



Q3 2024 RETAIL MARKET REPORT

Retail Market - Key Trends Snapshot

Retail Market

Overview: The retail real estate market showed some signs of moderating in the third quarter. Absorption levels turned negative for just the second time in the last eight quarters and the construction pipeline dipped slightly from the third quarter a year ago. It's still a tight market though with vacancy rates low and holding firm at the state level. Rents continue to climb overall, mostly driven by larger retail spaces.

Absorption: After experiencing positive net absorption last year, levels fell in Q3 2024 with -176,329 sq ft. Richmond (-84,880 sq ft) and Blacksburg (-84,040 sq ft) had the sharpest drop of net negative absorption this quarter while Hampton Roads had the highest amount (82,816 sq ft).

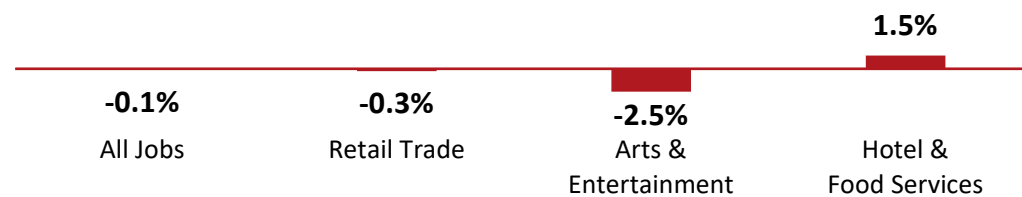
Vacancy Rate: Retail vacancy remains low in Virginia with the rate at 3.8%, indicating a there is still strong demand for space. Large/Big Box retail saw vacancy rates go from 5.1% in Q3 2023 to 4.9% in Q3 2024. The metro areas with the highest vacancy rate this quarter were Hampton Roads and Charlottesville.

Rent: Rental prices for retail space remain elevated in the state due to low vacancy rates. Full-service rent went up 2.6% from last year. Small/ neighborhood retail saw rent go down 3.2% in the third quarter. Richmond saw rent increase the most this quarter going up 10.7%, while prices in Blacksburg dipped 9.5% from a year earlier.

Supply + Deliveries: Both deliveries (-59.1%) and construction (-3.2%) of retail space fell this quarter. Northern Virginia was the metro area with the largest amount of delivered (30,570 sq ft) and under construction retail space (422,625 sq ft).

JOB TRACKER (VIRGINIA)

Retail-Supporting Job Sectors (% Chg Jul-24 to Aug-24, seasonally adjusted)

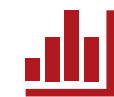


VIRGINIA (Statewide)



Market Indicator Dashboard

	YoY Chg	Q3-2024	Indicator
% chg	0.2%	460,929,147	Total Inventory (sq. ft)
sq. ft	-616,695	-176,329	Net Absorption (sq. ft)
pct point	0	3.8%	Vacancy Rate (%)
\$ per sq. ft	\$0.45	\$17.63	Full Service Rent (\$ per sq. ft)
sq. ft	-138,320	95,761	New Supply Delivered (sq. ft)
sq. ft	-42,074	1,291,612	Under Construction (sq. ft)

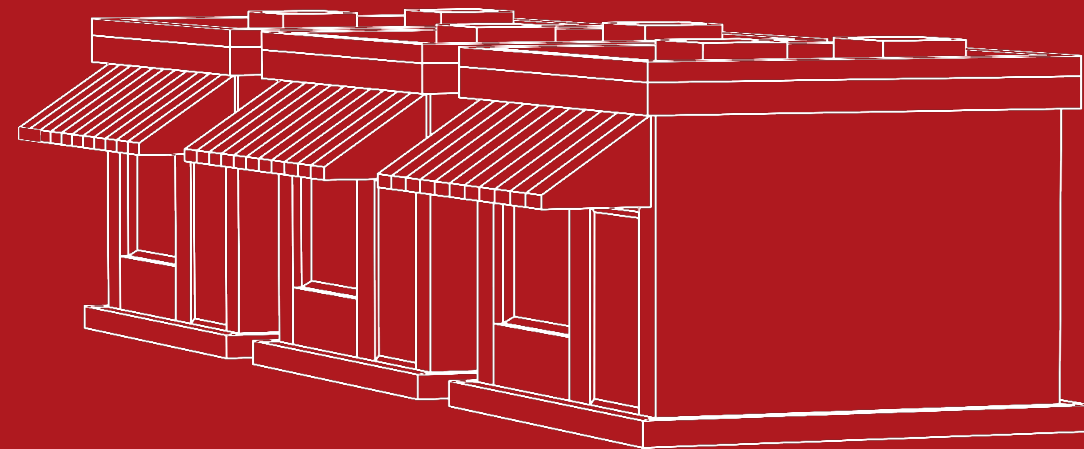


Economic Indicator Dashboard

	MoM % Chg	Aug-24	Indicator
% chg	-0.1%	4.2	Total Jobs (in millions, seasonally adjusted)
% chg	0.3%	817.3	Retail-Supporting Jobs (in thousands, seasonally adjusted)
pct point	0.1%	2.8%	Unemployment Rate (% seasonally adjusted)
pct point	QoQ Chg	Q2-2024	Gross Domestic Product (% chg from prior year)
	1.6%	3.0	

Virginia Retail Market

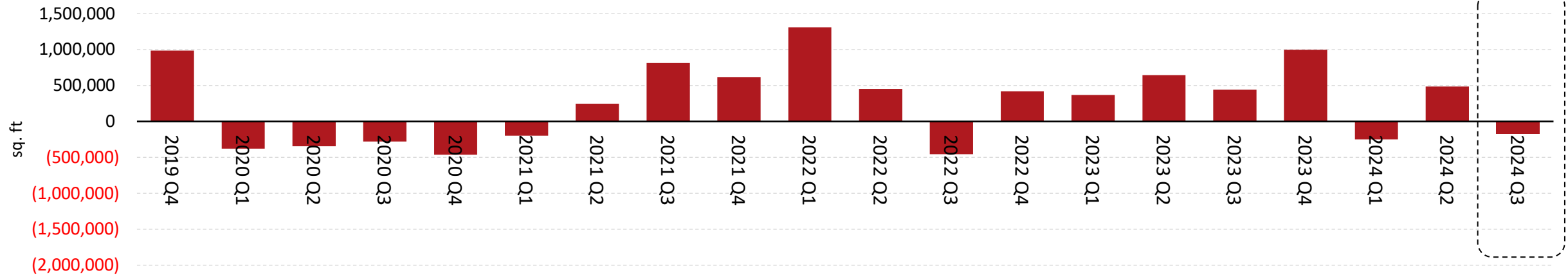
Absorption & Construction Trends	4
Rent Trends	5
Vacancy Trends	6
MSA-Level Trends	7
Northern Virginia	8
Richmond MSA	9
Hampton Roads	10
Roanoke MSA	11
Lynchburg MSA	12
Charlottesville MSA	13
Blacksburg MSA	14
Winchester MSA	15
Harrisonburg MSA	16



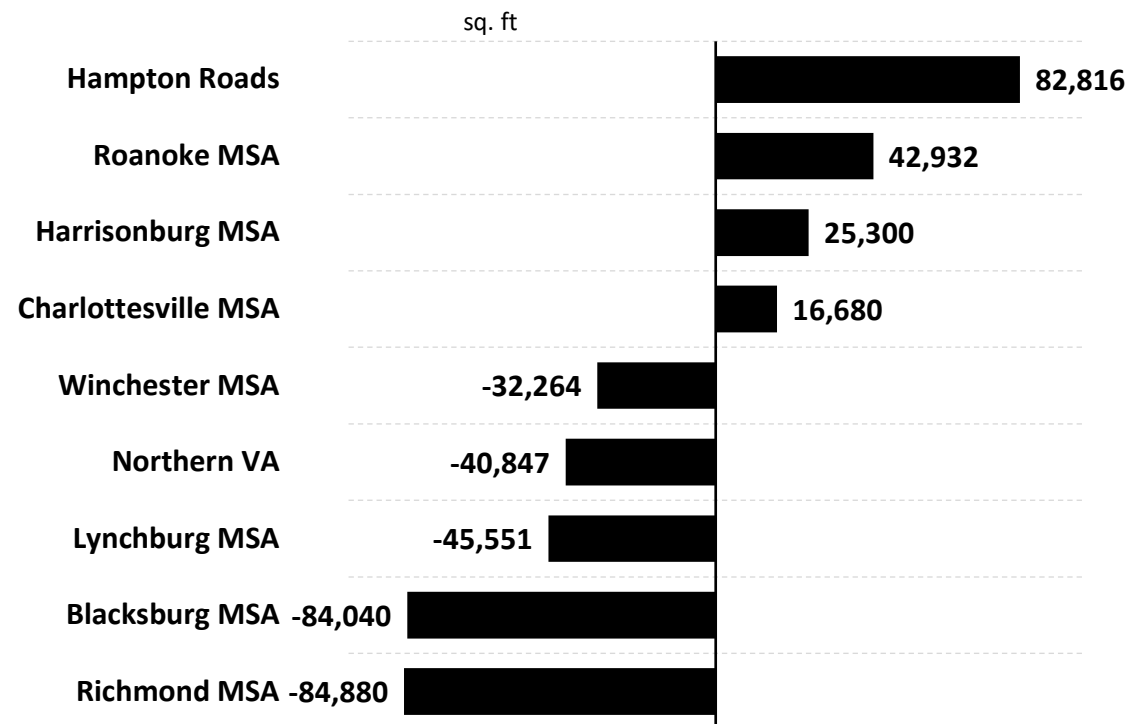
Retail Market - Absorption & Construction Trends

VIRGINIA (Statewide)

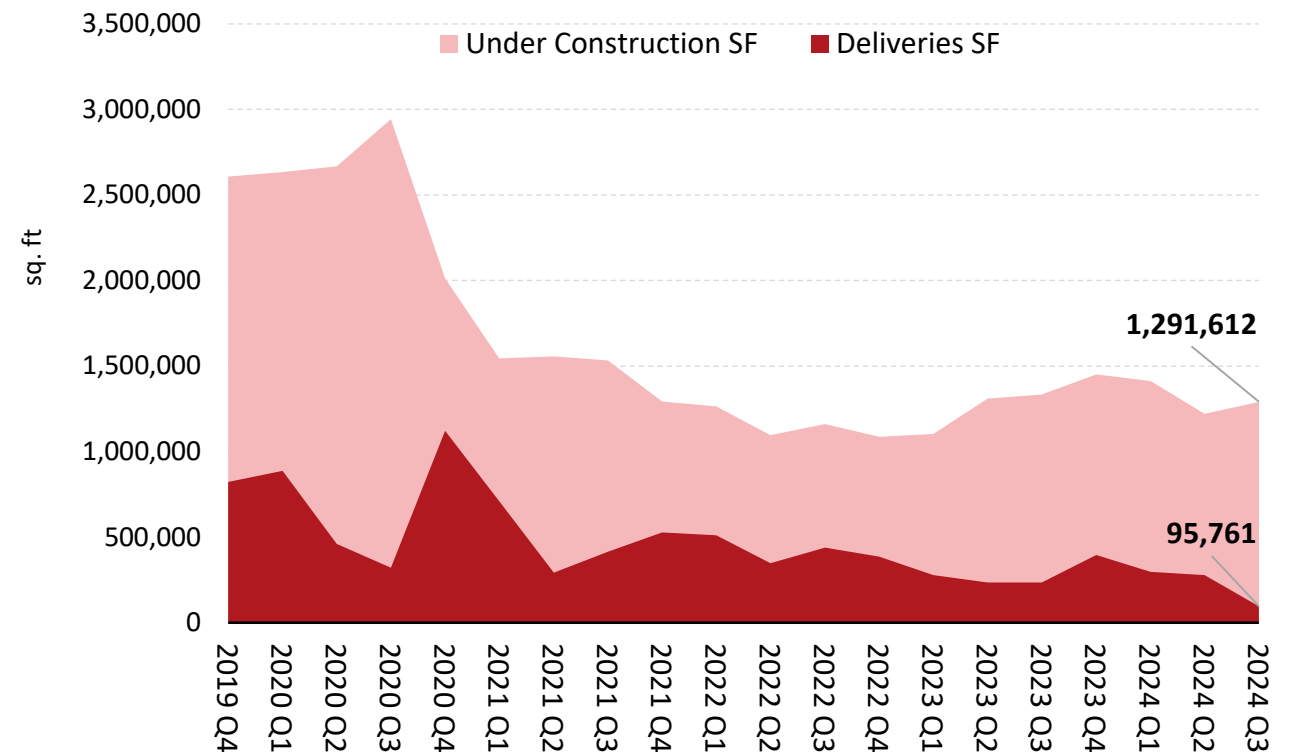
Net Absorption (sq. ft)



