



Q4 2024 RETAIL MARKET REPORT

Retail Market - Key Trends Snapshot

Retail Market

Overview: Bolstered by continued resilience of consumer spending, demand for retail space is robust. Positive net absorption resumed to close out 2024 statewide, and rent levels continue to climb in most metro regions in Virginia. Overall vacancy levels remain tight and the new construction pipeline continues to drift downward.

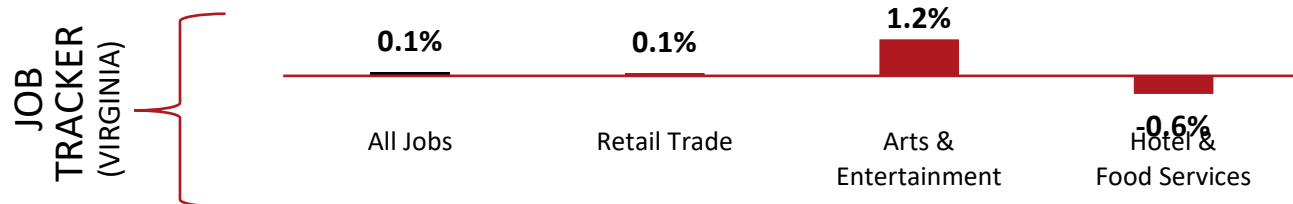
Absorption: The retail sector saw positive absorption at the end of 2024 with nearly 694,000 sq ft of space absorbed. Across the state, large/big box retail accounted for most of the absorbed space. The local market with the highest absorption level in Q4 was Hampton Roads (306,000 sq ft). Blacksburg and Harrisonburg were the only local markets to experience negative absorption this quarter.

Vacancy Rate: Statewide, the retail vacancy rate was 3.7% in Q4 2024, unchanged from a year ago. Limited availability and a drop-off in new construction have kept rates stable. Vacancy rates for small/neighborhood and large/big box retail have also stayed the same over the past year. At 4.5%, Hampton Roads and Charlottesville had the highest vacancy rate in the fourth quarter while Harrisonburg had the lowest rate at 1.4%.

Rent: Demand for retail space in Virginia held firm leading to an increase in rent prices. Rent went up 4.3%, bringing the overall statewide price for retail space to \$17.79 per sq ft, the highest it has been in over 12 years. Large/Big Box retail had the biggest increase in rent growth this quarter at 6.1%. There was double digit rent growth in Harrisonburg and Charlottesville in Q4 compared to a year ago.

Supply+ Deliveries: Retail deliveries fell in the fourth quarter with about 215,000 sq ft of retail space, down 46.8% from the same time last year. New construction also fell this quarter, decreasing by 17.9%. Both Hampton Roads and Northern Virginia accounted for the majority of delivered and under construction retail space in the final quarter of 2024.

Retail-Supporting Job Sectors (% Chg Oct-24 to Nov-24, seasonally asjused)

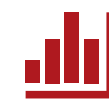


VIRGINIA (Statewide)



Market Indicator Dashboard

	YoY Chg	Q4-2024	Indicator
% chg	0.1%	462,790,955	Total Inventory (sq. ft)
sq. ft	-294,863	693,833	Net Absorption (sq. ft)
pct point	0	3.7%	Vacancy Rate (%)
\$ per sq. ft	\$0.73	\$17.79	Full Service Rent (\$ per sq. ft)
sq. ft	-189,401	215,477	New Supply Delivered (sq. ft)
sq. ft	-263,041	1,208,010	Under Construction (sq. ft)

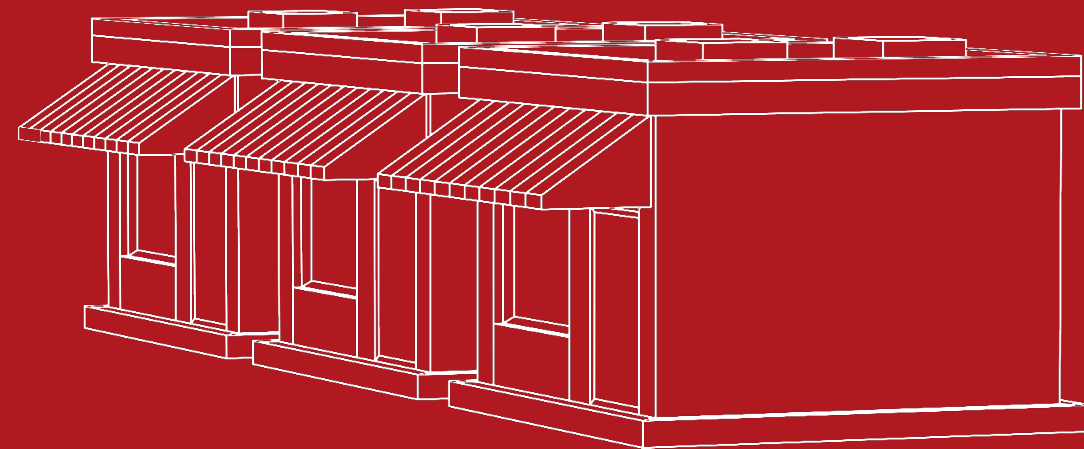


Economic Indicator Dashboard

	MoM % Chg	Nov-24	Indicator
% chg	0.1%	4.3	Total Jobs (in millions, seasonally adjusted)
% chg	-0.1%	816.9	Retail-Supporting Jobs (in thousands, seasonally adjusted)
pct point	0.1%	3.0%	Unemployment Rate (% seasonally adjusted)
pct point	QoQ Chg	Q3-2024	Gross Domestic Product (% chg from prior year)
	0.1%	3.1	

Virginia Retail Market

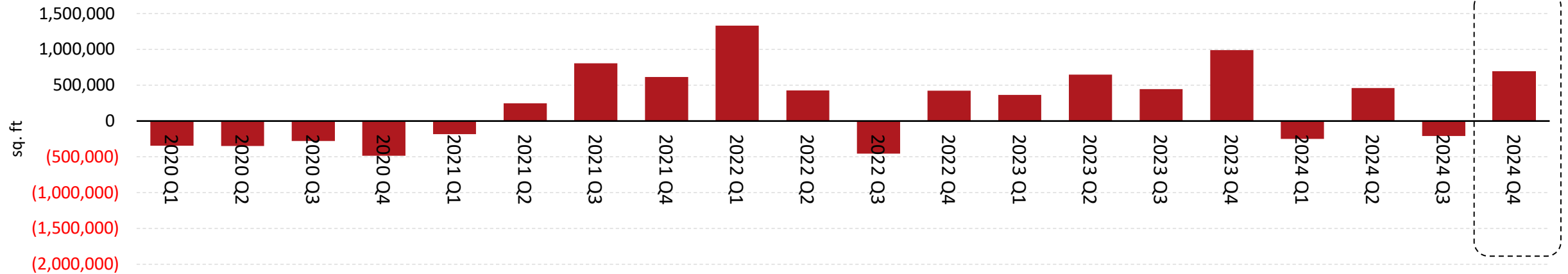
Absorption & Construction Trends	4
Rent Trends	5
Vacancy Trends	6
MSA-Level Trends	7
Northern Virginia	8
Richmond MSA	9
Hampton Roads	10
Roanoke MSA	11
Lynchburg MSA	12
Charlottesville MSA	13
Blacksburg MSA	14
Winchester MSA	15
Harrisonburg MSA	16



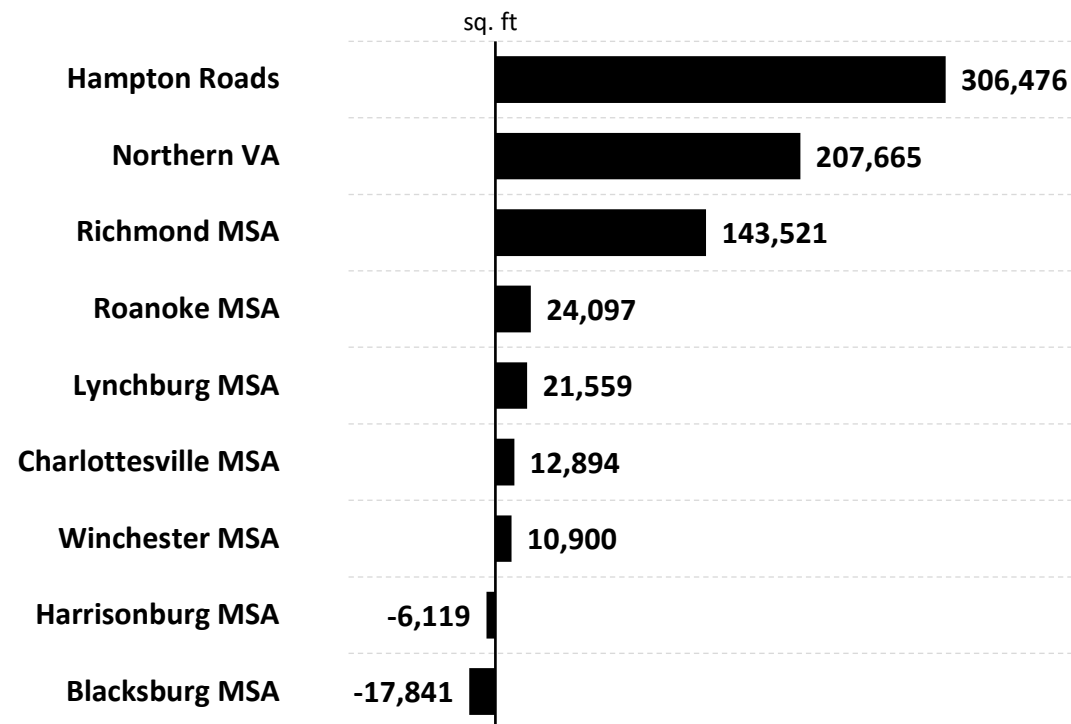
Retail Market - Absorption & Construction Trends

VIRGINIA (Statewide)

