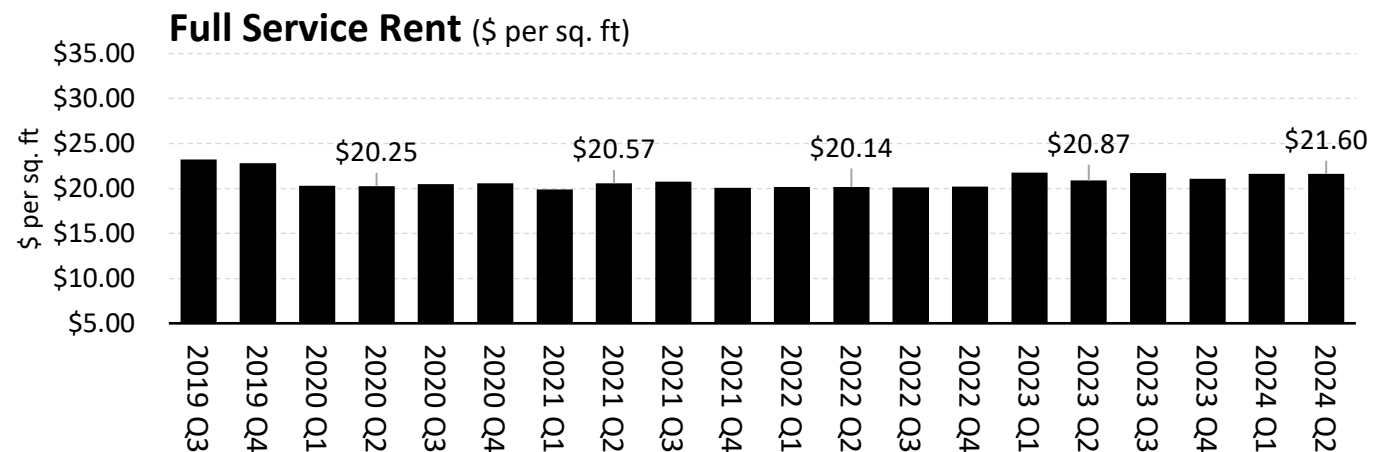
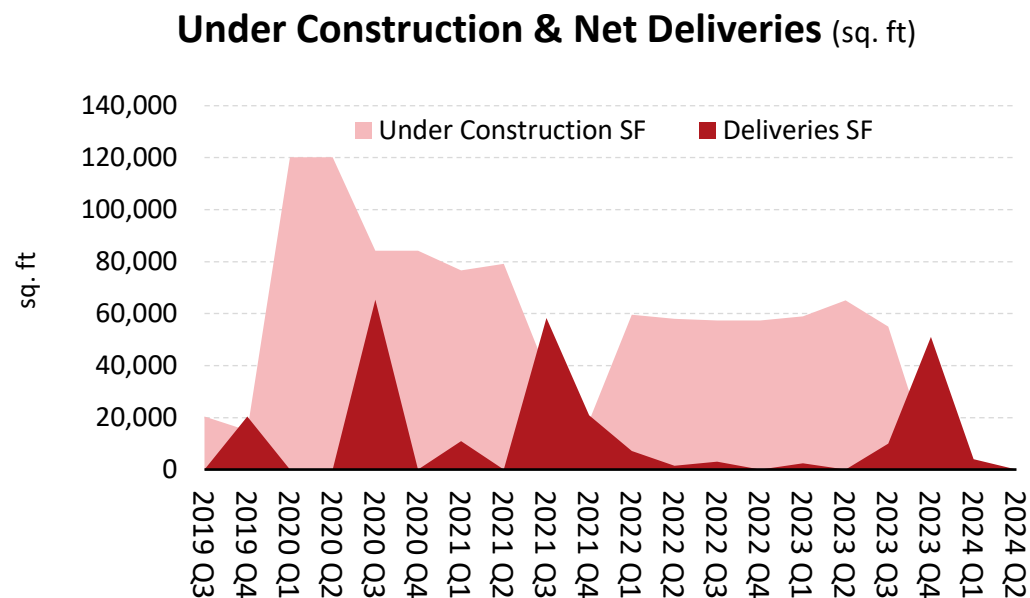