Q3-2024 Net Absorption by Metro Area (sq ft)

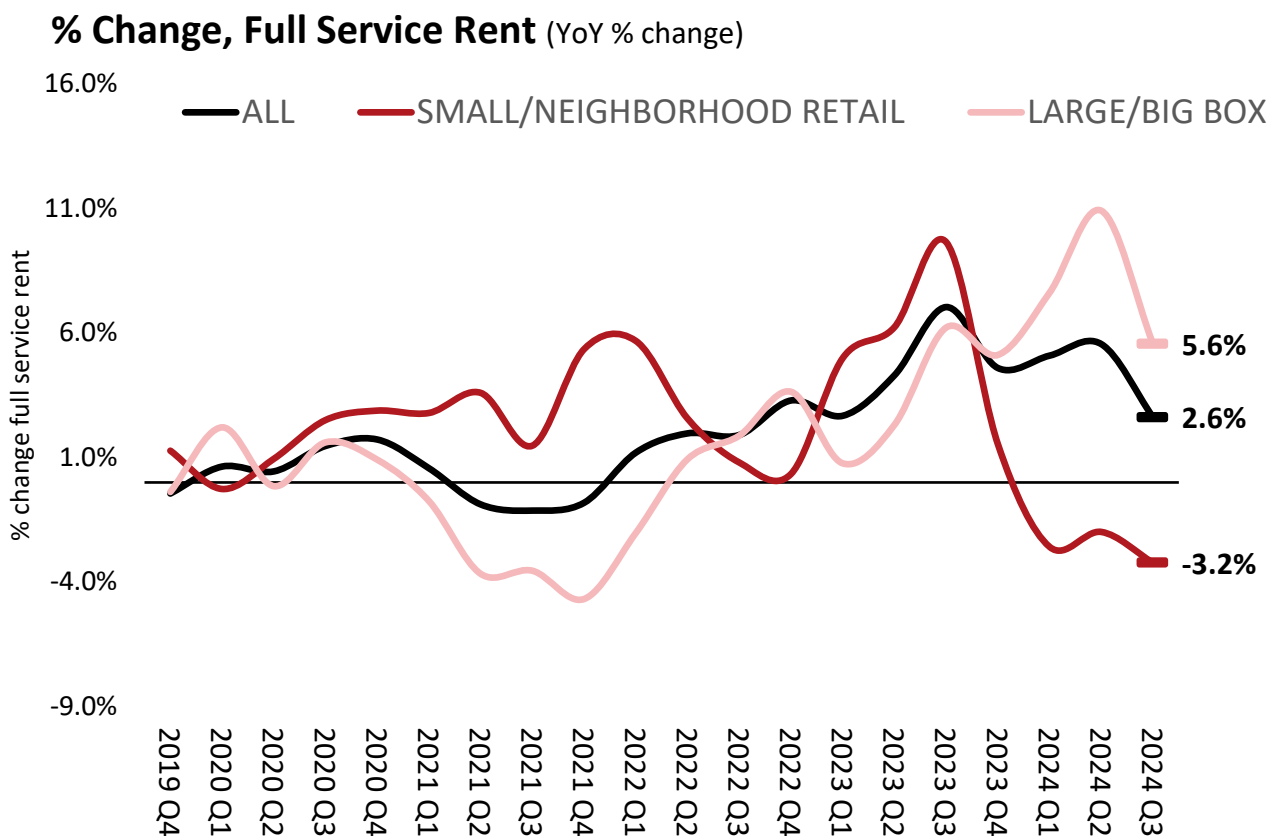
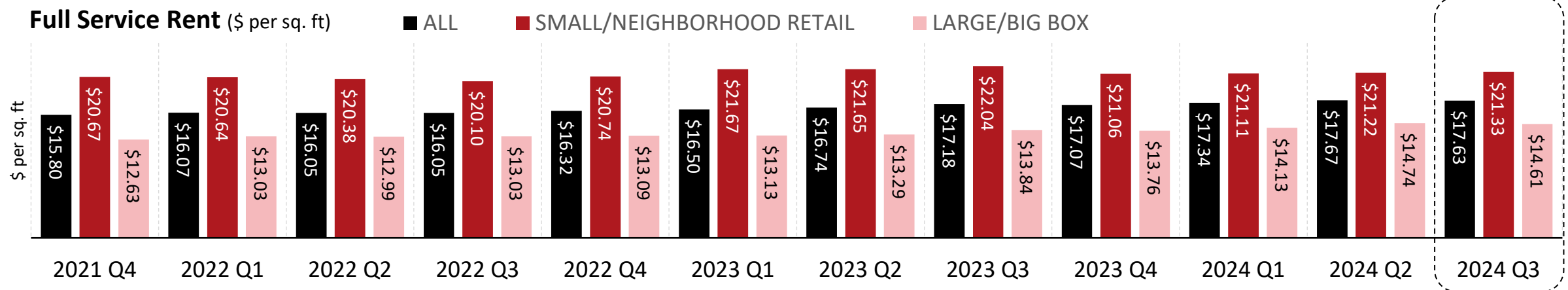


Under Construction & Net Deliveries (sq. ft)

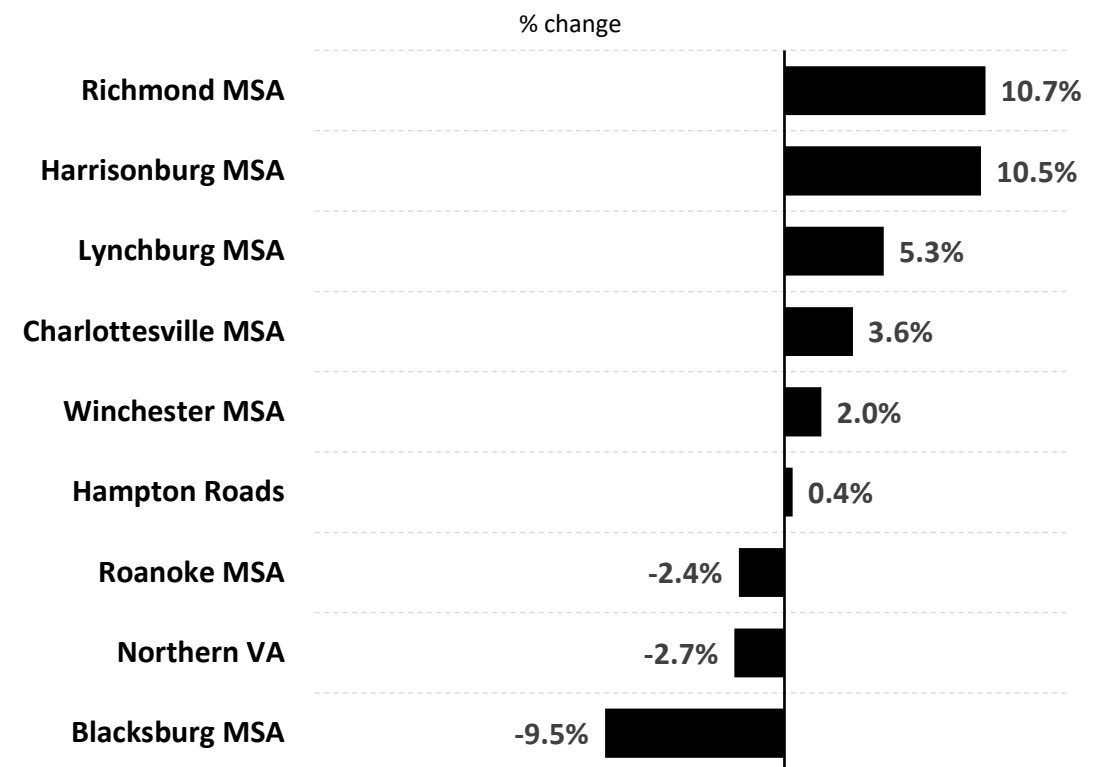


Retail Market - Rent Trends

VIRGINIA (Statewide)

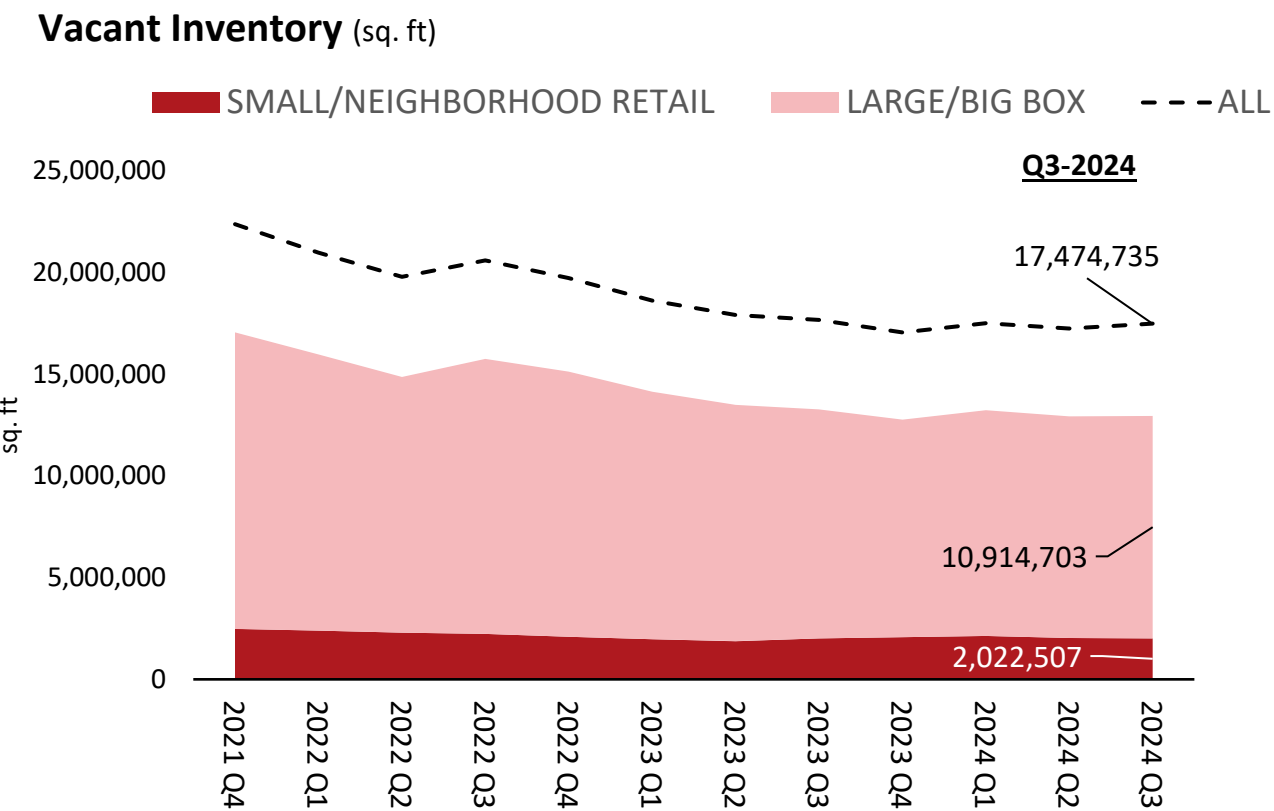
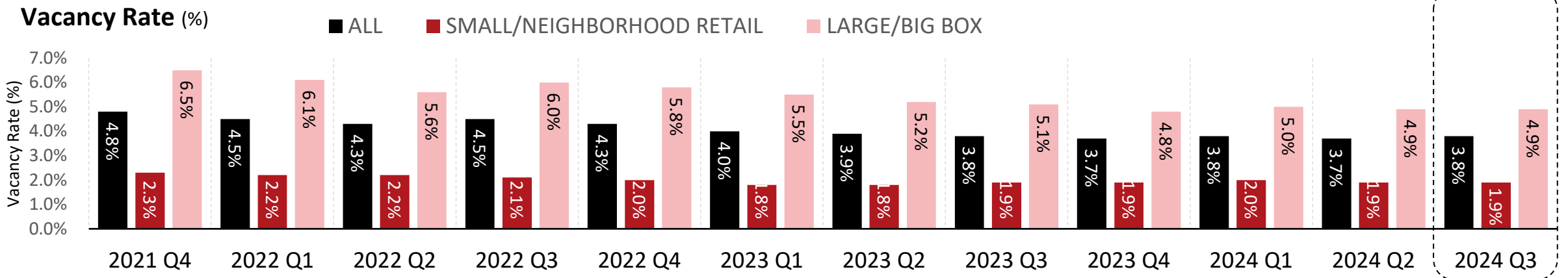


Q3-2024 by MSA: % Change, Full Service Rent (YoY % change)