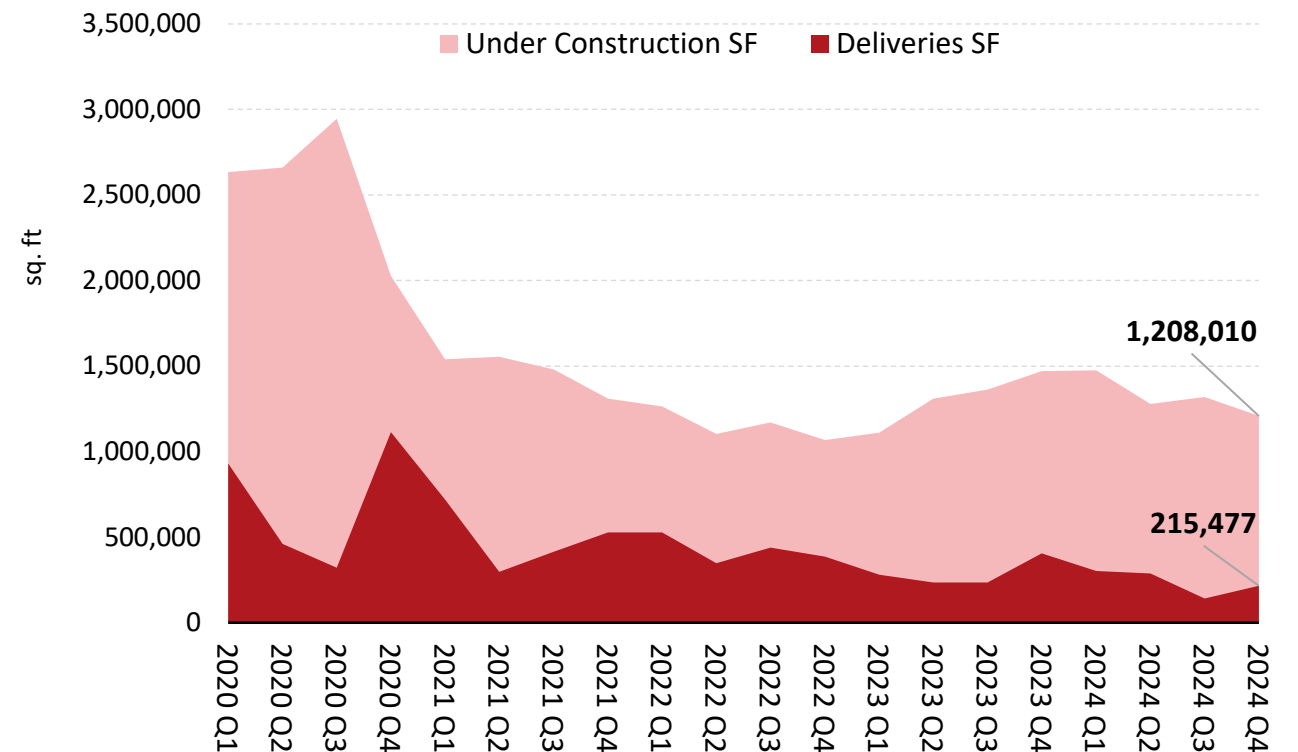
Net Absorption (sq. ft)



Q4-2024 Net Absorption by Metro Area (sq ft)

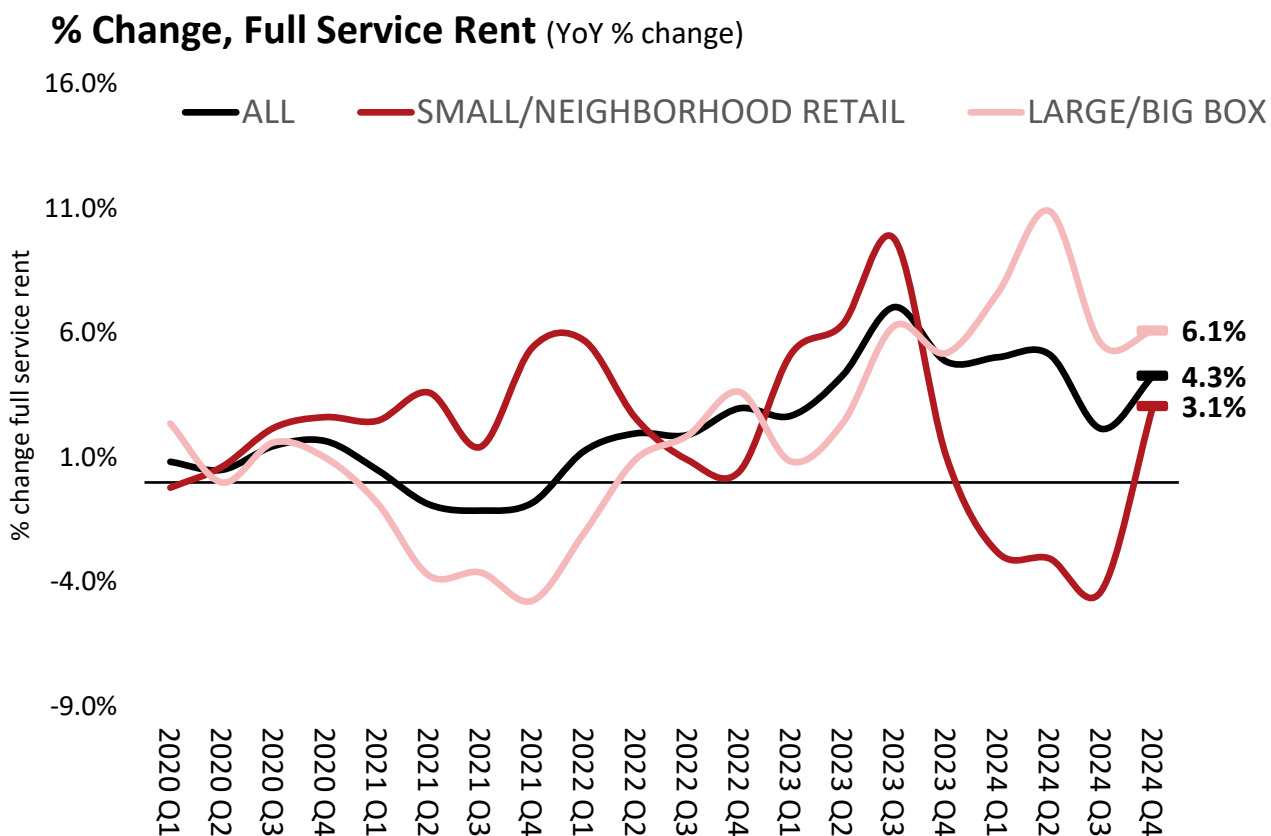
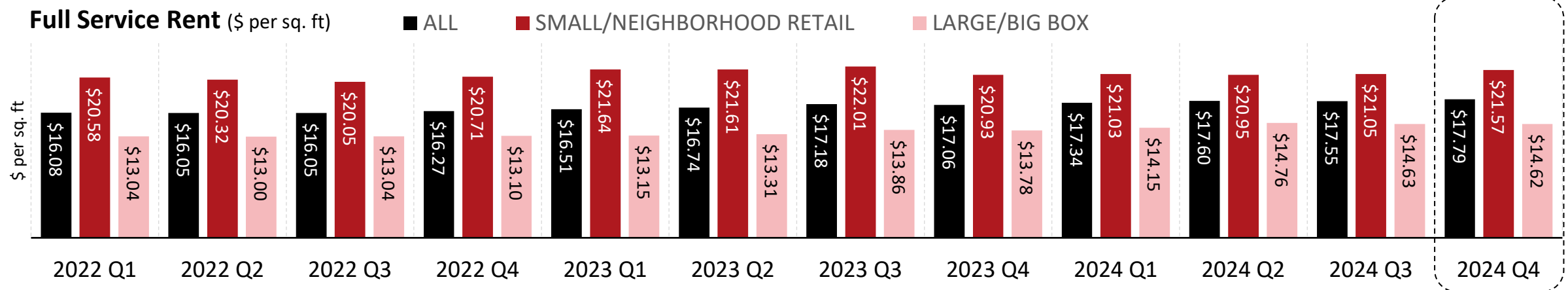


Under Construction & Net Deliveries (sq. ft)

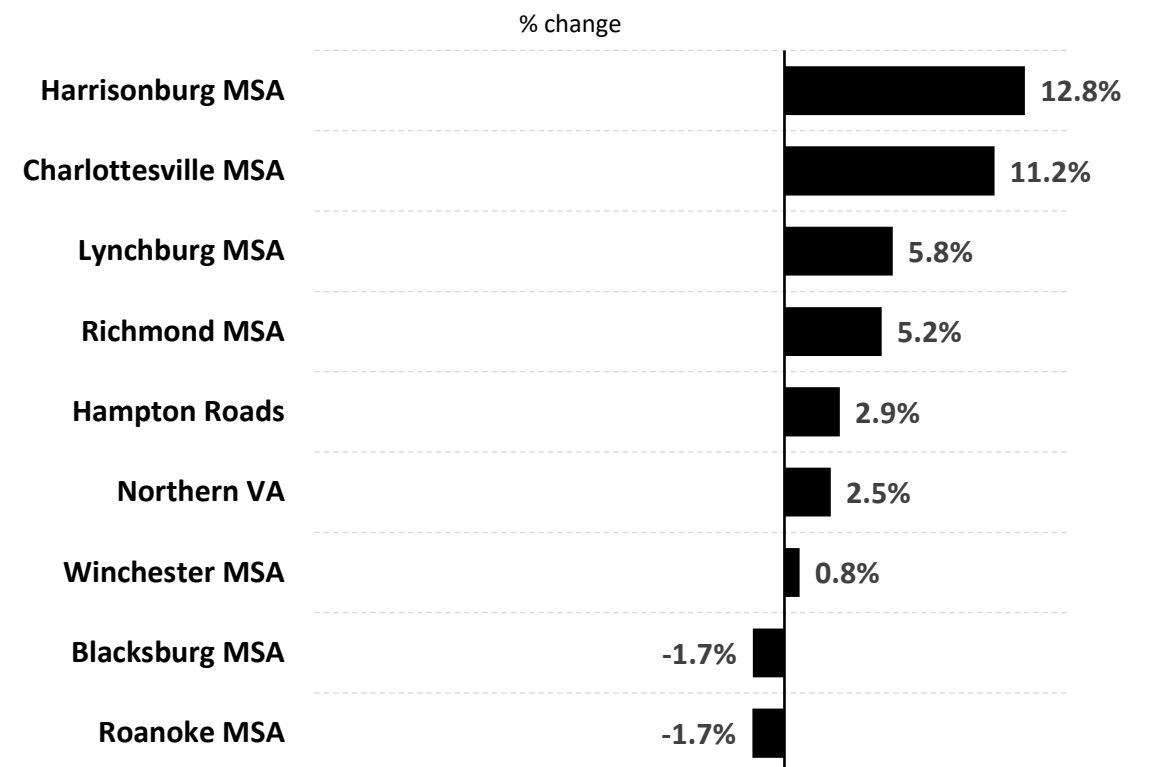


Retail Market - Rent Trends

VIRGINIA (Statewide)