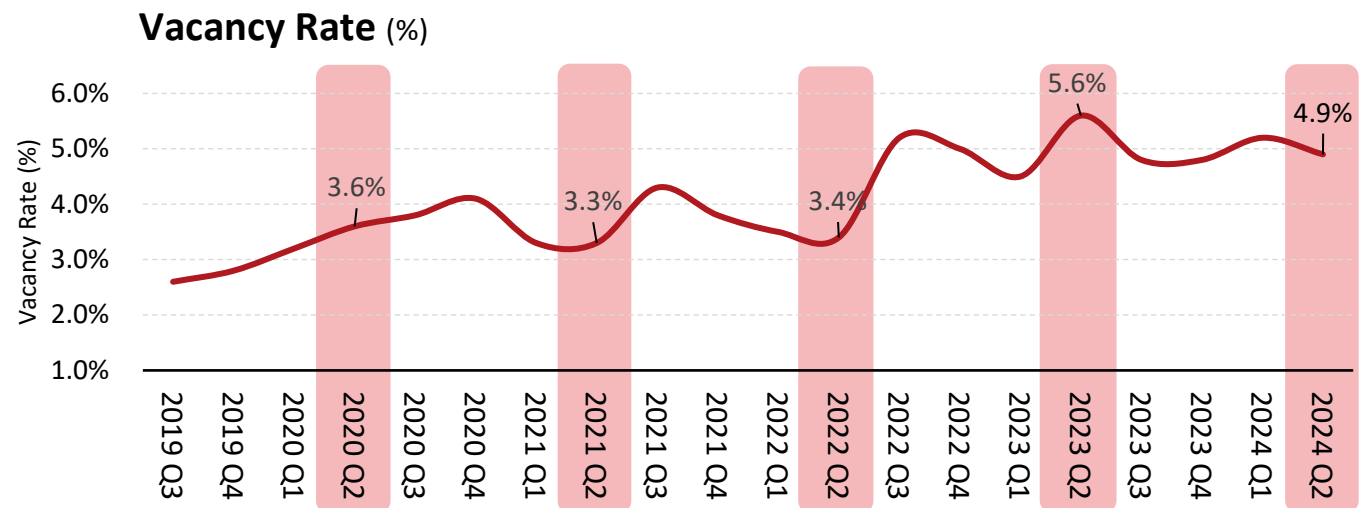
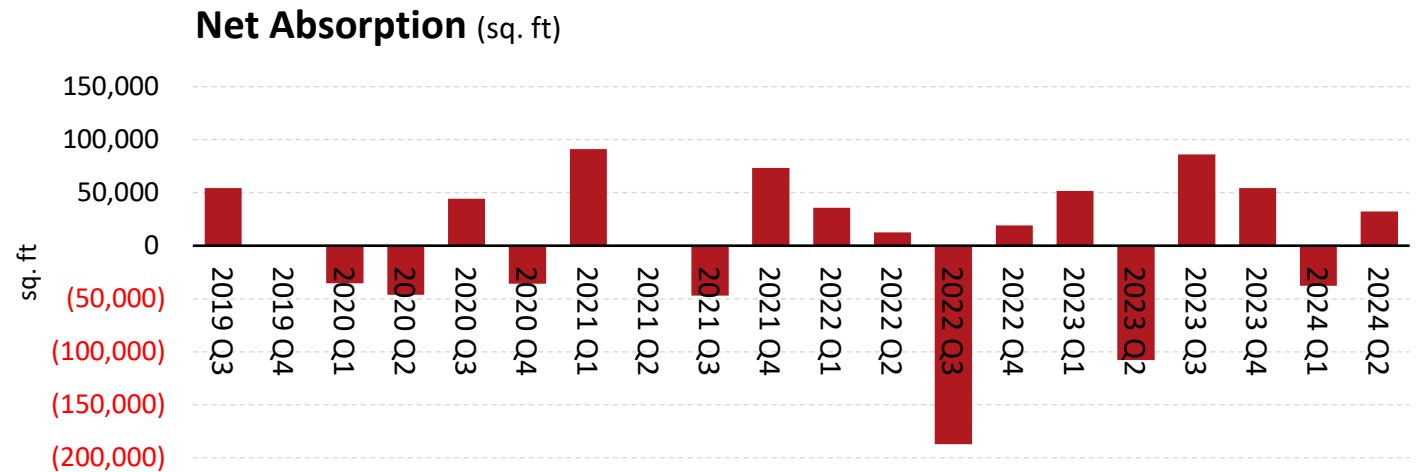