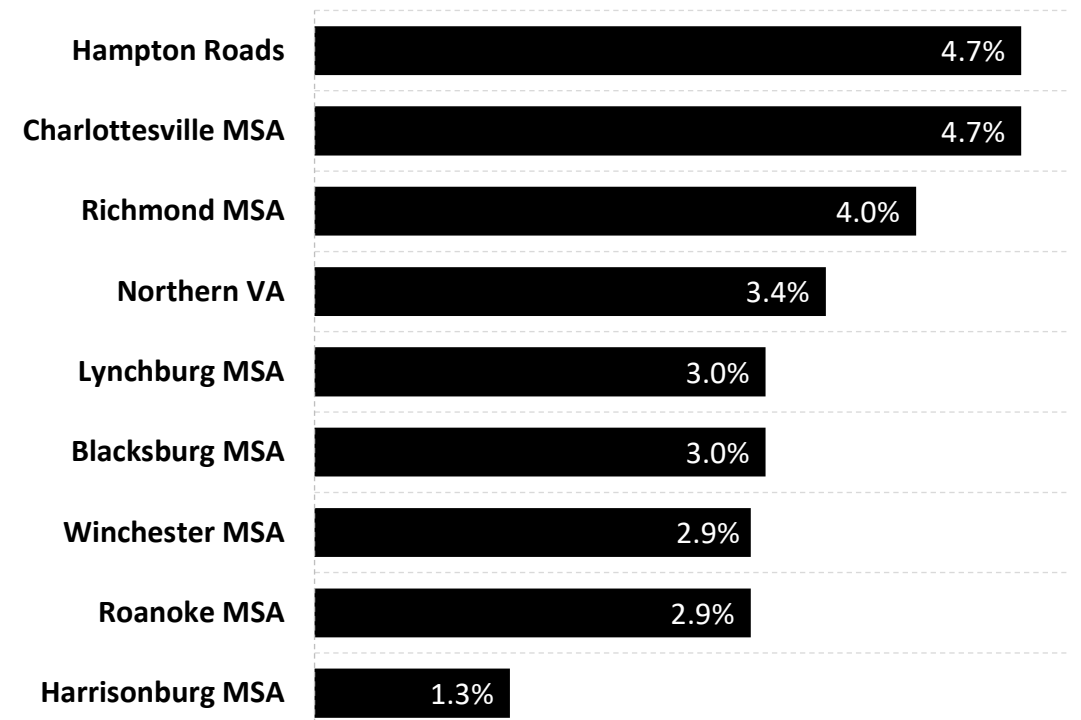


Retail Market - Vacancy Trends

VIRGINIA (Statewide)



Q3-2024 Retail Vacancy Rate by MSA



MSA TRENDS

METROPOLITAN STATISTICAL AREA

Q3



2024

RETAIL
Market Report



Snapshot of Retail Market Conditions Around Virginia

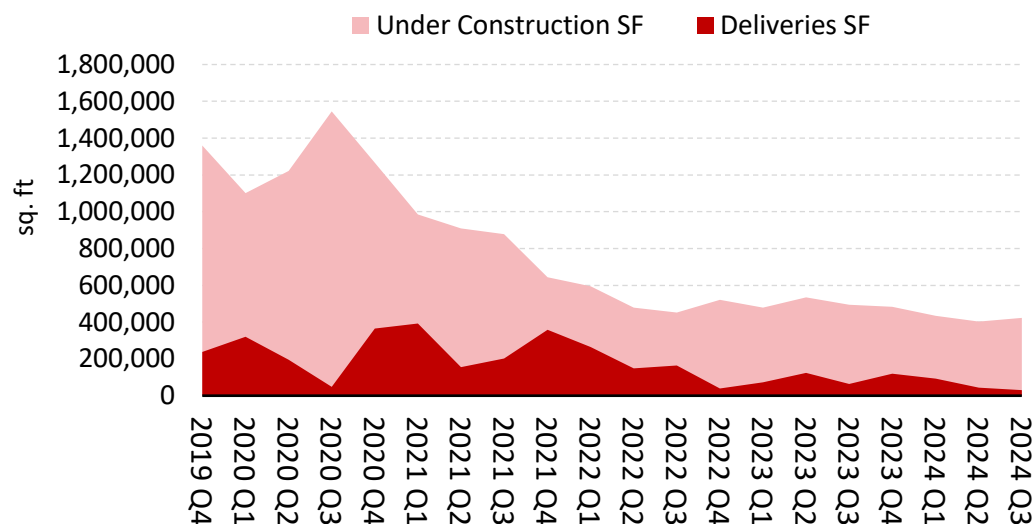
Retail Market - MSA Trends

NORTHERN VIRGINIA

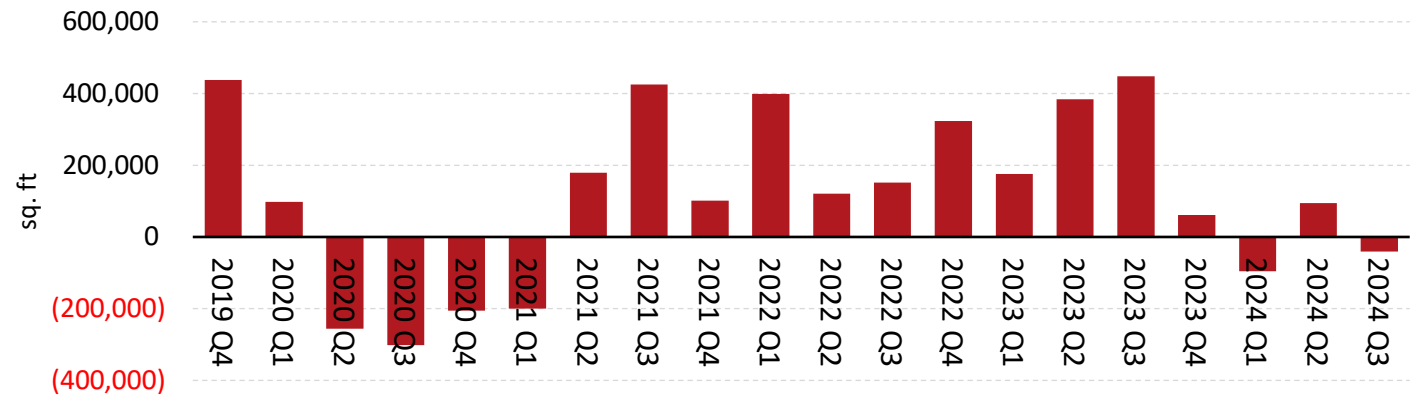
Local Market Indicator Dashboard

	Q3-2024	YoY Chg	
Total Inventory (sq. ft, millions)	138.7	0.2%	% chg
Vacancy Rate (%)	3.4%	0.1%	pct points
Net Absorption (sq. ft)	(40,847)	-489,234	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$26.75	-\$0.73	\$ per sq. ft
Deliveries (sq. ft)	30,570	-33,674	sq. ft
Under Construction (sq. ft)	422,625	-70,998	sq. ft

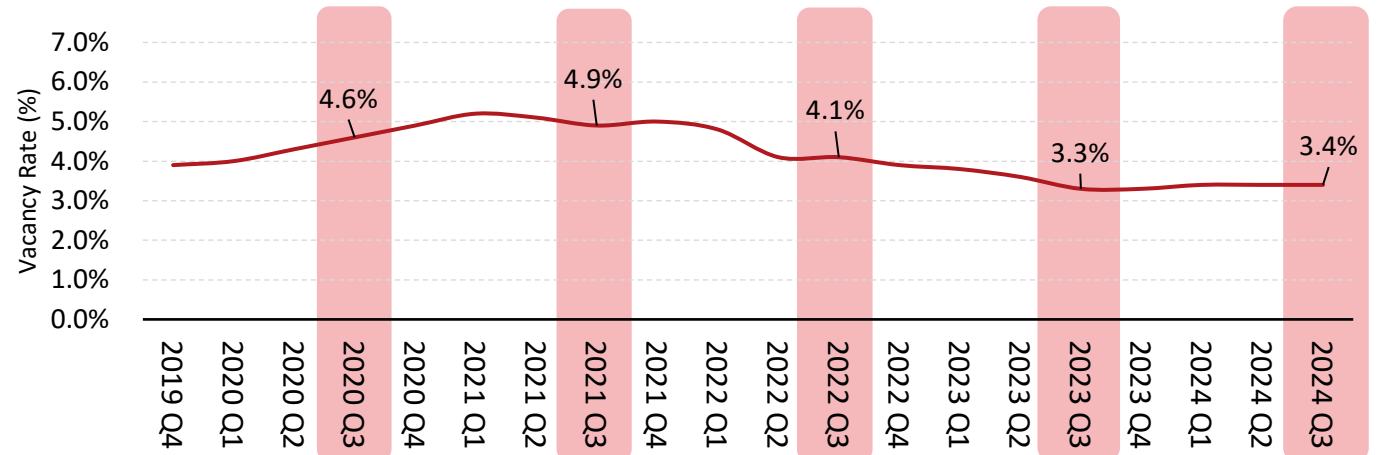
Under Construction & Net Deliveries (sq. ft)



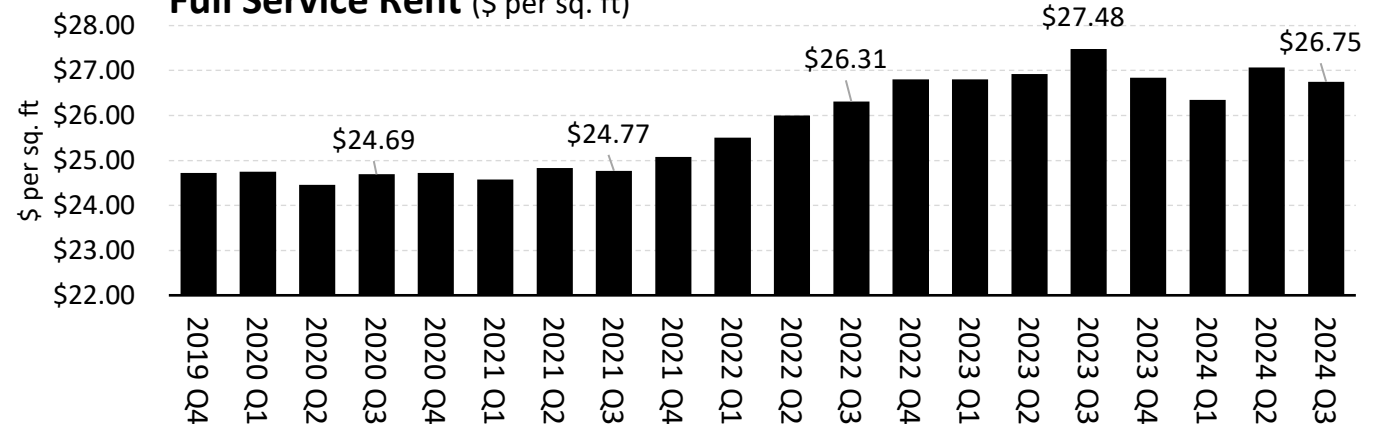
Net Absorption (sq. ft)



Vacancy Rate (%)



Full Service Rent (\$ per sq. ft)