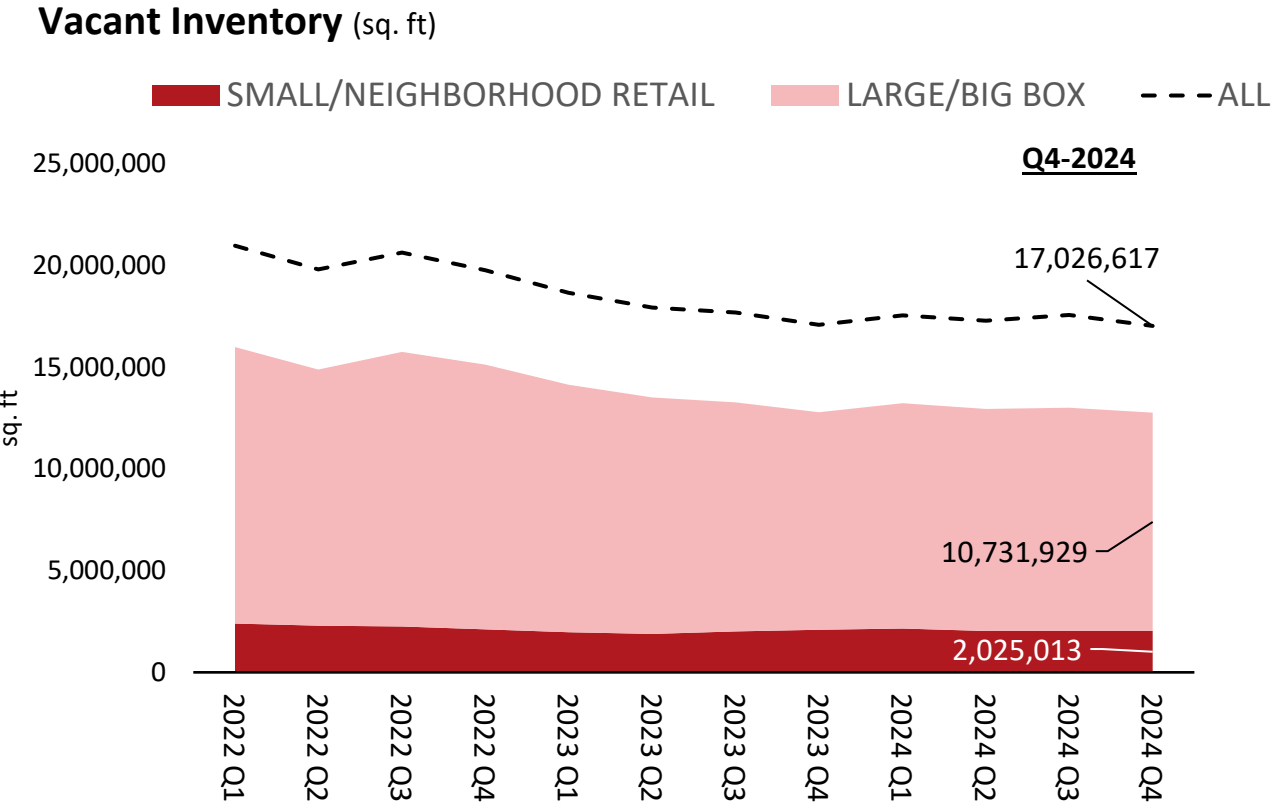
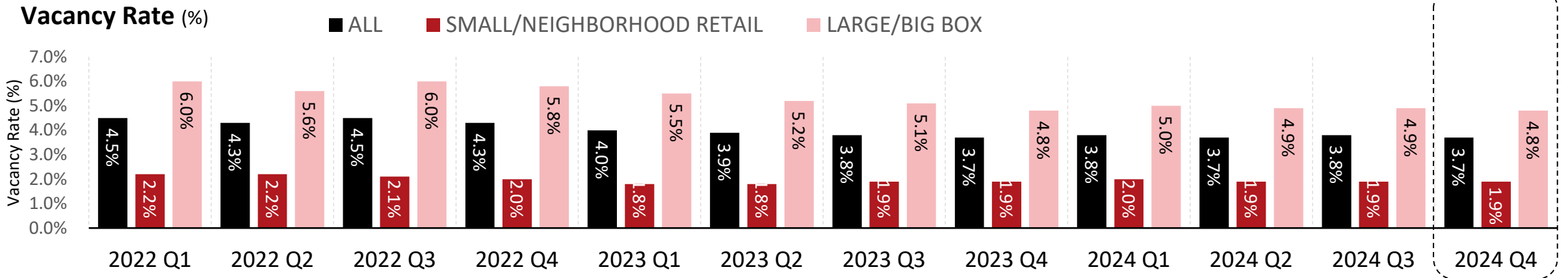


Q4-2024 by MSA: % Change, Full Service Rent (YoY % change)

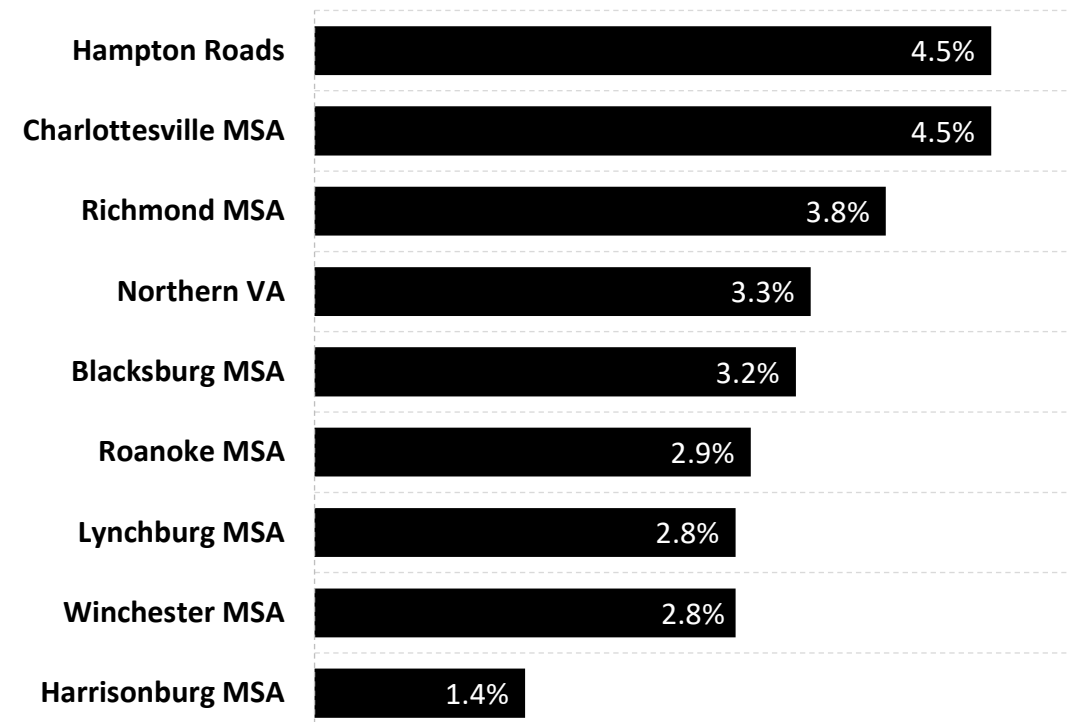


Retail Market - Vacancy Trends

VIRGINIA (Statewide)