Retail Market - MSA Trends

CHARLOTTESVILLE MSA

Local Market Indicator Dashboard

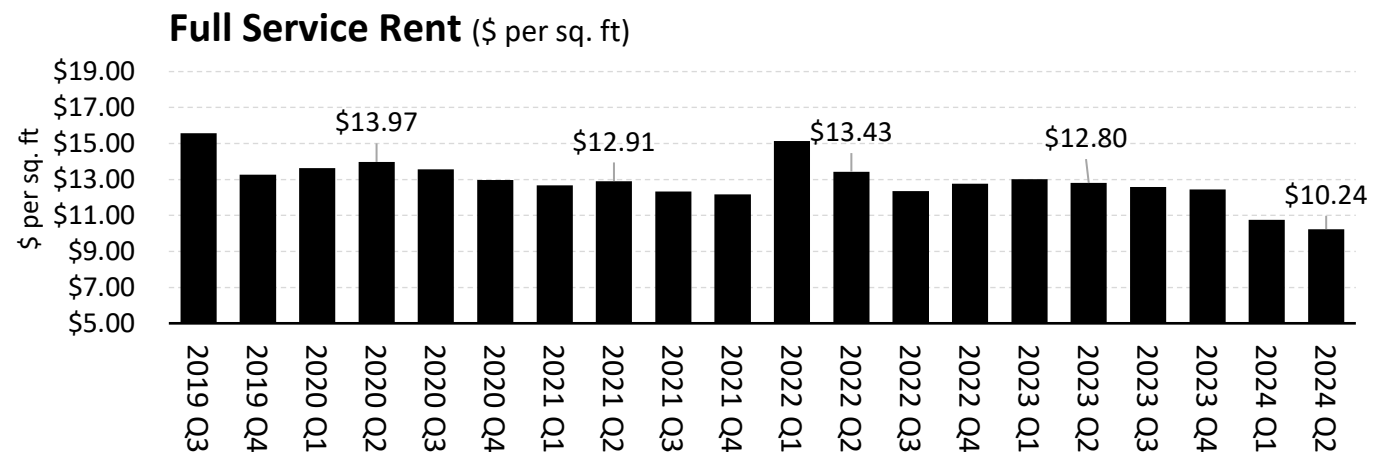
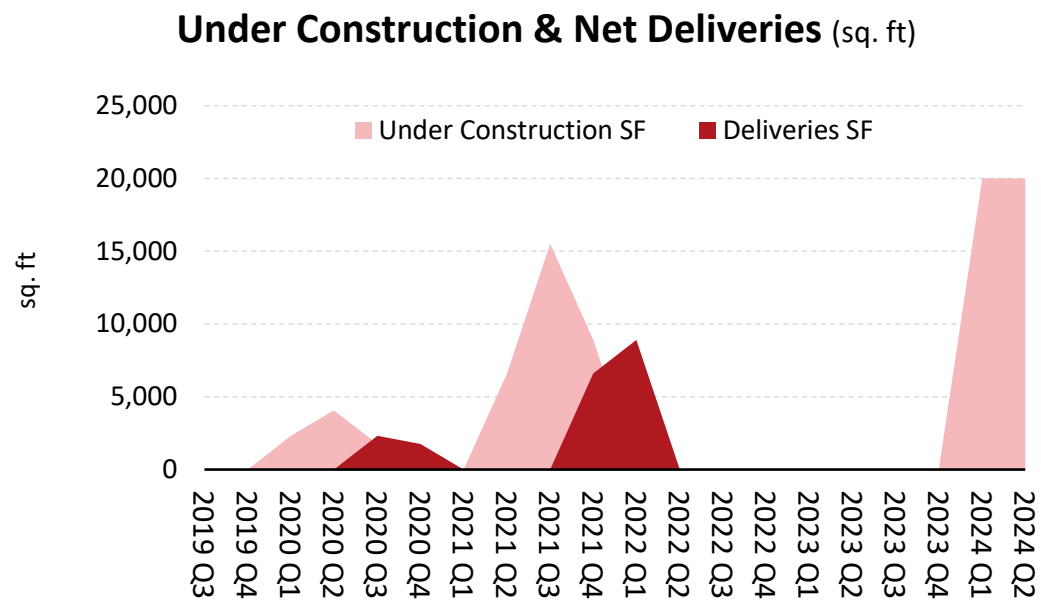
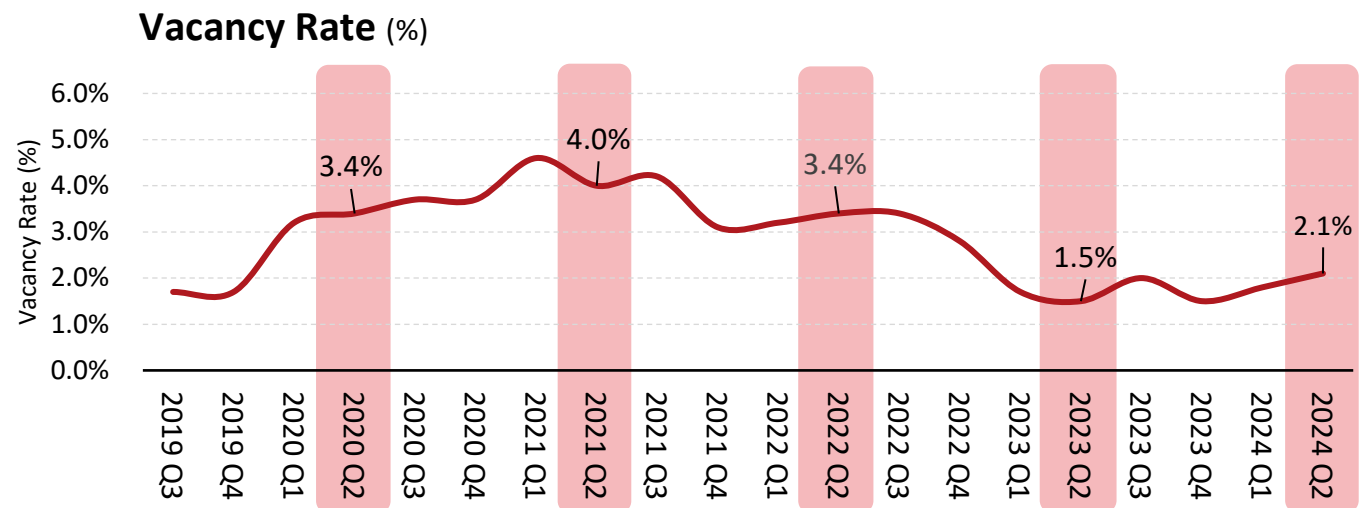
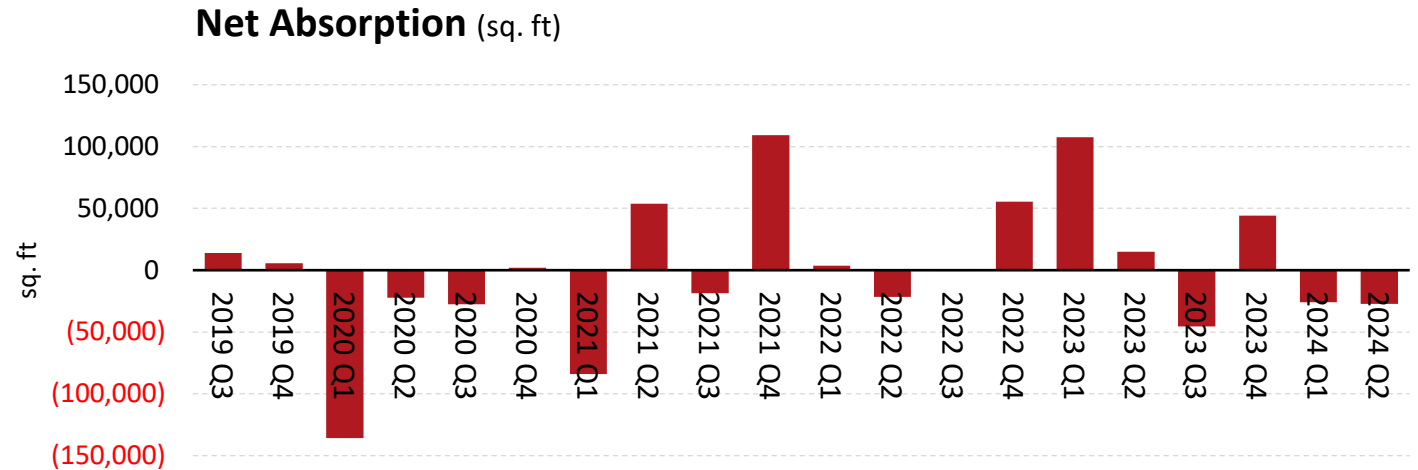
	Q2-2024	YoY Chg	
Total Inventory (sq. ft, millions)	10.5	0.6%	% chg
Vacancy Rate (%)	4.9%	-0.7%	pct points
Net Absorption (sq. ft)	32,344	140,377	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$21.60	\$0.73	\$ per sq. ft
Deliveries (sq. ft)	0	0	sq. ft
Under Construction (sq. ft)	0	-65,044	sq. ft