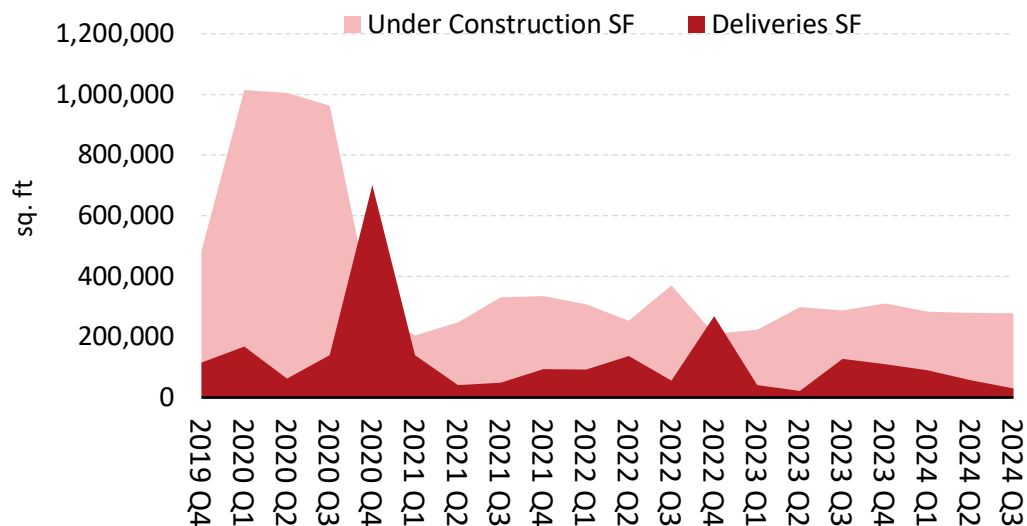
Retail Market - MSA Trends

RICHMOND MSA

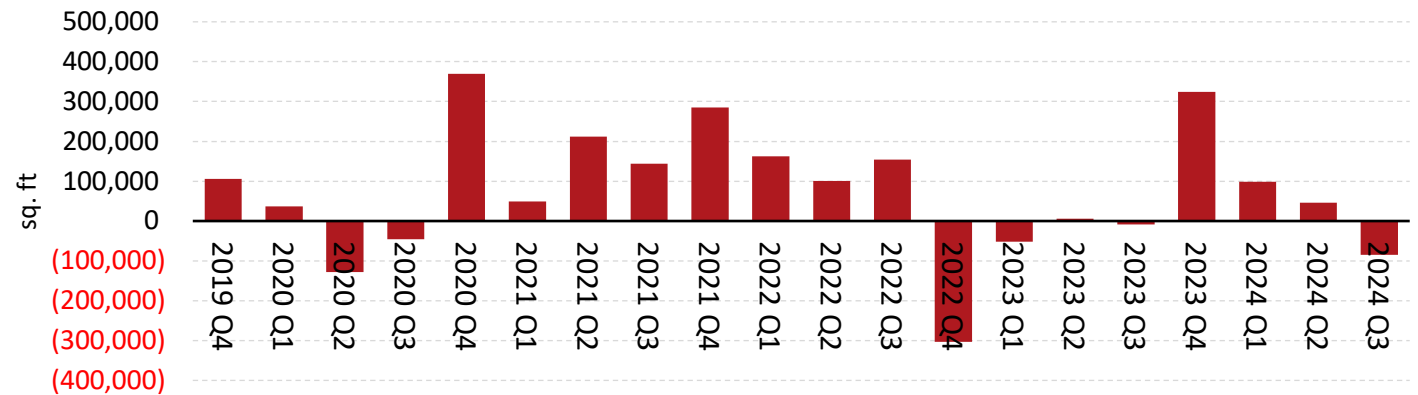
Local Market Indicator Dashboard

	Q3-2024	YoY Chg	
Total Inventory (sq. ft, millions)	80.7	0.3%	% chg
Vacancy Rate (%)	4.0%	-0.1%	pct points
Net Absorption (sq. ft)	(84,880)	-76,287	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$19.16	\$1.85	\$ per sq. ft
Deliveries (sq. ft)	29,721	-97,446	sq. ft
Under Construction (sq. ft)	277,293	-10,286	sq. ft

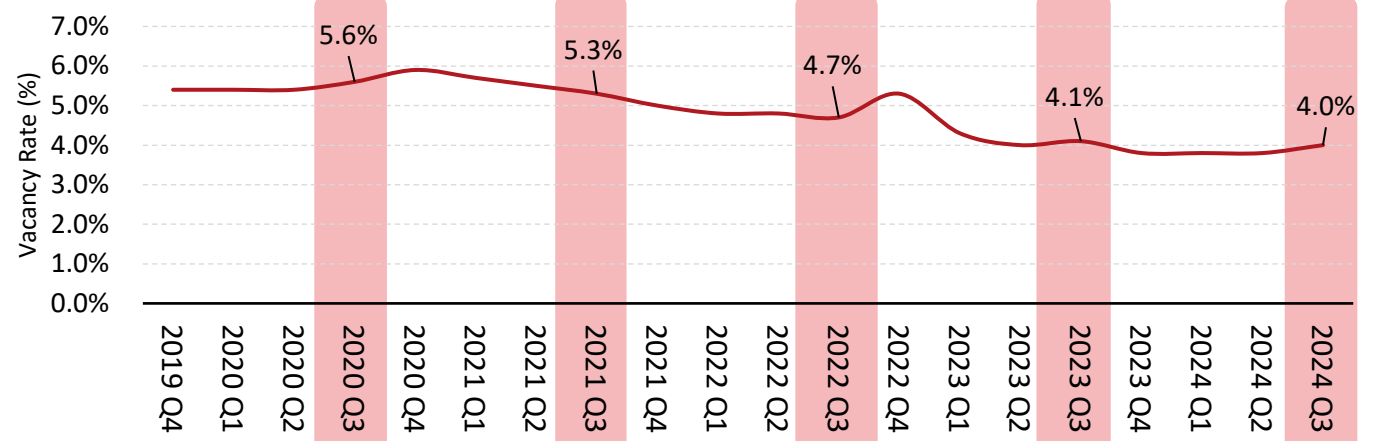
Under Construction & Net Deliveries (sq. ft)



Net Absorption (sq. ft)



Vacancy Rate (%)



Full Service Rent (\$ per sq. ft)

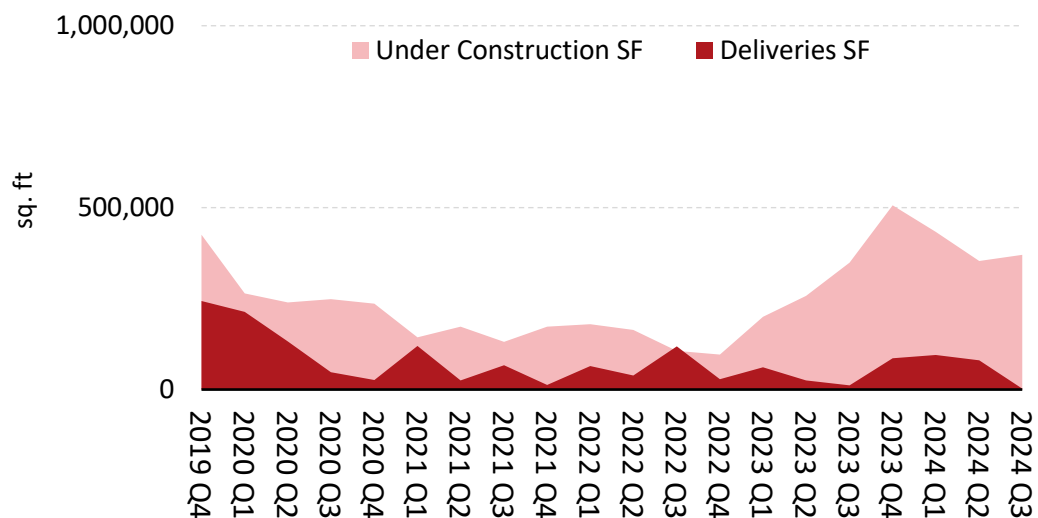


HAMPTON ROADS

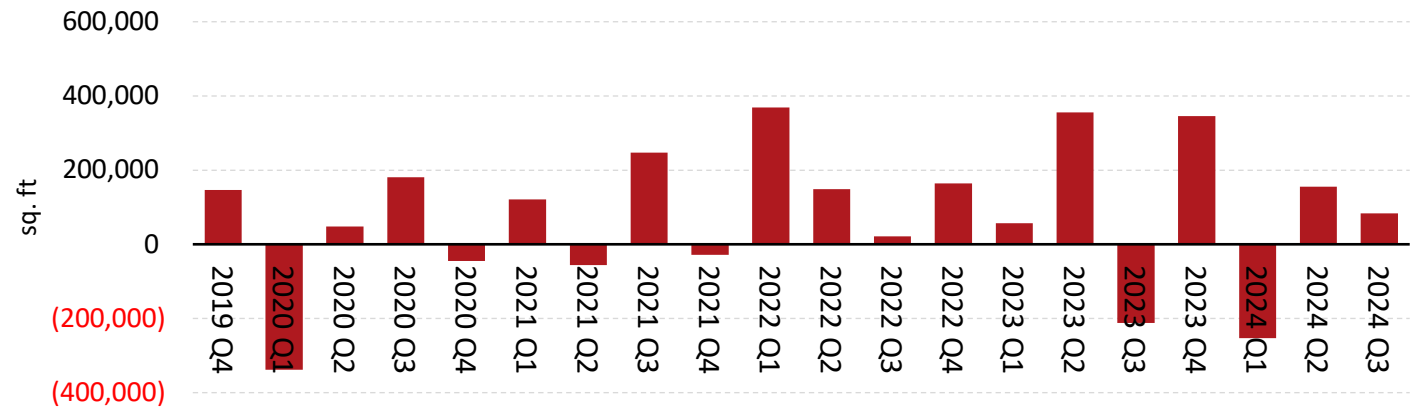
Local Market Indicator Dashboard

	Q3-2024	YoY Chg	
Total Inventory (sq. ft, millions)	107.9	0.2%	% chg
Vacancy Rate (%)	4.7%	-0.1%	pct points
Net Absorption (sq. ft)	82,816	294,918	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$15.86	\$0.07	\$ per sq. ft
Deliveries (sq. ft)	2,500	-9,200	sq. ft
Under Construction (sq. ft)	370,793	22,392	sq. ft

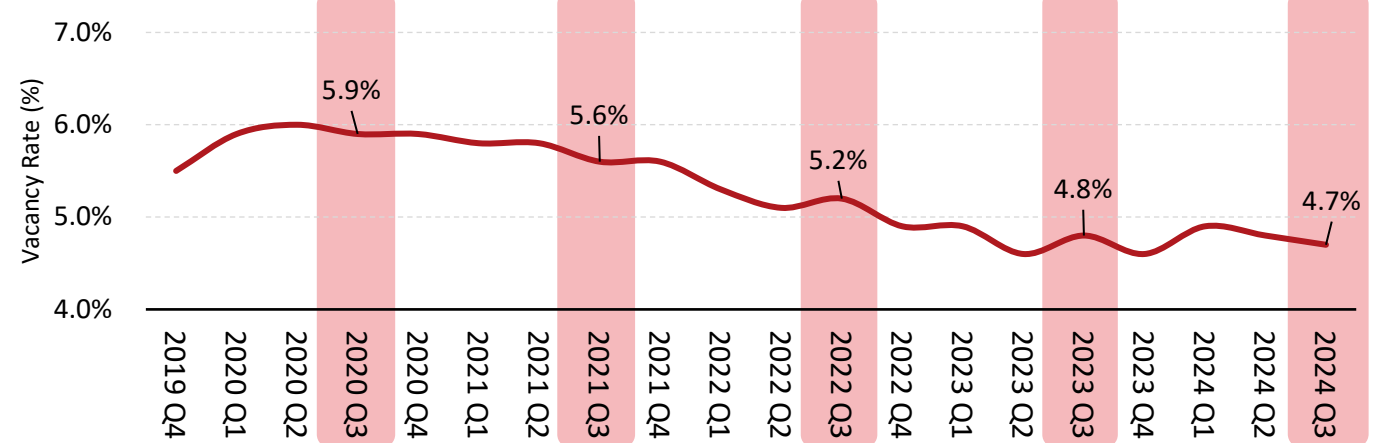
Under Construction & Net Deliveries (sq. ft)



Net Absorption (sq. ft)



Vacancy Rate (%)



Full Service Rent (\$ per sq. ft)