Q4-2024 Retail Vacancy Rate by MSA



MSA TRENDS

METROPOLITAN STATISTICAL AREA

Q4



2024

RETAIL
Market Report



Snapshot of Retail Market Conditions Around Virginia

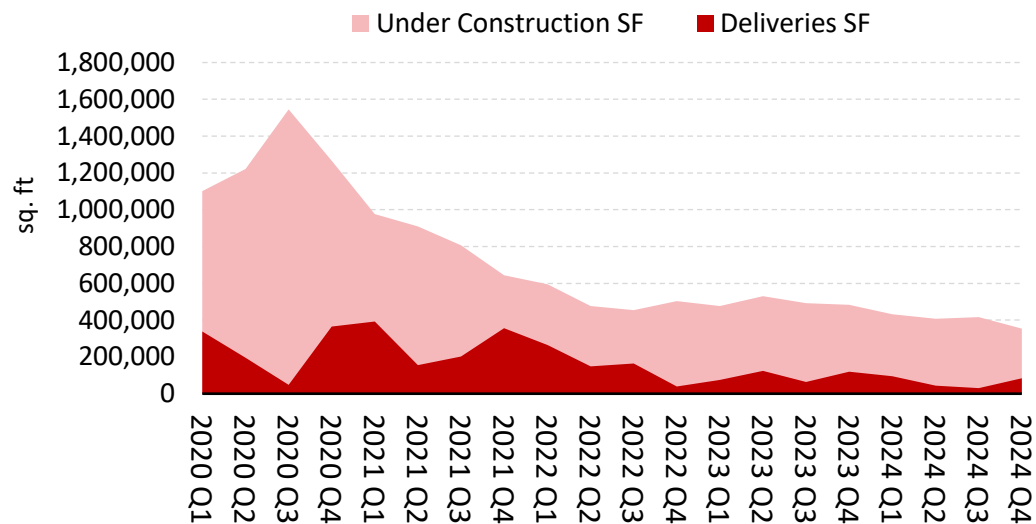
Retail Market - MSA Trends

NORTHERN VIRGINIA

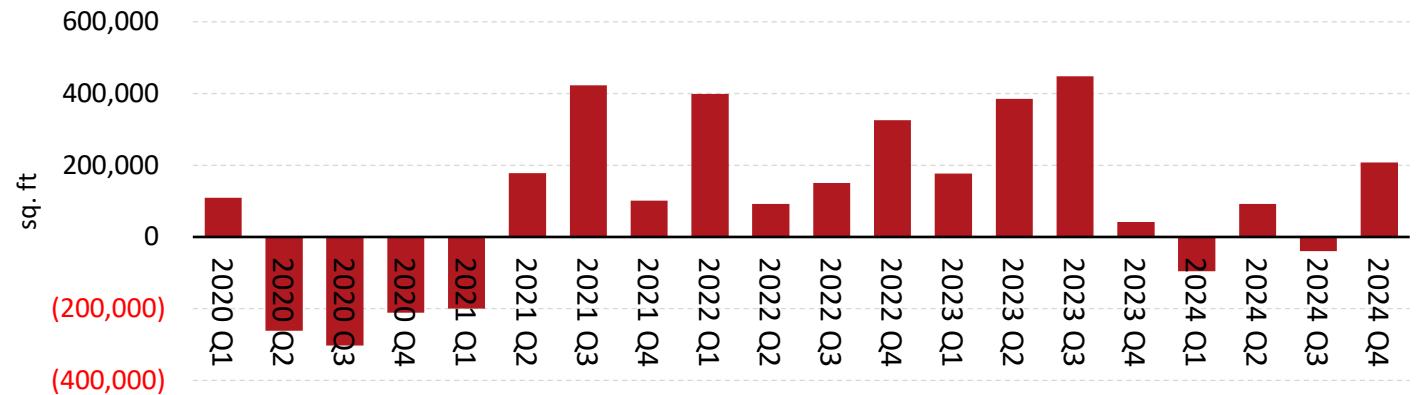
Local Market Indicator Dashboard

	Q4-2024	YoY Chg	
Total Inventory (sq. ft, millions)	139.4	0.1%	% chg
Vacancy Rate (%)	3.3%	0	pct points
Net Absorption (sq. ft)	207,665	165,775	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$27.54	\$0.66	\$ per sq. ft
Deliveries (sq. ft)	84,261	-34,783	sq. ft
Under Construction (sq. ft)	353,751	-128,780	sq. ft

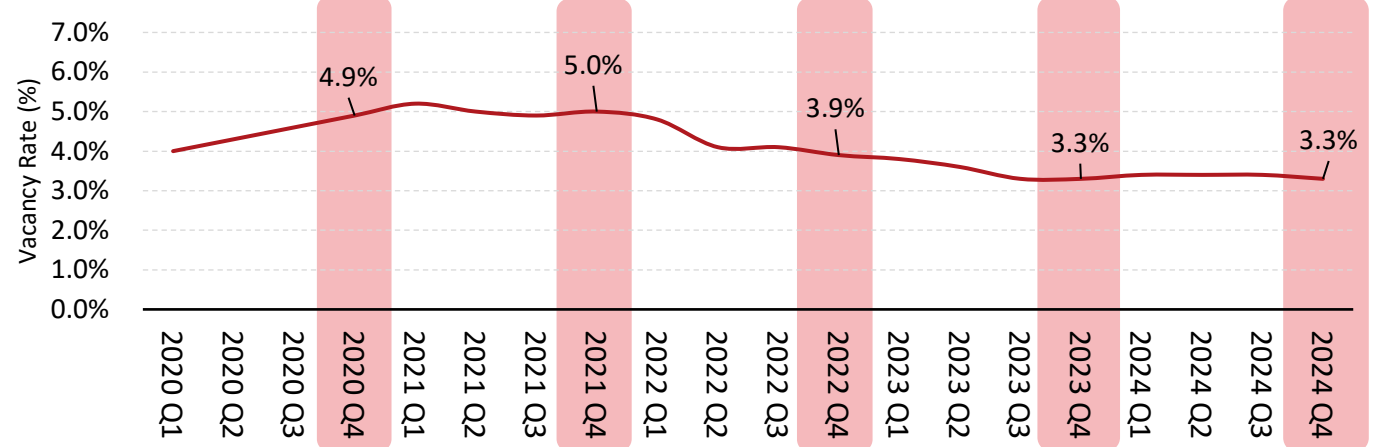
Under Construction & Net Deliveries (sq. ft)



Net Absorption (sq. ft)



Vacancy Rate (%)



Full Service Rent (\$ per sq. ft)



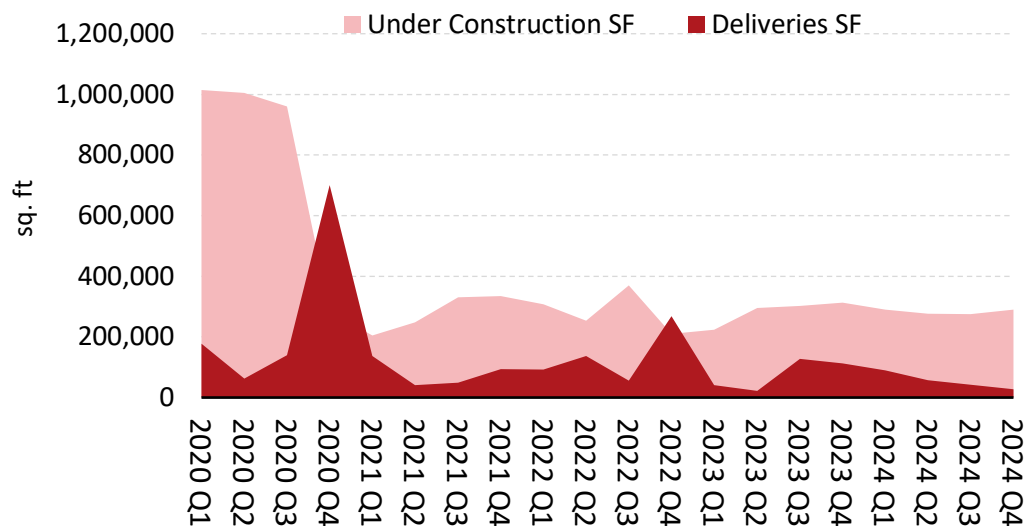
Retail Market - MSA Trends

RICHMOND MSA

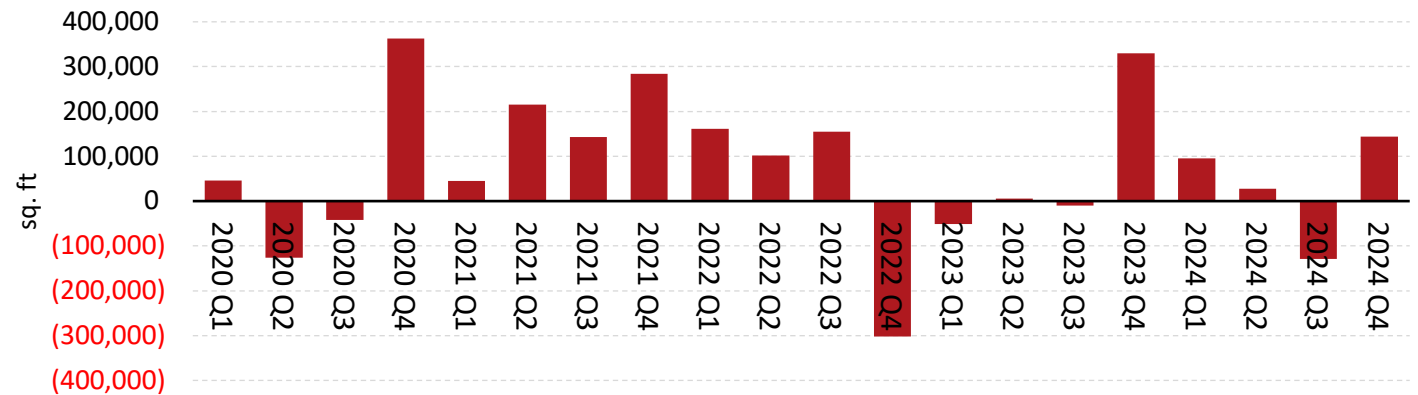
Local Market Indicator Dashboard

	Q4-2024	YoY Chg	
Total Inventory (sq. ft, millions)	80.8	0.1%	% chg
Vacancy Rate (%)	3.8%	0	pct points
Net Absorption (sq. ft)	143,521	-186,292	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$18.71	\$0.92	\$ per sq. ft
Deliveries (sq. ft)	27,264	-85,405	sq. ft
Under Construction (sq. ft)	289,479	-23,417	sq. ft