BLACKSBURG MSA

Local Market Indicator Dashboard

	Q2-2024	YoY Chg	
Total Inventory (sq. ft, millions)	9.3	0	% chg
Vacancy Rate (%)	2.1%	0.6%	pct points
Net Absorption (sq. ft)	(27,217)	-42,295	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$10.24	-\$2.56	\$ per sq. ft
Deliveries (sq. ft)	0	0	sq. ft
Under Construction (sq. ft)	20,000	20,000	sq. ft



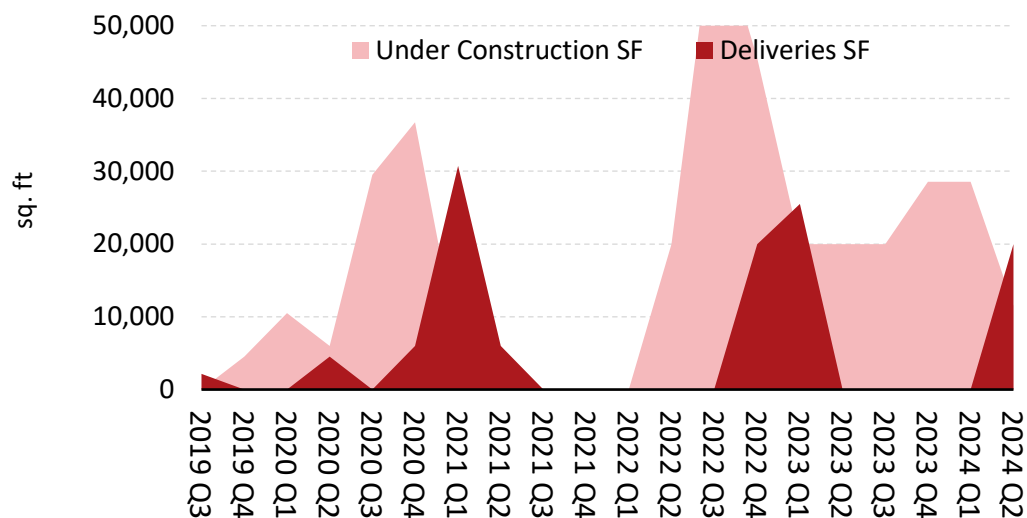
Retail Market - MSA Trends

WINCHESTER MSA

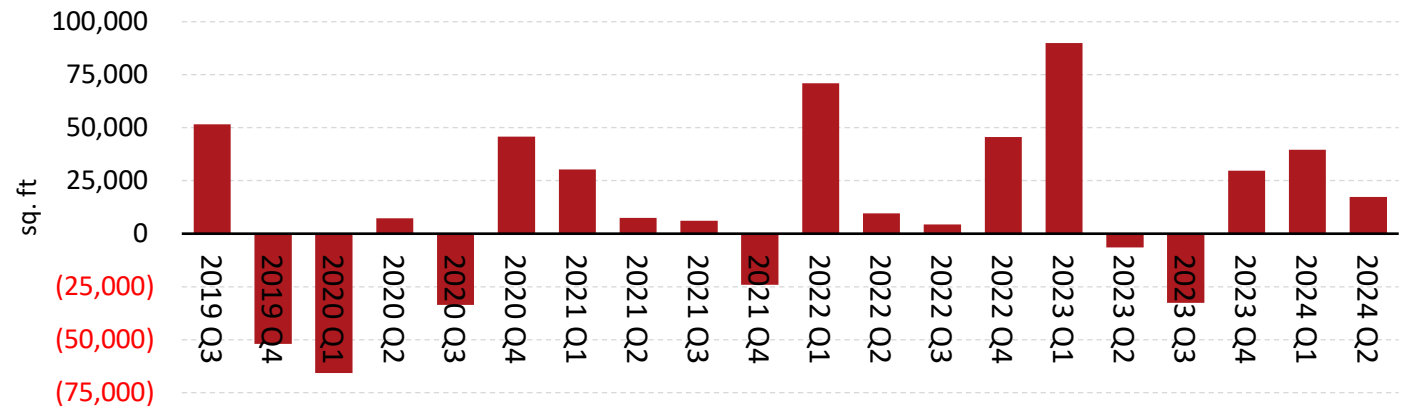