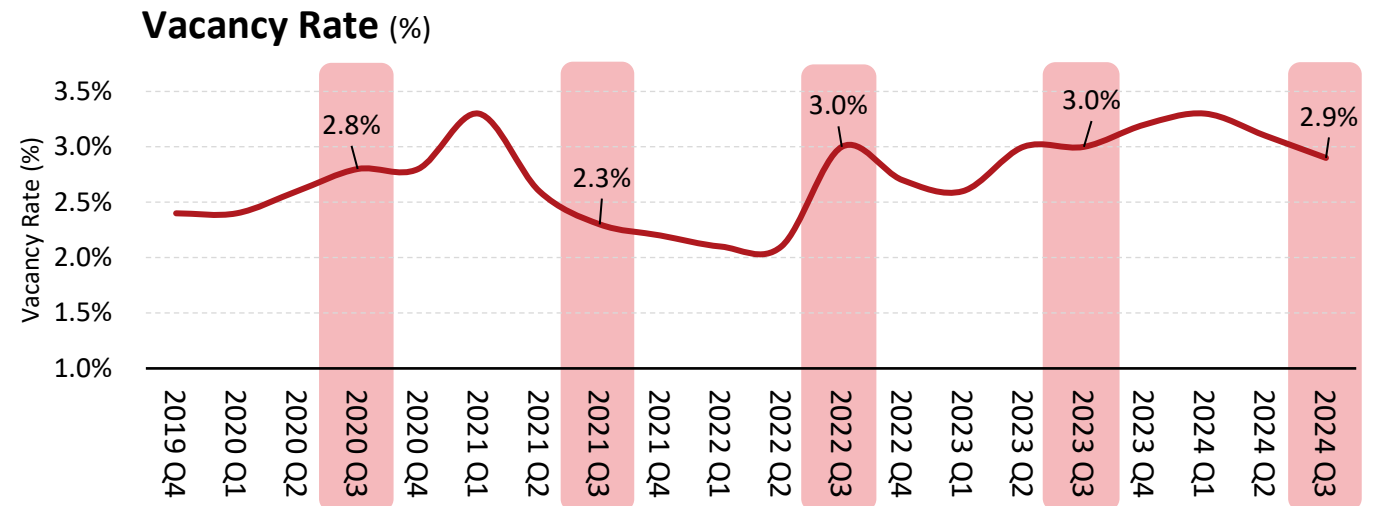
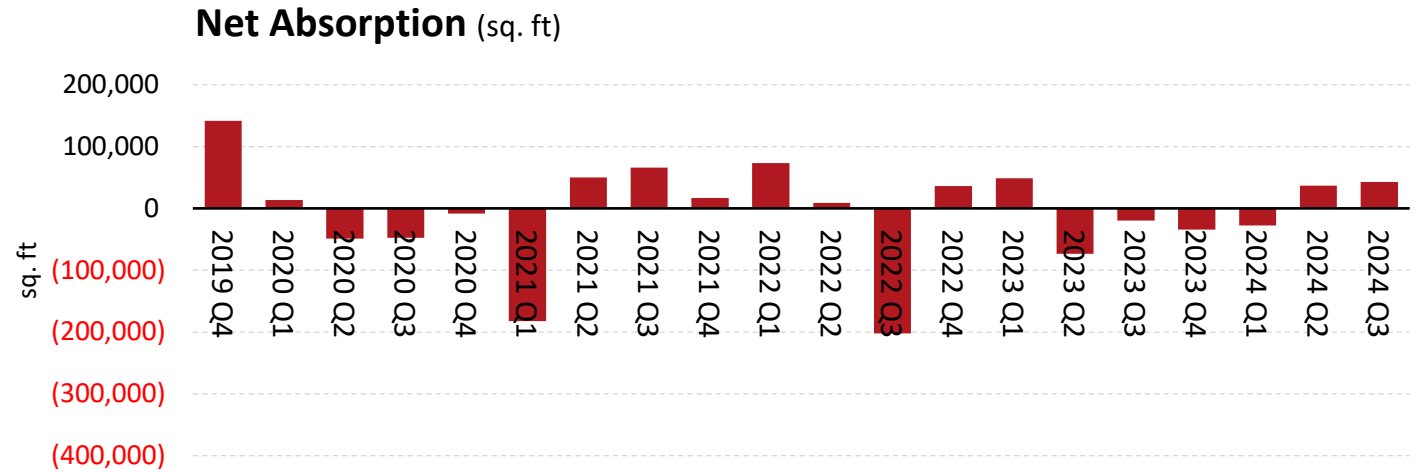


Retail Market - MSA Trends

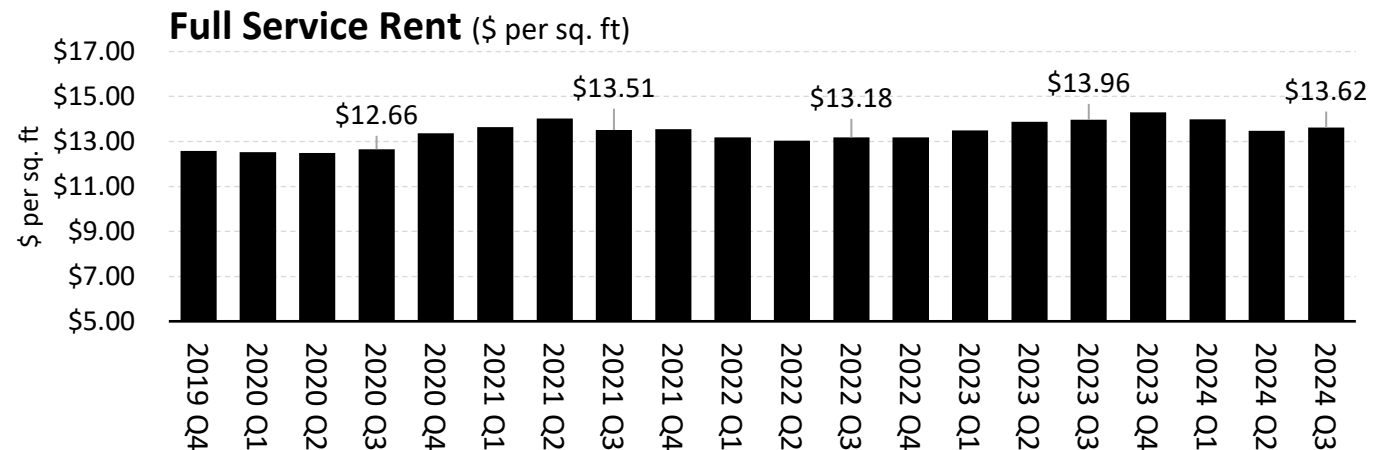
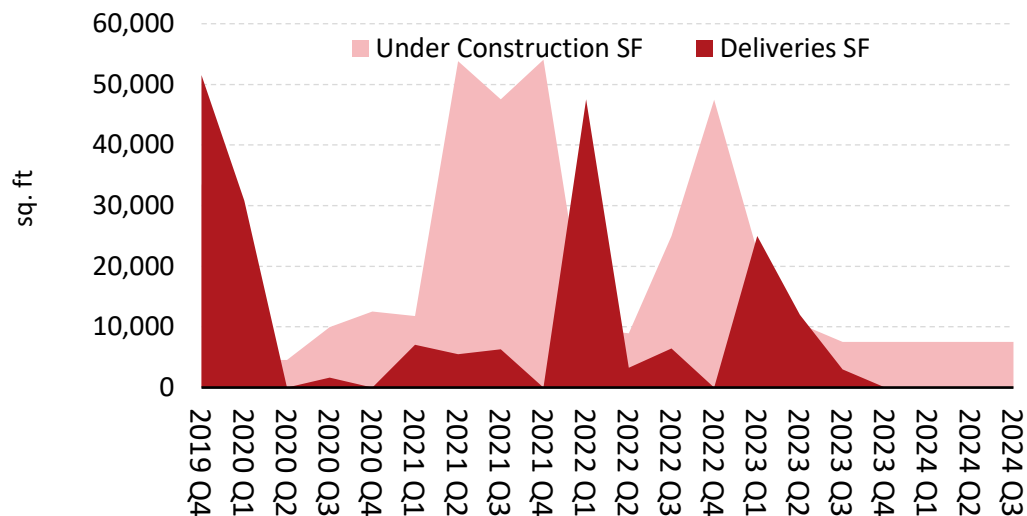
ROANOKE MSA

Local Market Indicator Dashboard

	Q3-2024	YoY Chg	
Total Inventory (sq. ft, millions)	24.2	0.0%	% chg
Vacancy Rate (%)	2.9%	-0.1%	pct points
Net Absorption (sq. ft)	42,932	62,309	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$13.62	-\$0.34	\$ per sq. ft
Deliveries (sq. ft)	0	-3,000	sq. ft
Under Construction (sq. ft)	7,500	0	sq. ft



Under Construction & Net Deliveries (sq. ft)

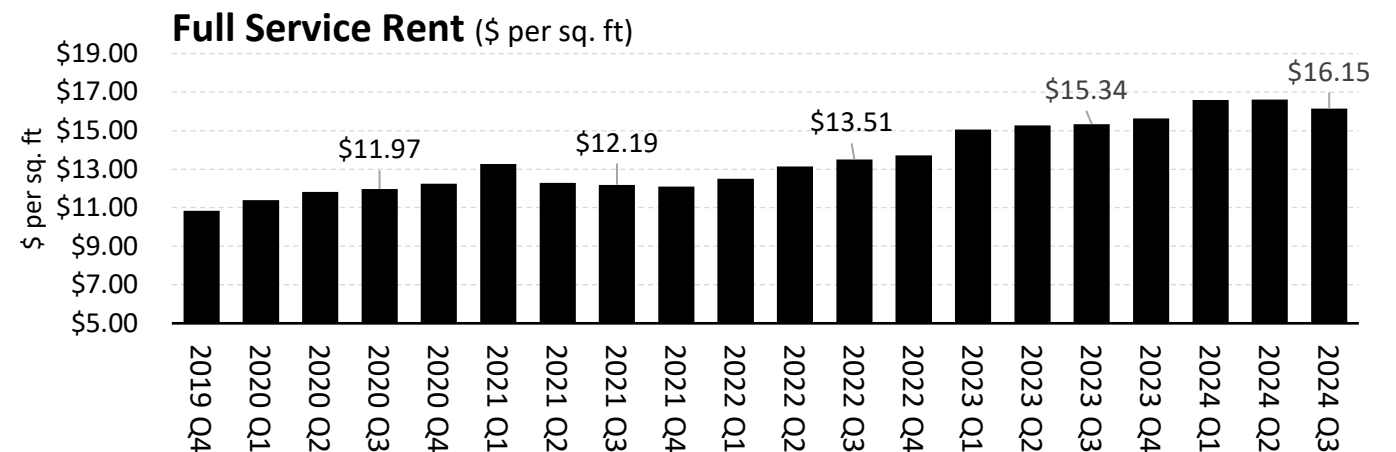
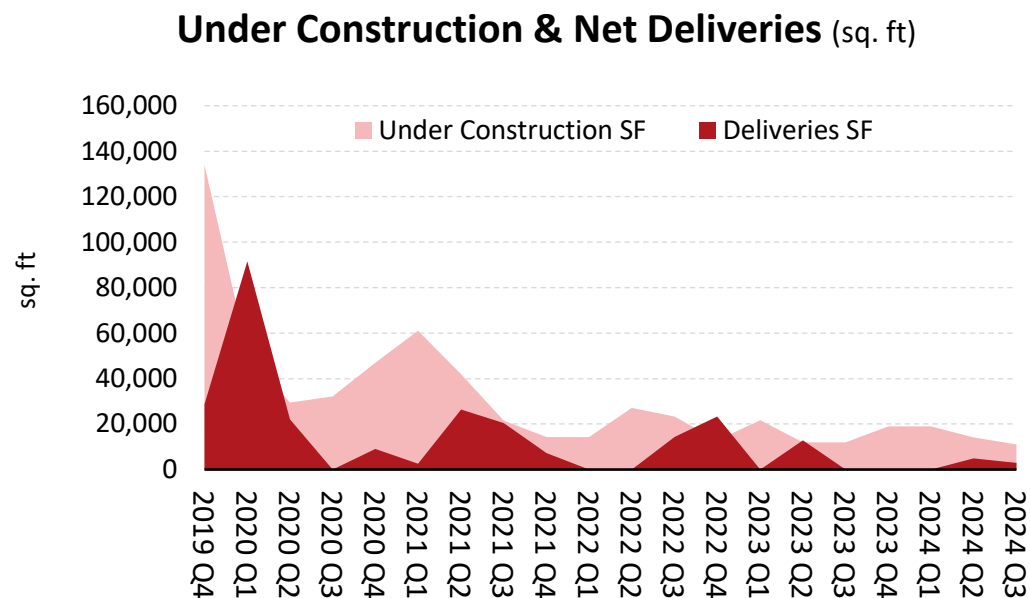
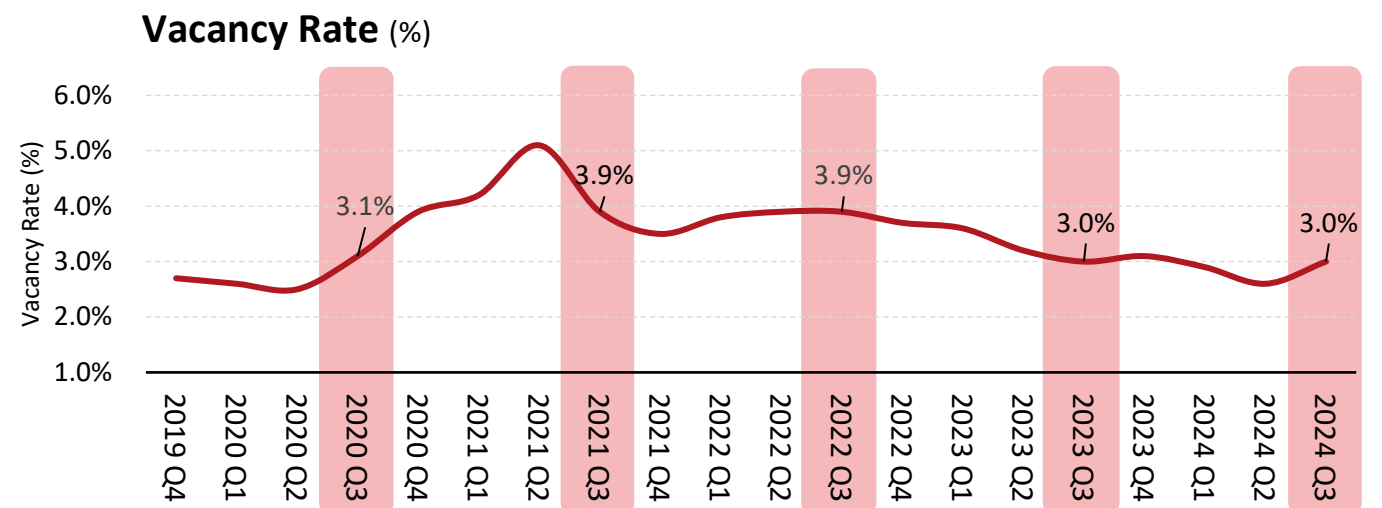
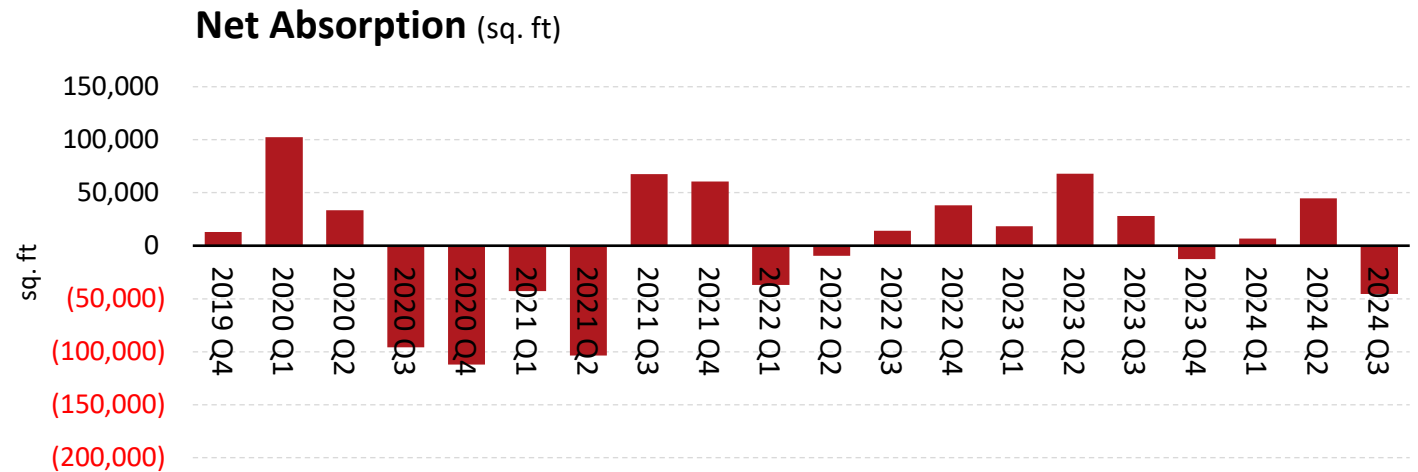