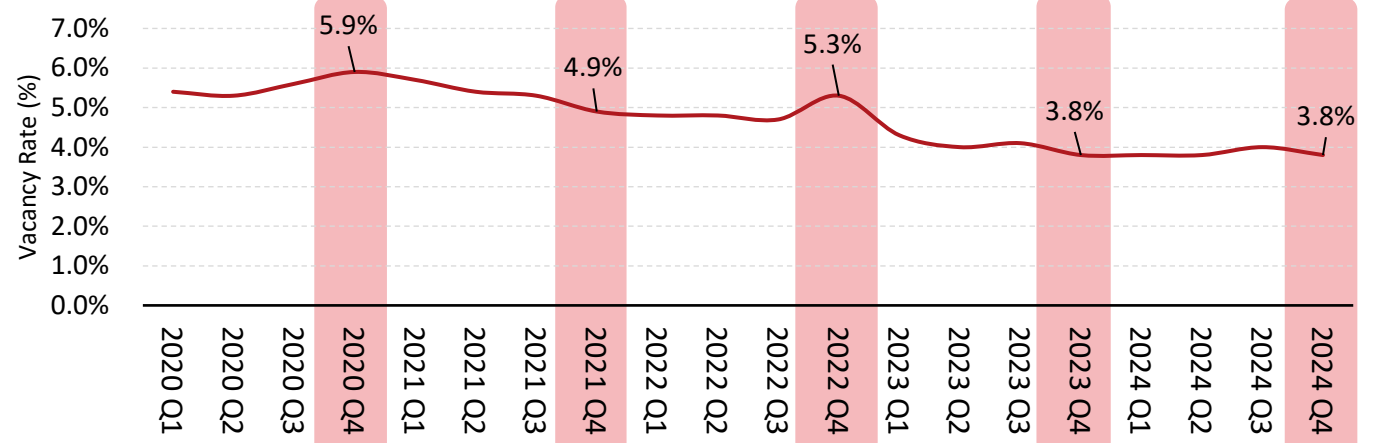
Under Construction & Net Deliveries (sq. ft)



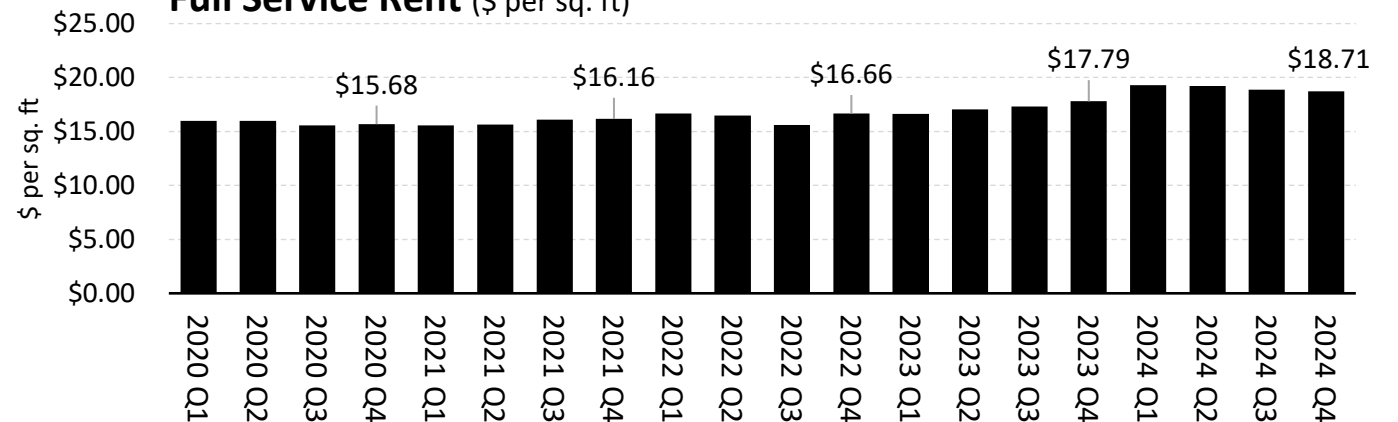
Net Absorption (sq. ft)



Vacancy Rate (%)



Full Service Rent (\$ per sq. ft)



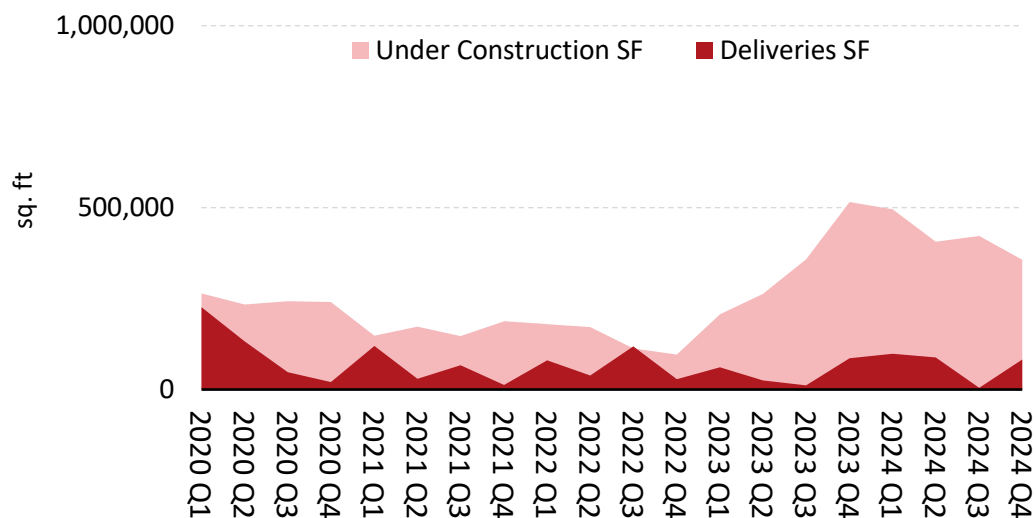
Retail Market - MSA Trends

HAMPTON ROADS

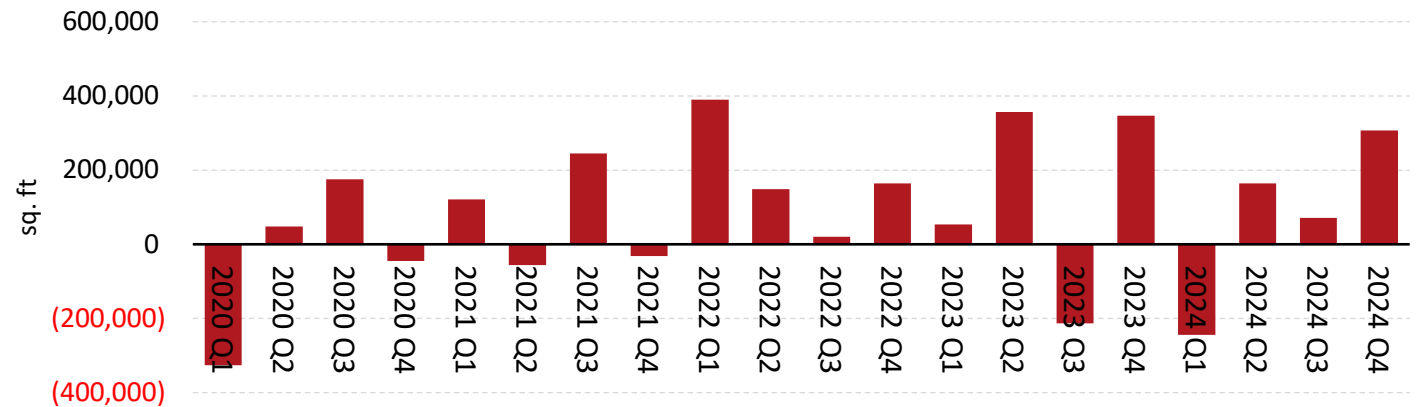
Local Market Indicator Dashboard

	Q4-2024	YoY Chg
Total Inventory (sq. ft, millions)	108.3	0.2% % chg
Vacancy Rate (%)	4.5%	-0.1% pct points
Net Absorption (sq. ft)	306,476	-40,619 sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$16.10	\$0.46 \$ per sq. ft
Deliveries (sq. ft)	82,882	-3,068 sq. ft
Under Construction (sq. ft)	356,687	-158,736 sq. ft

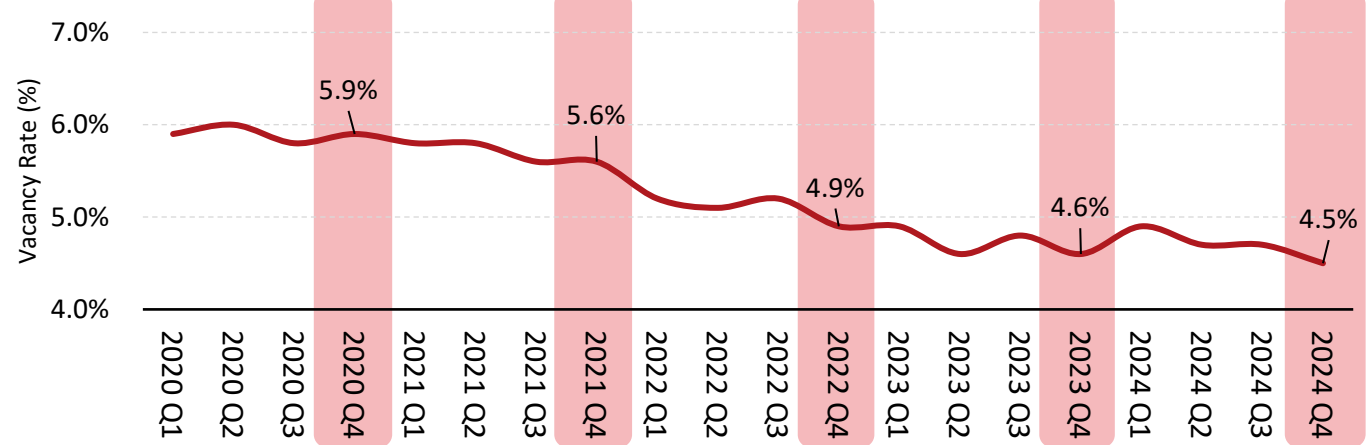
Under Construction & Net Deliveries (sq. ft)