Local Market Indicator Dashboard

	Q2-2024	YoY Chg	
Total Inventory (sq. ft, millions)	8.9	0.2%	% chg
Vacancy Rate (%)	2.5%	-0.4%	pct points
Net Absorption (sq. ft)	17,287	23,759	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$14.94	\$0.31	\$ per sq. ft
Deliveries (sq. ft)	20,000	20,000	sq. ft
Under Construction (sq. ft)	11,541	-8,459	sq. ft

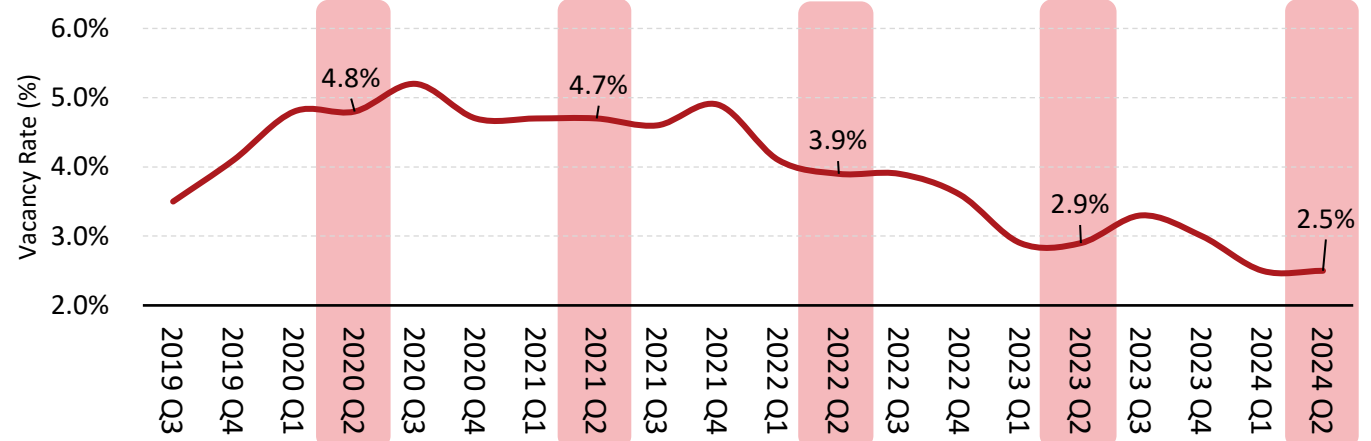
Under Construction & Net Deliveries (sq. ft)



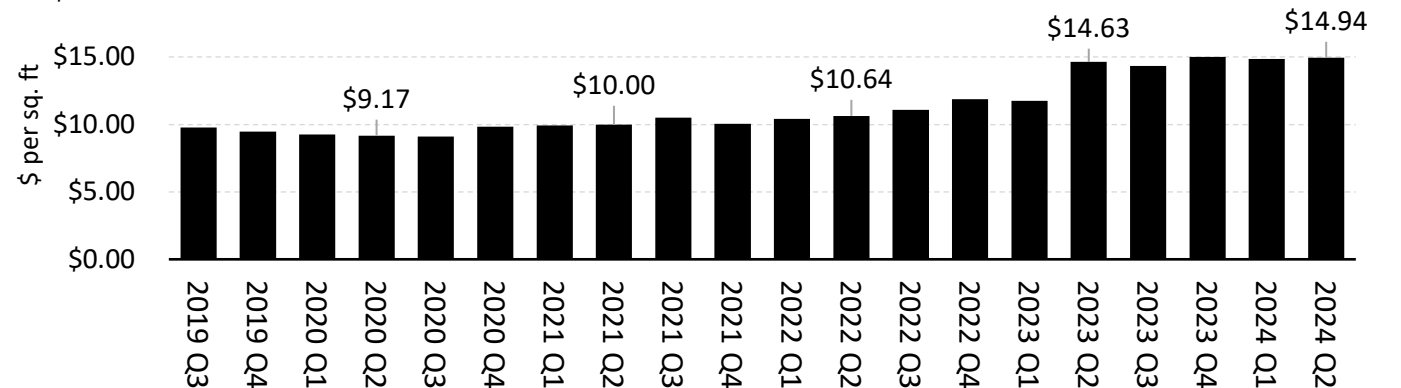
Net Absorption (sq. ft)