Retail Market - MSA Trends

LYNCHBURG MSA

Local Market Indicator Dashboard

	Q3-2024	YoY Chg	
Total Inventory (sq. ft, millions)	14.2	-0.1%	% chg
Vacancy Rate (%)	3.0%	0	pct points
Net Absorption (sq. ft)	(45,551)	-73,745	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$16.15	\$0.81	\$ per sq. ft
Deliveries (sq. ft)	2,970	2,970	sq. ft
Under Construction (sq. ft)	11,130	-840	sq. ft

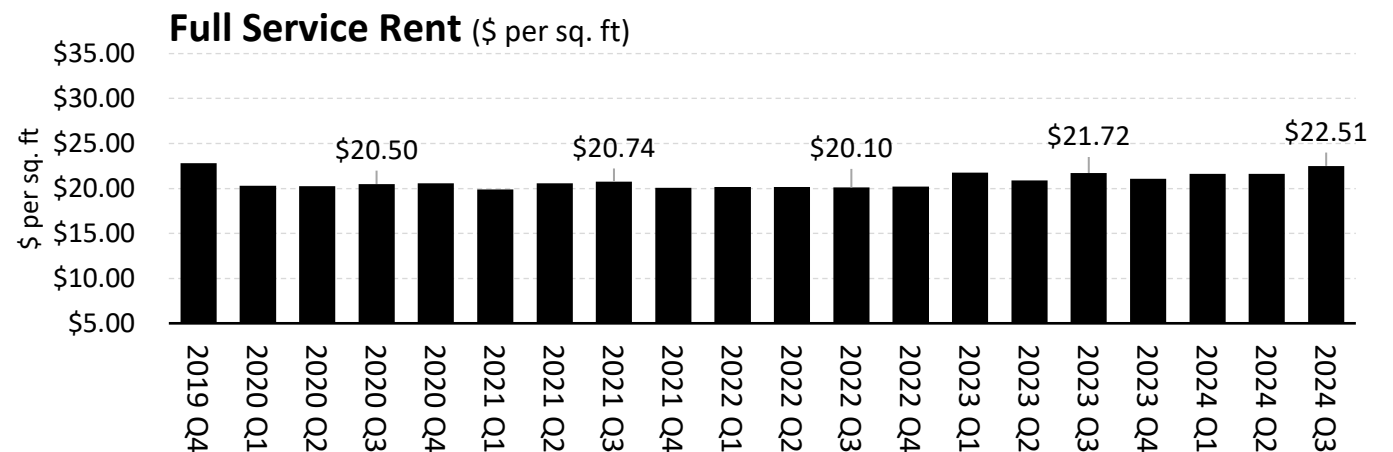
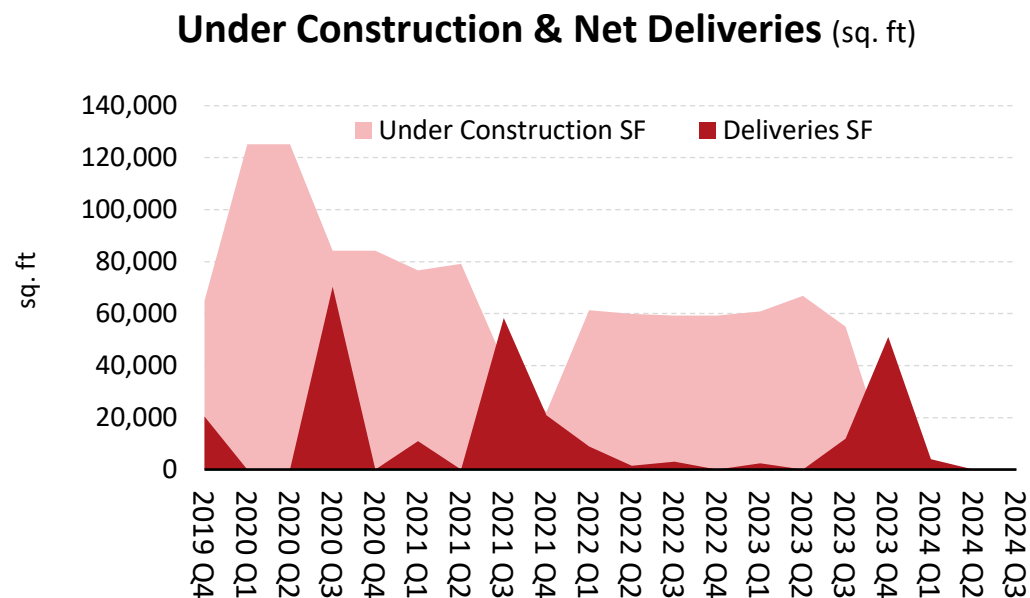
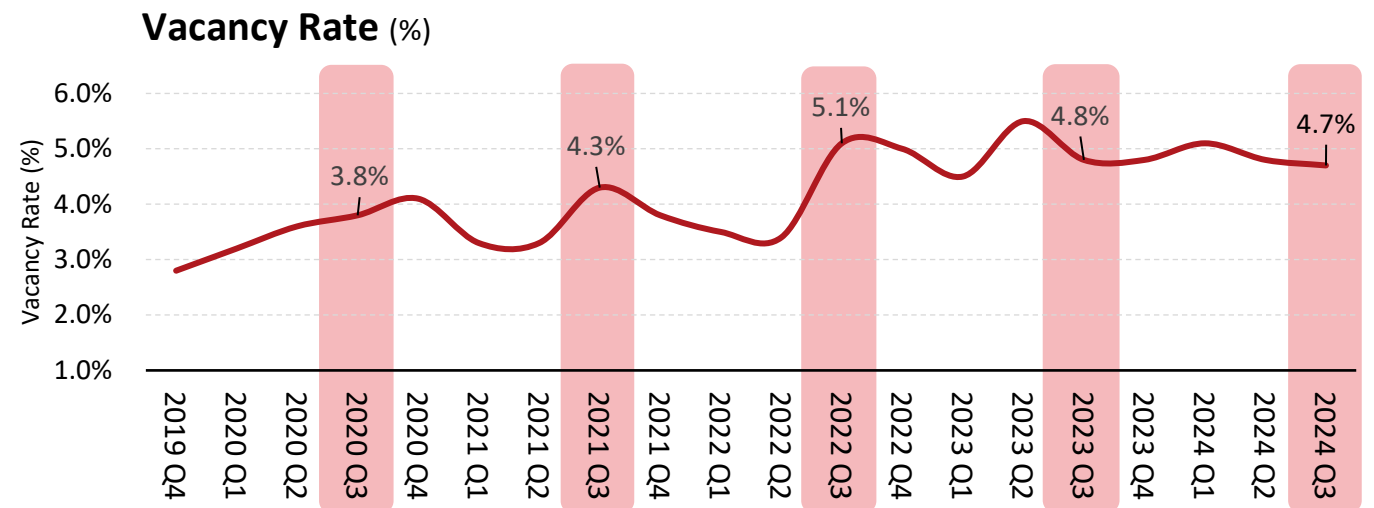
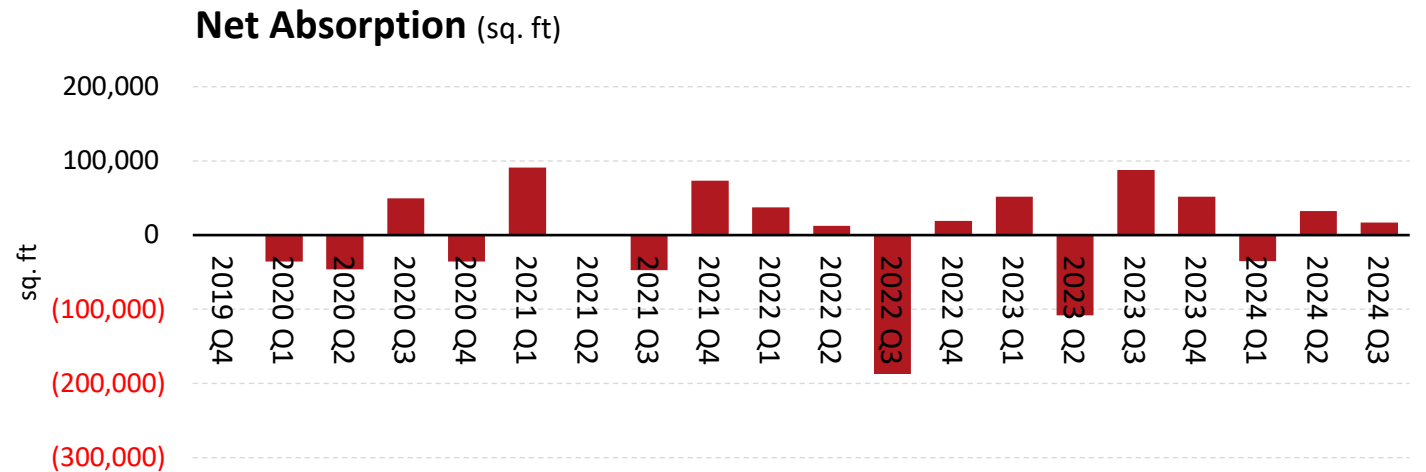


Retail Market - MSA Trends

CHARLOTTESVILLE MSA

Local Market Indicator Dashboard

	Q3-2024	YoY Chg
Total Inventory (sq. ft, millions)	10.6	0.5% % chg
Vacancy Rate (%)	4.7%	-0.1% pct points
Net Absorption (sq. ft)	16,680	-71,287 sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$22.51	\$0.79 \$ per sq. ft
Deliveries (sq. ft)	0	-11,820 sq. ft
Under Construction (sq. ft)	0	-55,044 sq. ft