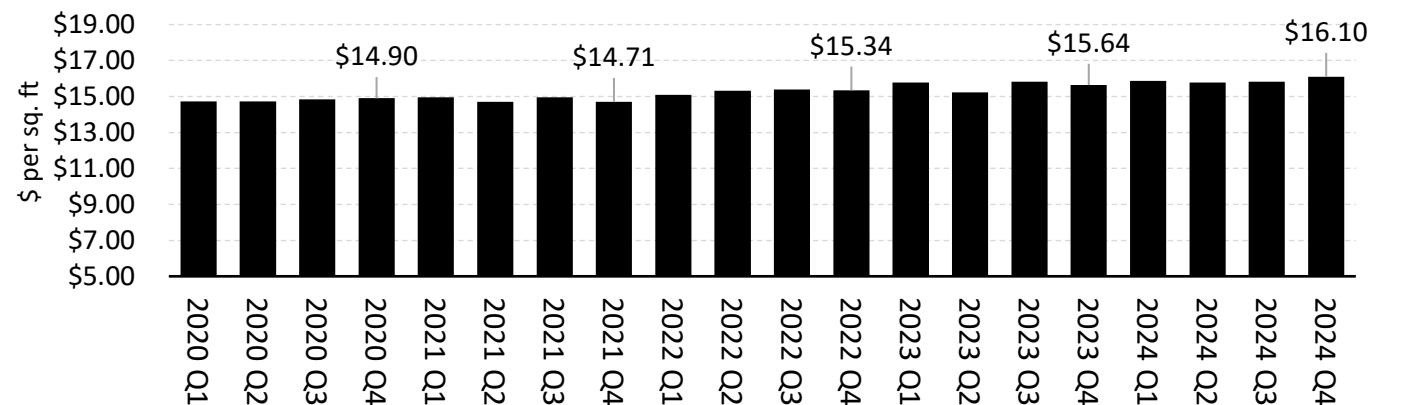
Net Absorption (sq. ft)



Vacancy Rate (%)



Full Service Rent (\$ per sq. ft)



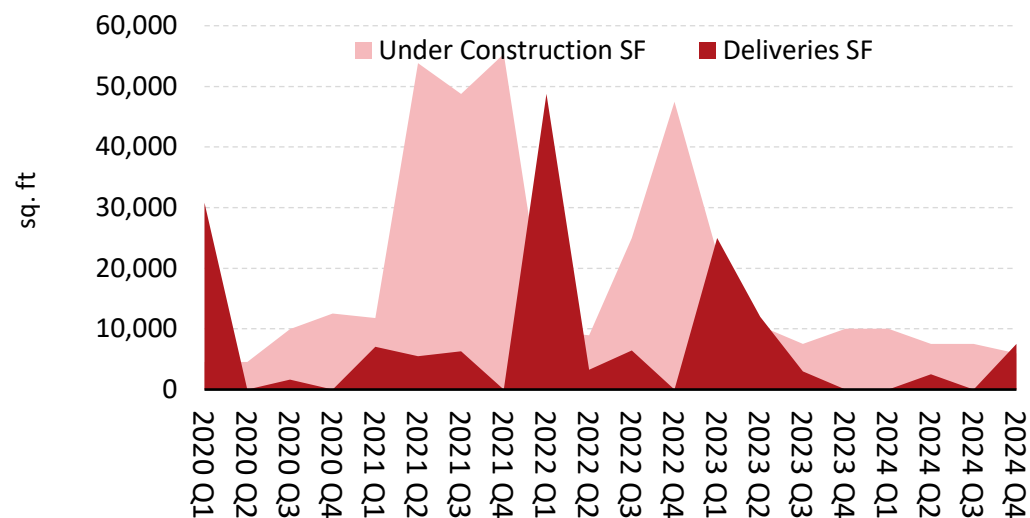
Retail Market - MSA Trends

ROANOKE MSA

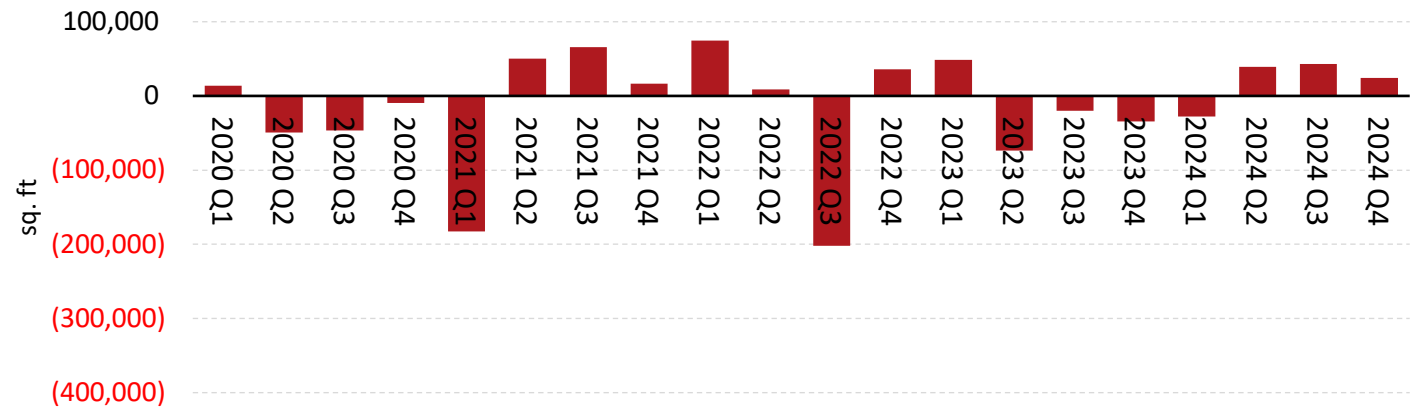
Local Market Indicator Dashboard

	Q4-2024	YoY Chg	
Total Inventory (sq. ft, millions)	24.2	0.0%	% chg
Vacancy Rate (%)	2.9%	-0.3%	pct points
Net Absorption (sq. ft)	24,097	58,717	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$13.80	-\$0.24	\$ per sq. ft
Deliveries (sq. ft)	7,500	7,500	sq. ft
Under Construction (sq. ft)	6,000	-4,000	sq. ft

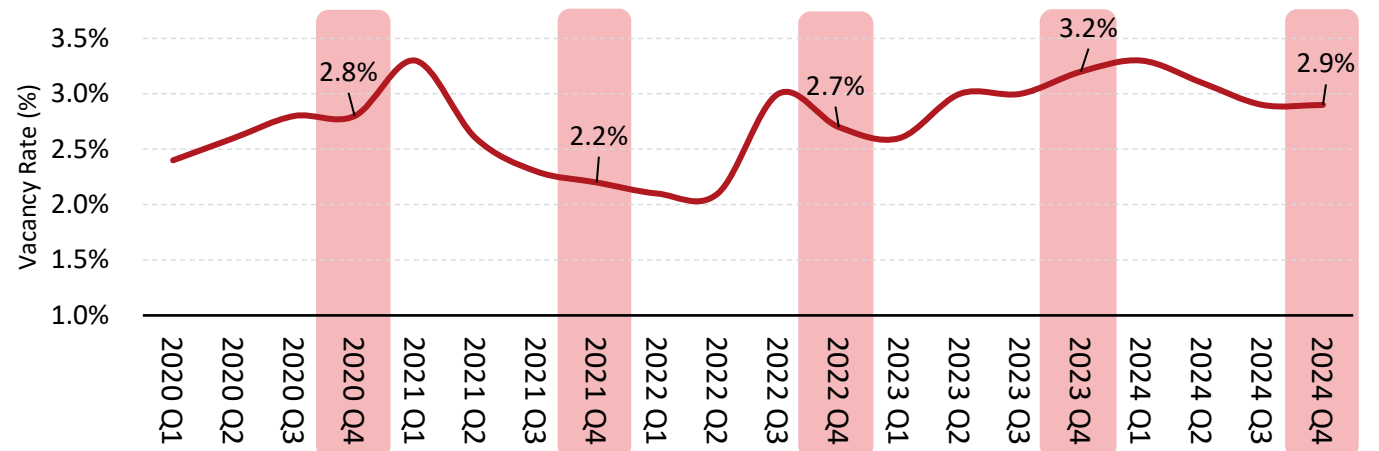
Under Construction & Net Deliveries (sq. ft)



Net Absorption (sq. ft)



Vacancy Rate (%)