Vacancy Rate (%)



Full Service Rent (\$ per sq. ft)



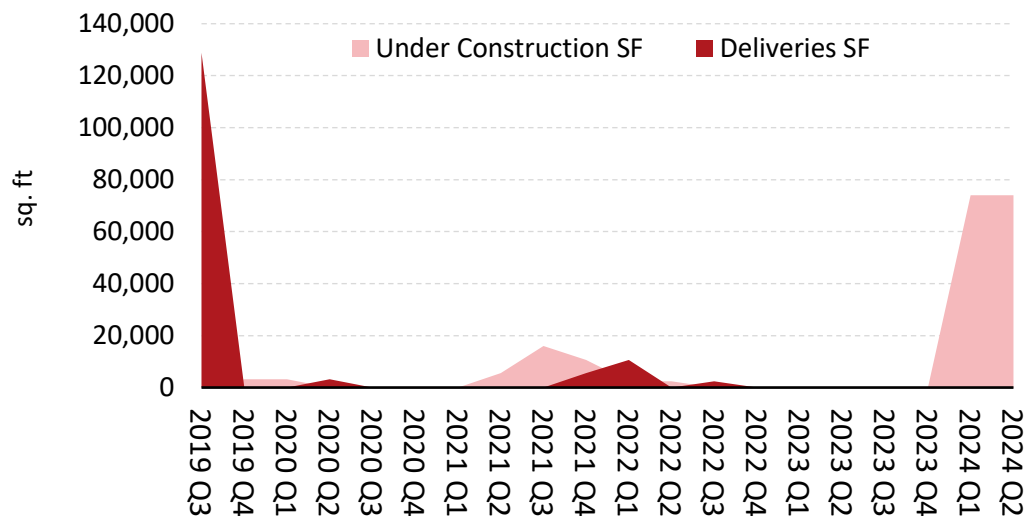
Retail Market - MSA Trends

HARRISONBURG MSA

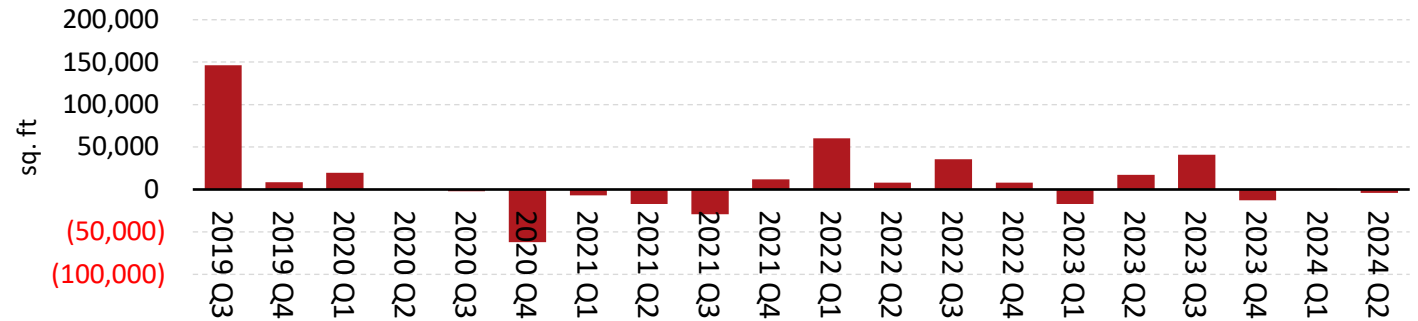
Local Market Indicator Dashboard

	Q2-2024	YoY Chg	
Total Inventory (sq. ft, millions)	6.9	0	% chg
Vacancy Rate (%)	1.7%	-0.3%	pct points
Net Absorption (sq. ft)	(4,065)	-21,301	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$13.63	\$0.44	\$ per sq. ft
Deliveries (sq. ft)	0	0	sq. ft
Under Construction (sq. ft)	74,000	74,000	sq. ft