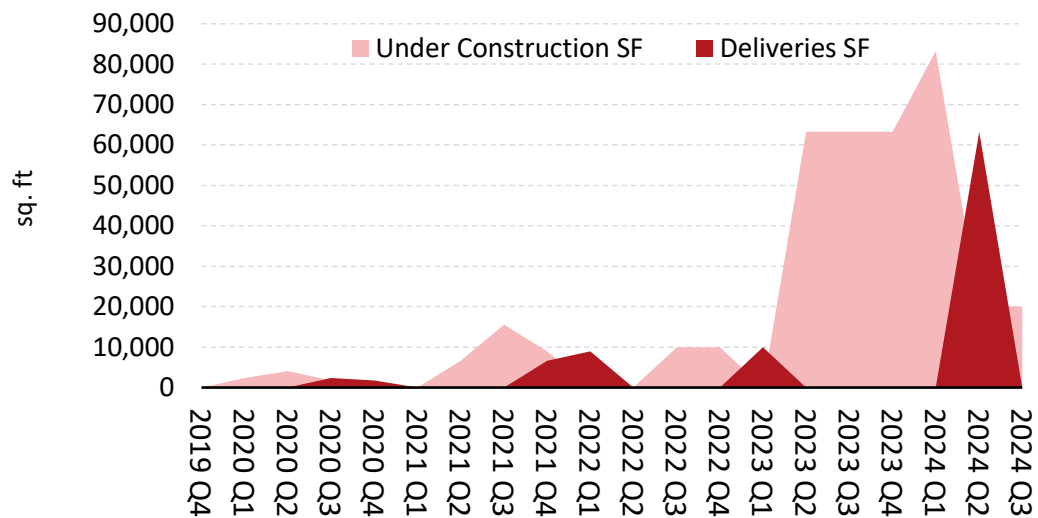
Retail Market - MSA Trends

BLACKSBURG MSA

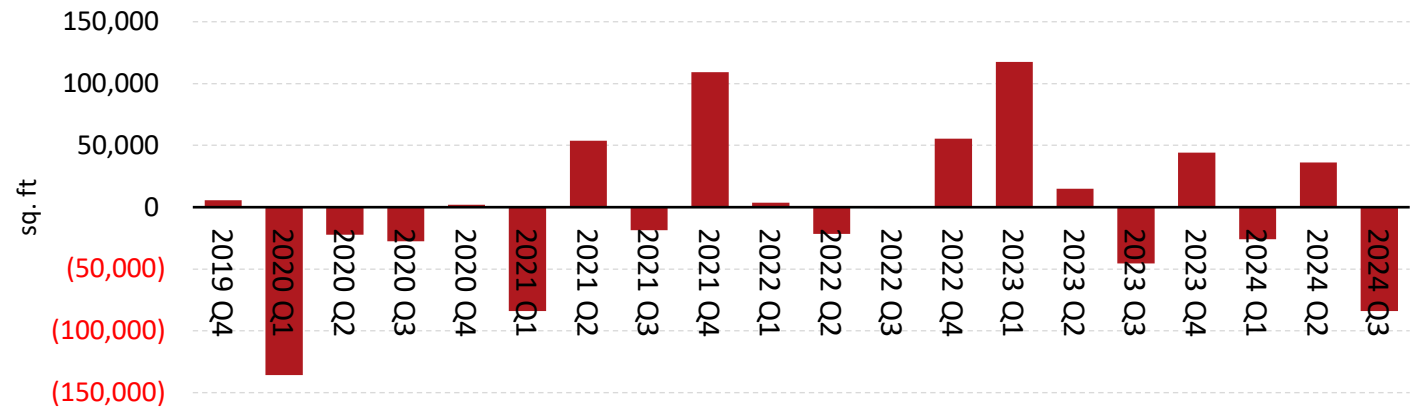
Local Market Indicator Dashboard

	Q3-2024	YoY Chg	
Total Inventory (sq. ft, millions)	9.4	0.7%	% chg
Vacancy Rate (%)	3.0%	1.0%	pct points
Net Absorption (sq. ft)	(84,040)	-38,677	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$11.37	-\$1.20	\$ per sq. ft
Deliveries (sq. ft)	0	0	sq. ft
Under Construction (sq. ft)	20,000	-43,230	sq. ft

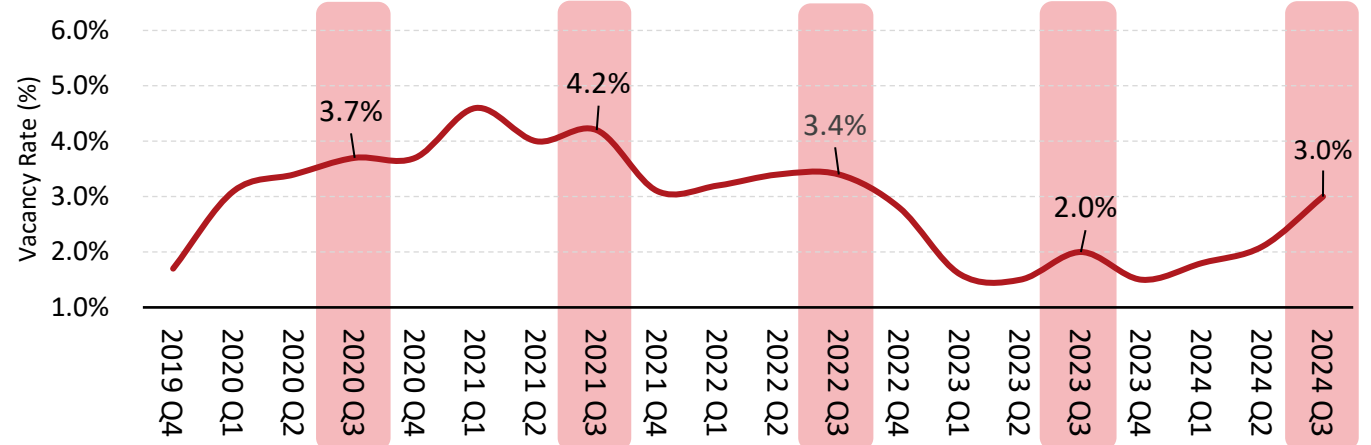
Under Construction & Net Deliveries (sq. ft)



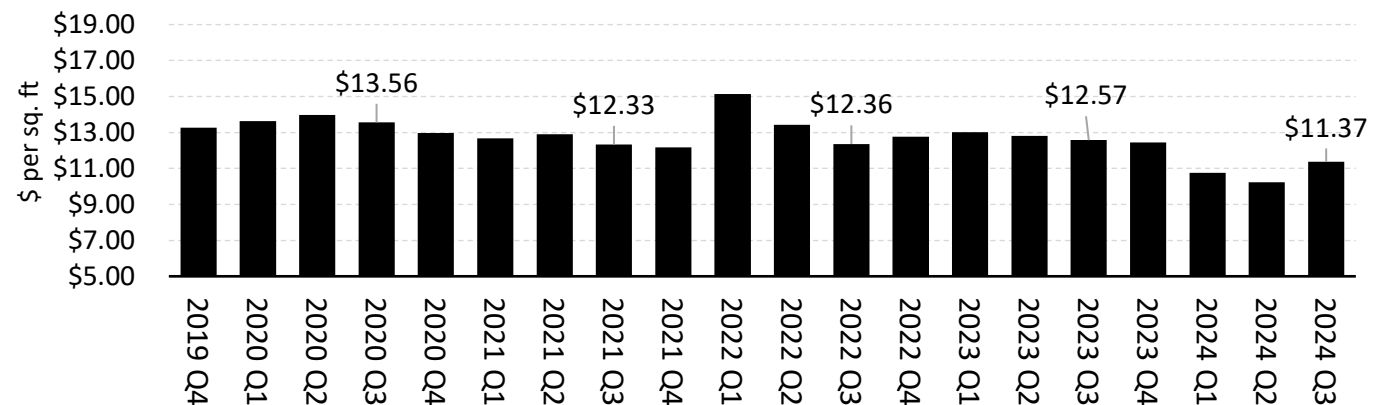
Net Absorption (sq. ft)



Vacancy Rate (%)



Full Service Rent (\$ per sq. ft)



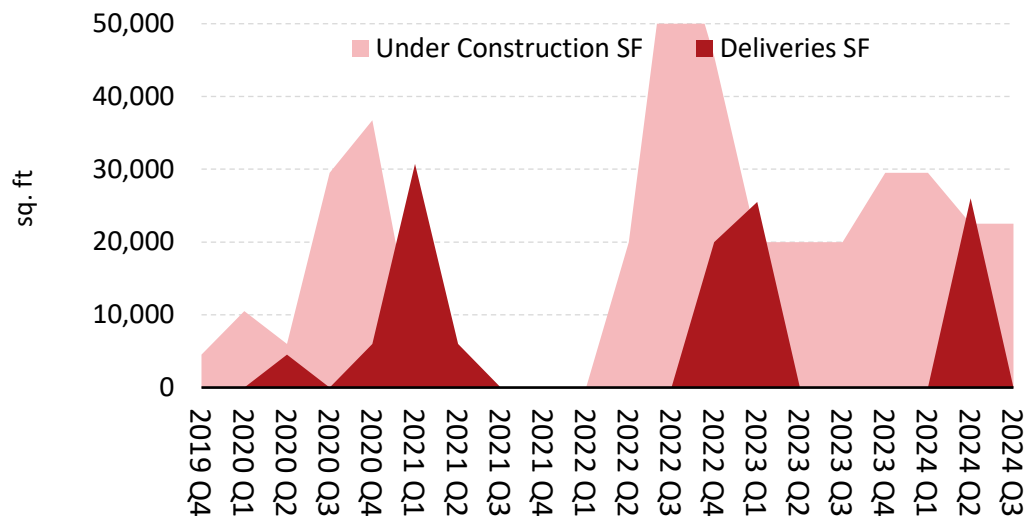
Retail Market - MSA Trends

WINCHESTER MSA

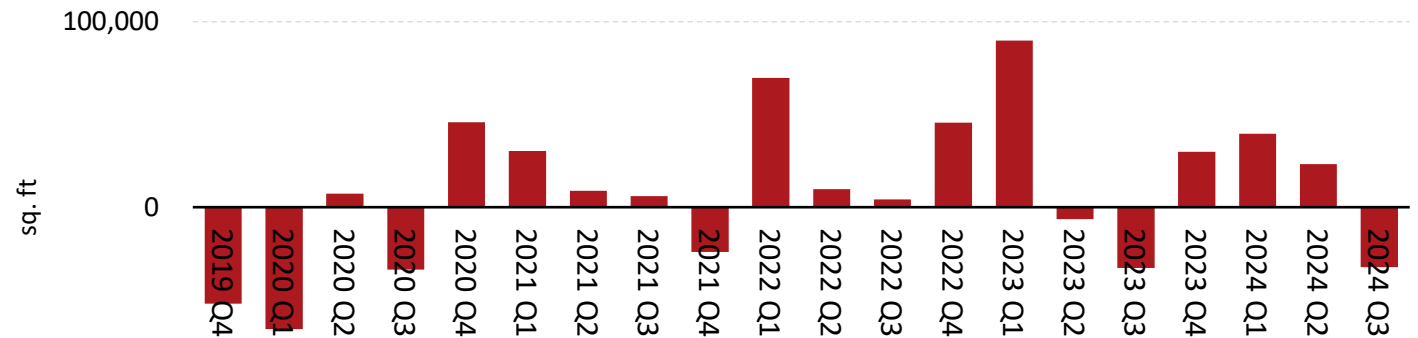
Local Market Indicator Dashboard

	Q3-2024	YoY Chg	
Total Inventory (sq. ft, millions)	8.9	0.3%	% chg
Vacancy Rate (%)	2.9%	-0.4%	pct points
Net Absorption (sq. ft)	(32,264)	435	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$14.61	\$0.28	\$ per sq. ft
Deliveries (sq. ft)	0	0	sq. ft
Under Construction (sq. ft)	22,500	2,500	sq. ft