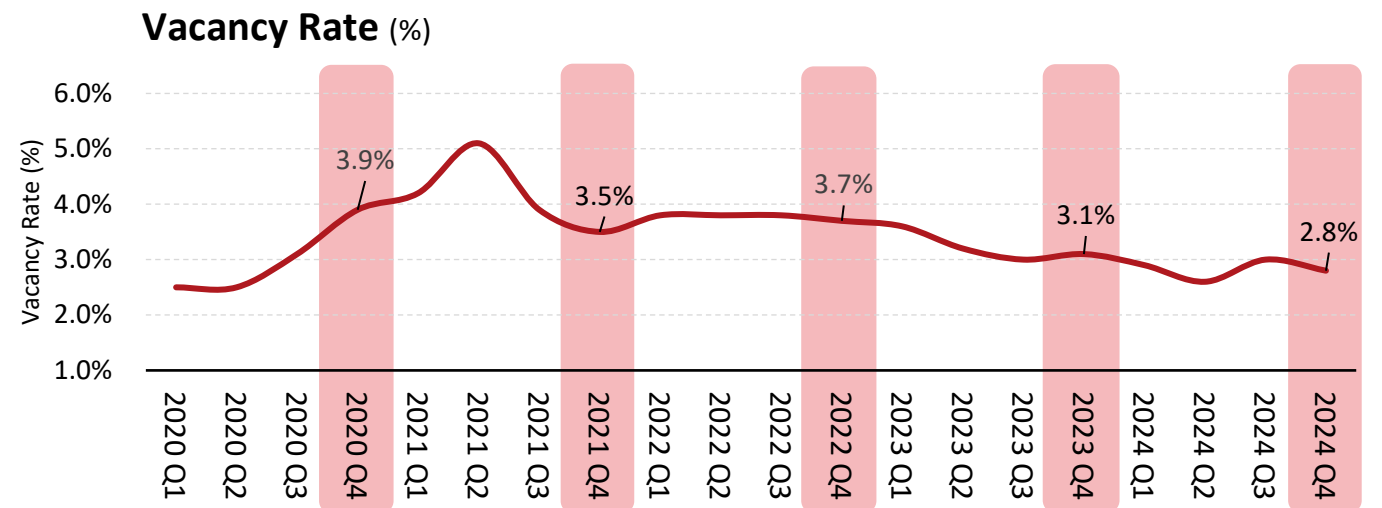
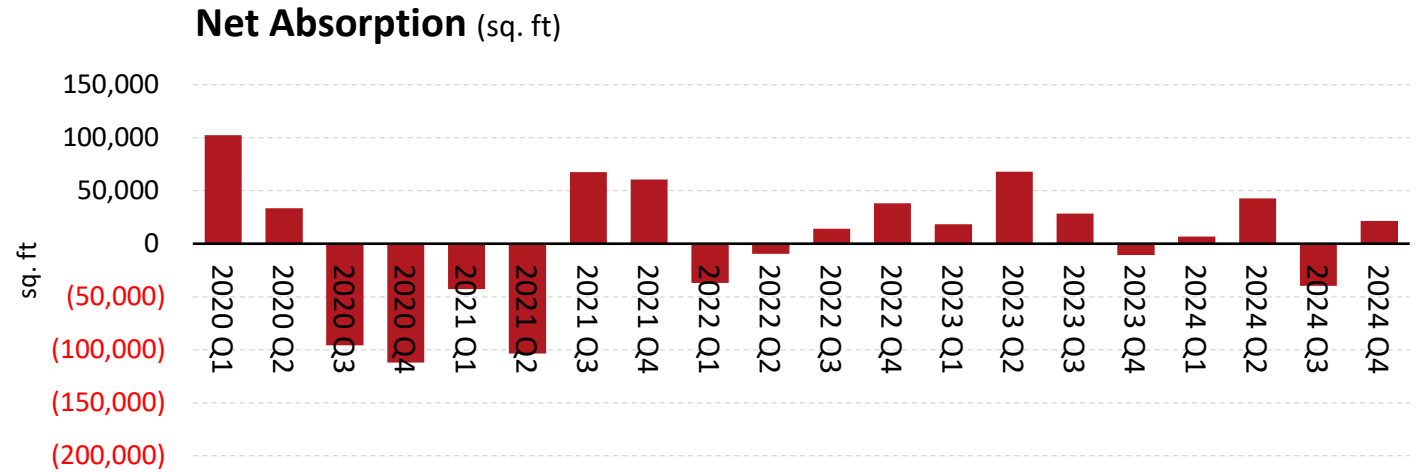
Full Service Rent (\$ per sq. ft)



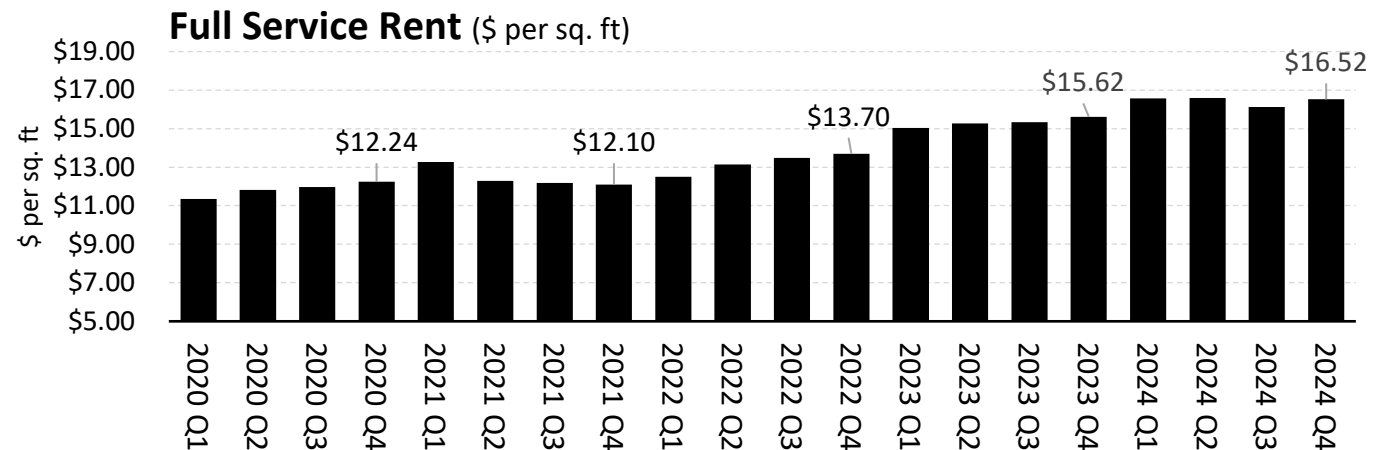
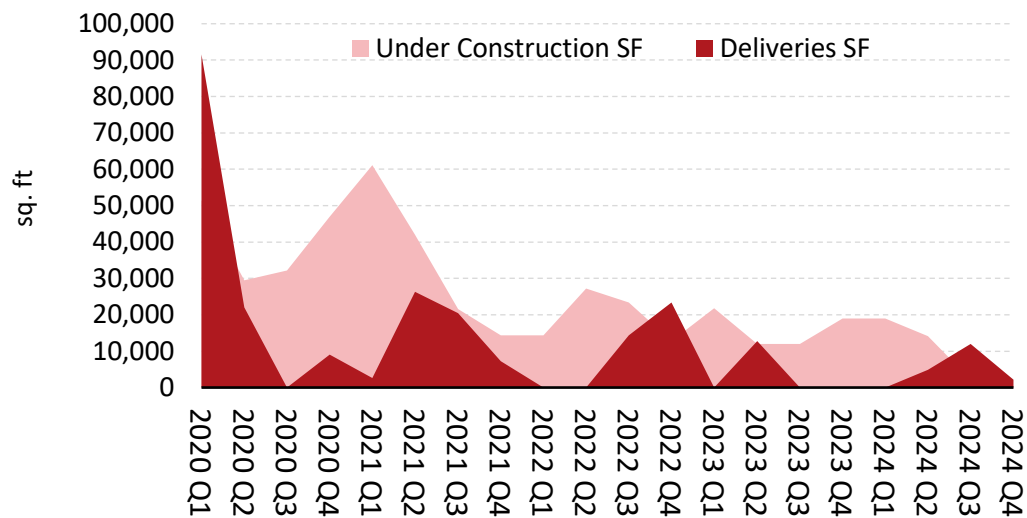
LYNCHBURG MSA

Local Market Indicator Dashboard

	Q4-2024	YoY Chg	
Total Inventory (sq. ft, millions)	14.3	0.0%	% chg
Vacancy Rate (%)	2.8%	-0.3%	pct points
Net Absorption (sq. ft)	21,559	32,355	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$16.52	\$0.90	\$ per sq. ft
Deliveries (sq. ft)	2,130	2,130	sq. ft
Under Construction (sq. ft)	0	-19,022	sq. ft