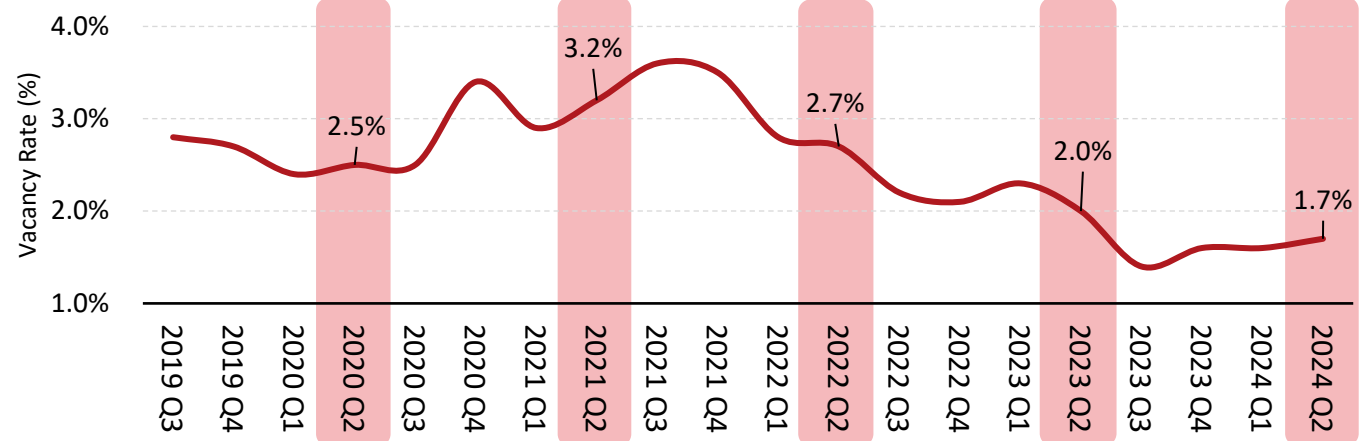
Under Construction & Net Deliveries (sq. ft)



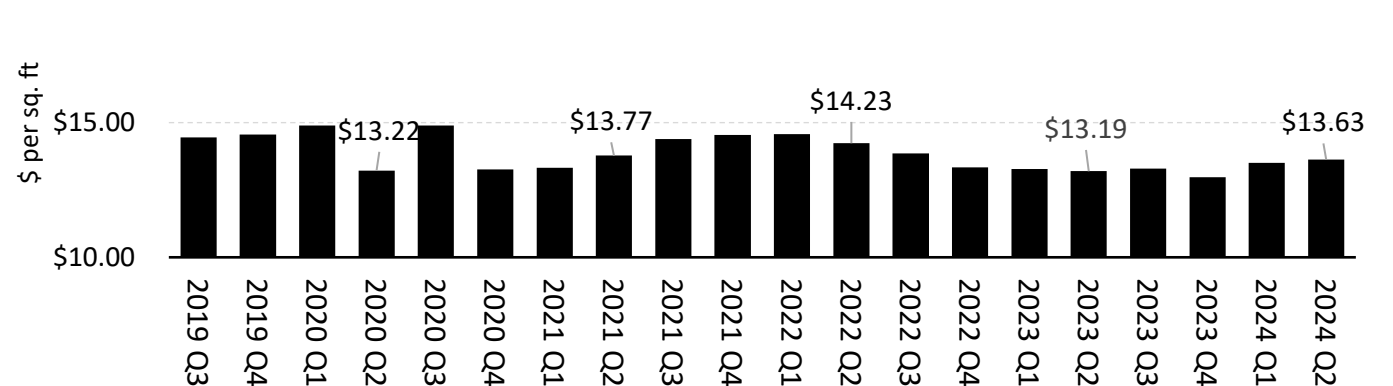
Net Absorption (sq. ft)



Vacancy Rate (%)



Full Service Rent (\$ per sq. ft)



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