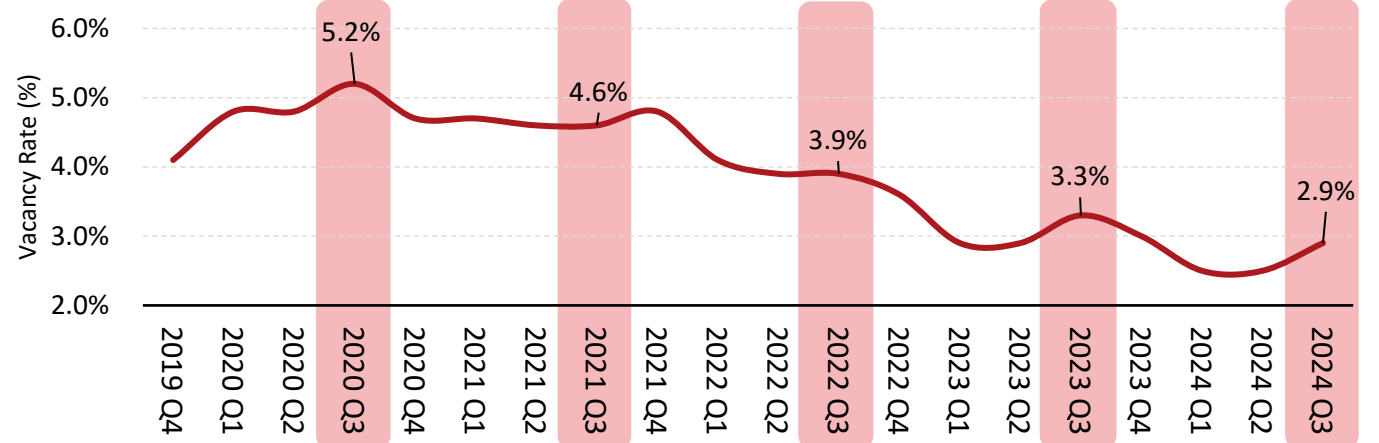
Under Construction & Net Deliveries (sq. ft)



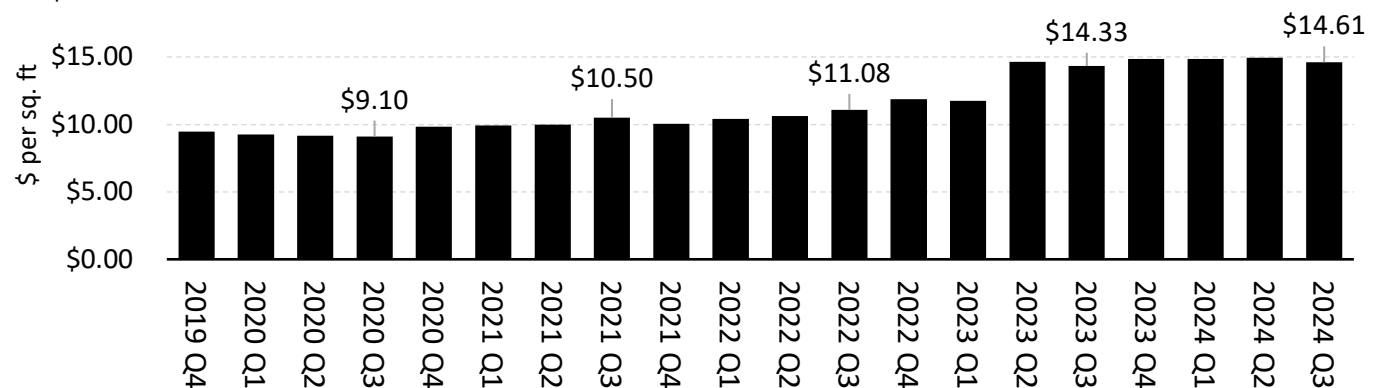
Net Absorption (sq. ft)



Vacancy Rate (%)



Full Service Rent (\$ per sq. ft)

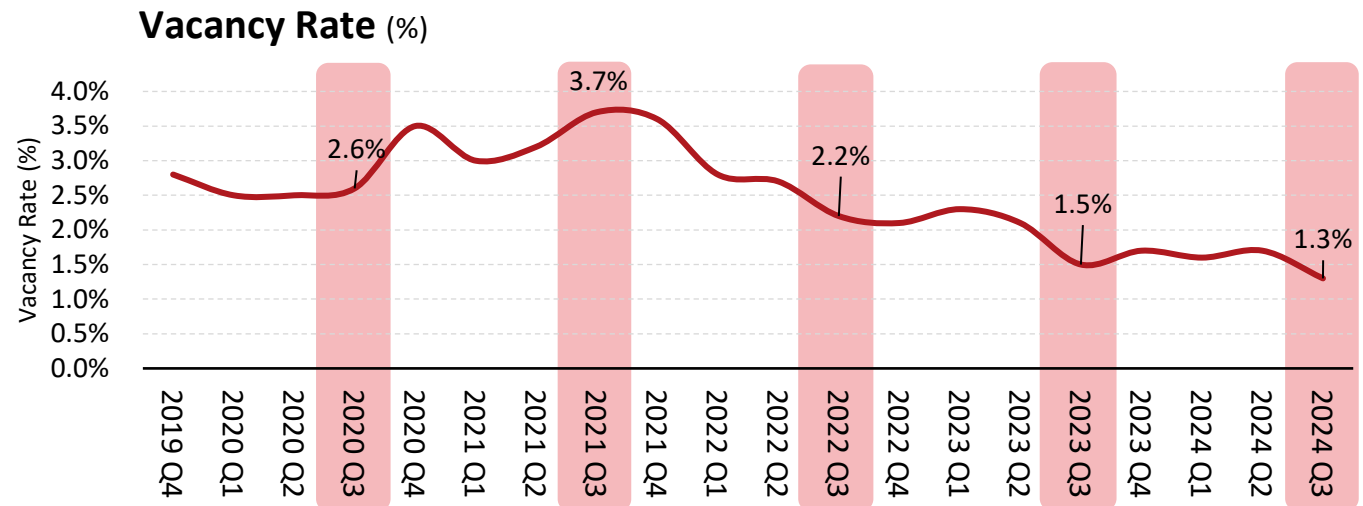
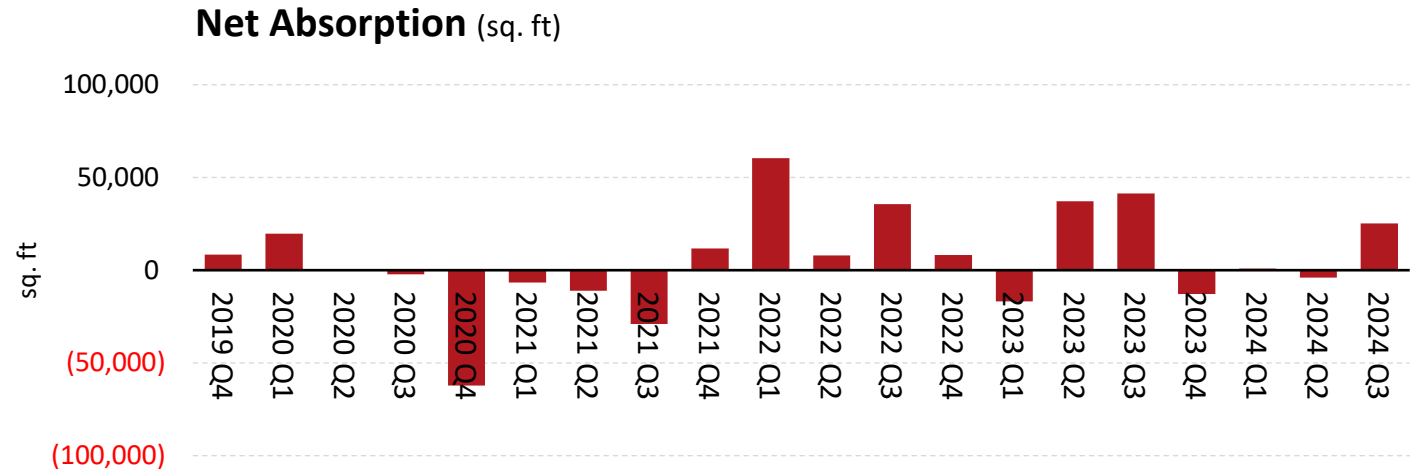


Retail Market - MSA Trends

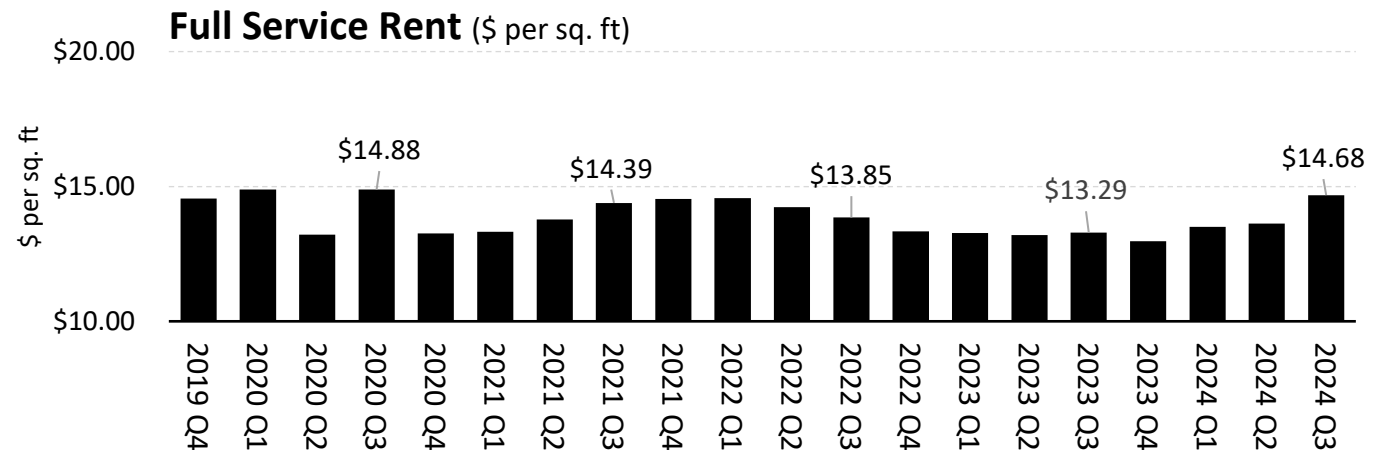
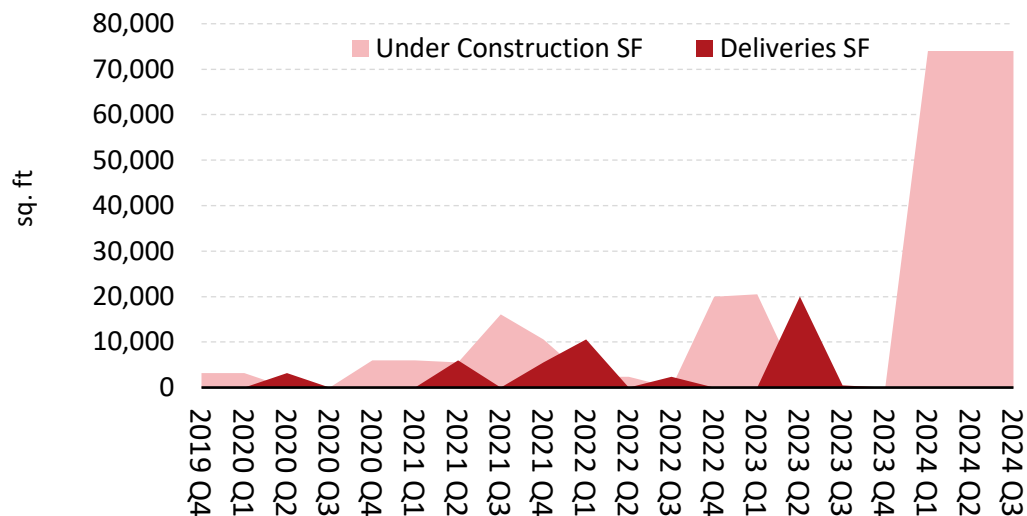
HARRISONBURG MSA

Local Market Indicator Dashboard

	Q3-2024	YoY Chg	
Total Inventory (sq. ft, millions)	6.8	0	% chg
Vacancy Rate (%)	1.3%	-0.2%	pct points
Net Absorption (sq. ft)	25,300	-16,179	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$14.68	\$1.39	\$ per sq. ft
Deliveries (sq. ft)	0	-510	sq. ft
Under Construction (sq. ft)	74,000	74,000	sq. ft



Under Construction & Net Deliveries (sq. ft)



The Virginia REALTORS® association is the largest professional trade association in Virginia, representing 38,000 REALTORS® engaged in the residential and commercial real estate business. The Virginia REALTORS® association serves as the advocate for homeownership and private property rights and represents the interests of real estate professionals and property owners in the Commonwealth of Virginia.

NOTE: The term REALTOR® is a registered collective membership mark that identifies a real estate professional who is a member of the National Association of REALTORS® and subscribes to its strict code of ethics.

All inquiries regarding this report may be directed to:

Robin Spensieri

Virginia REALTORS® Vice President of
Communications and Media Relations
rspensieri@virginiarealtors.org
404-433-6015

Data and analysis provided by Virginia
REALTORS® Chief Economist.

The numbers reported here are based on
data from CoStar.

Cover Photo: ©CarolynFranks/Adobe Stock
TOC Graphic: ©newb1/Adobe Stock