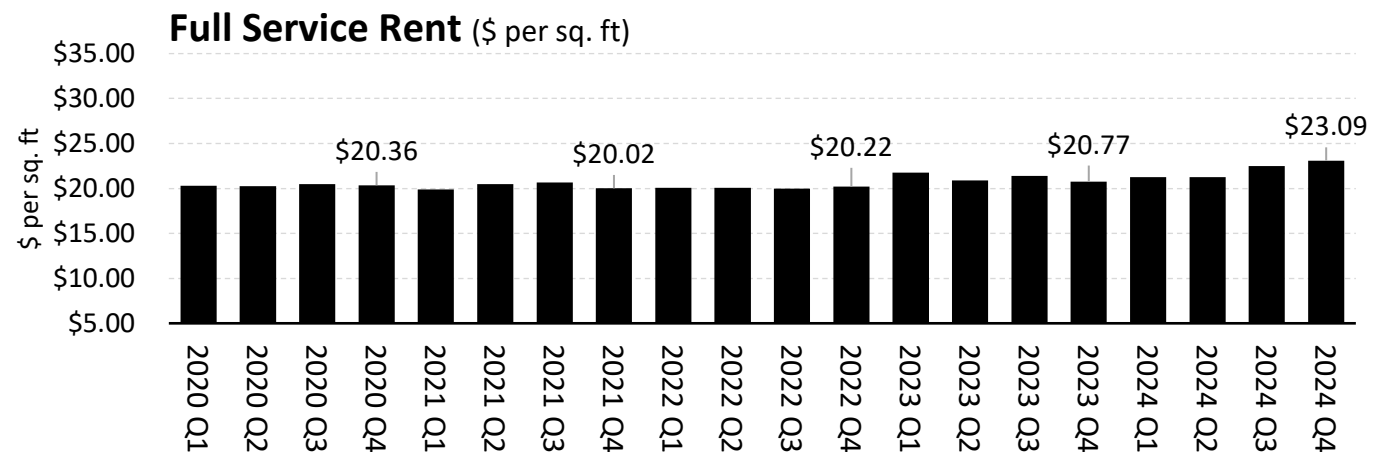
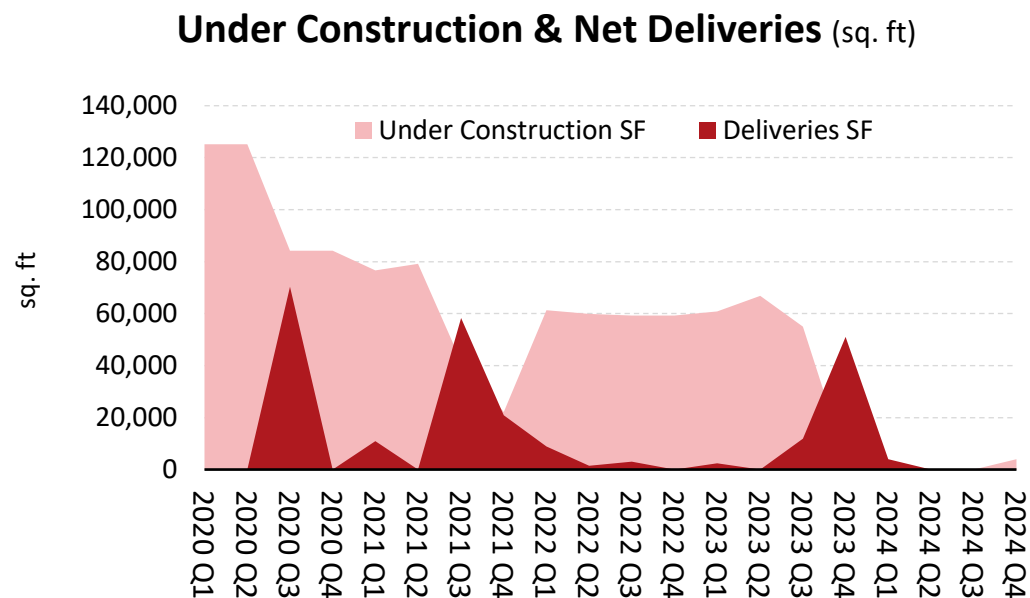
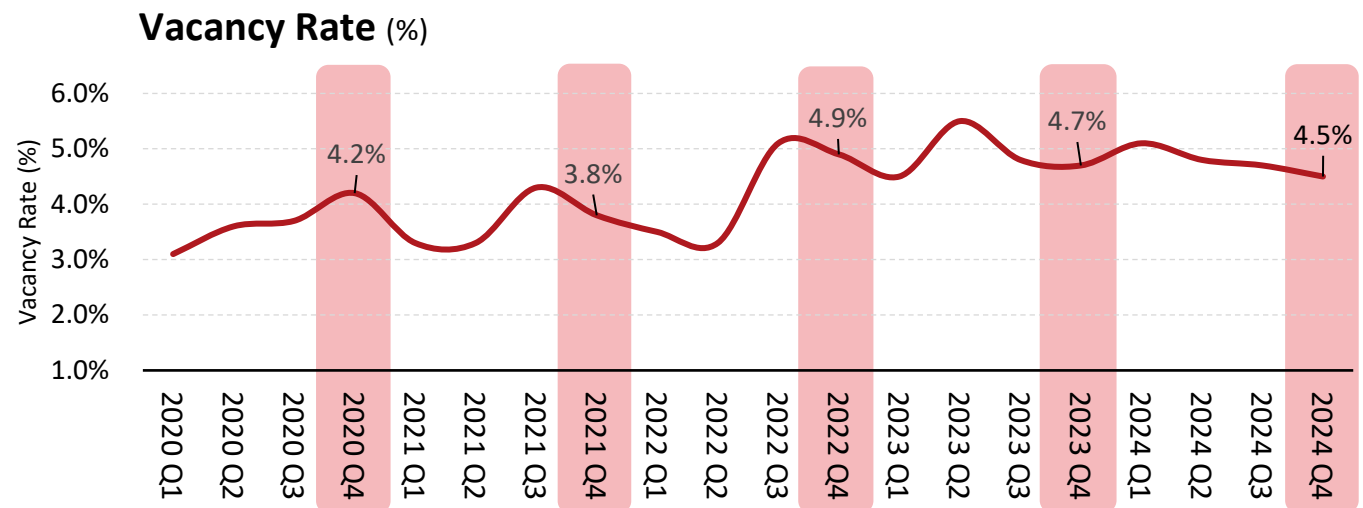
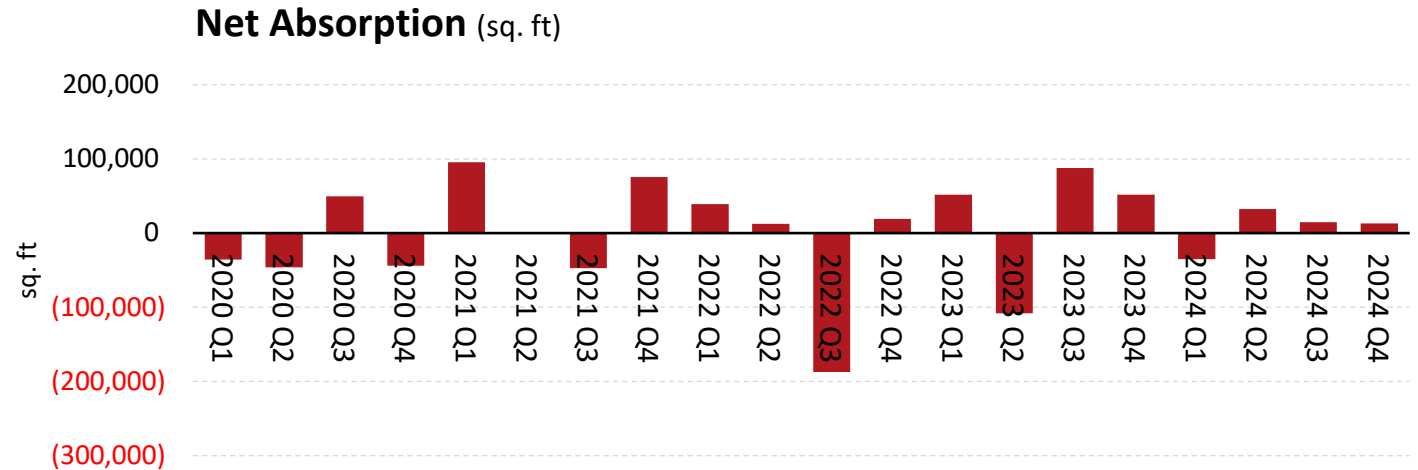
Under Construction & Net Deliveries (sq. ft)



CHARLOTTESVILLE MSA

Local Market Indicator Dashboard

	Q4-2024	YoY Chg	
Total Inventory (sq. ft, millions)	10.6	0.0%	% chg
Vacancy Rate (%)	4.5%	-0.2%	pct points
Net Absorption (sq. ft)	12,894	-38,936	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$23.09	\$2.32	\$ per sq. ft
Deliveries (sq. ft)	0	-51,044	sq. ft
Under Construction (sq. ft)	4,000	0	sq. ft

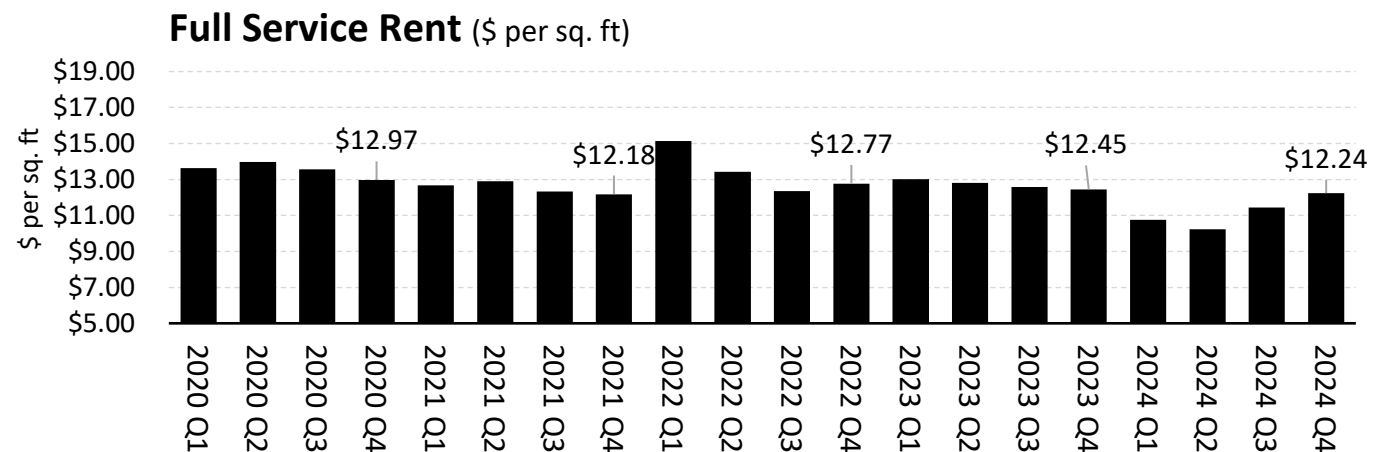
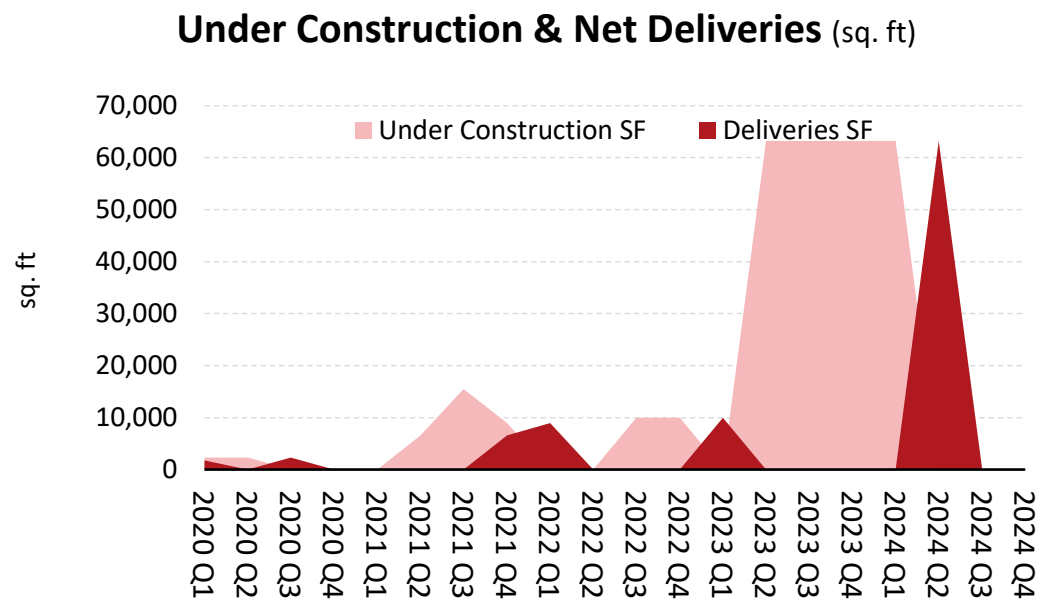
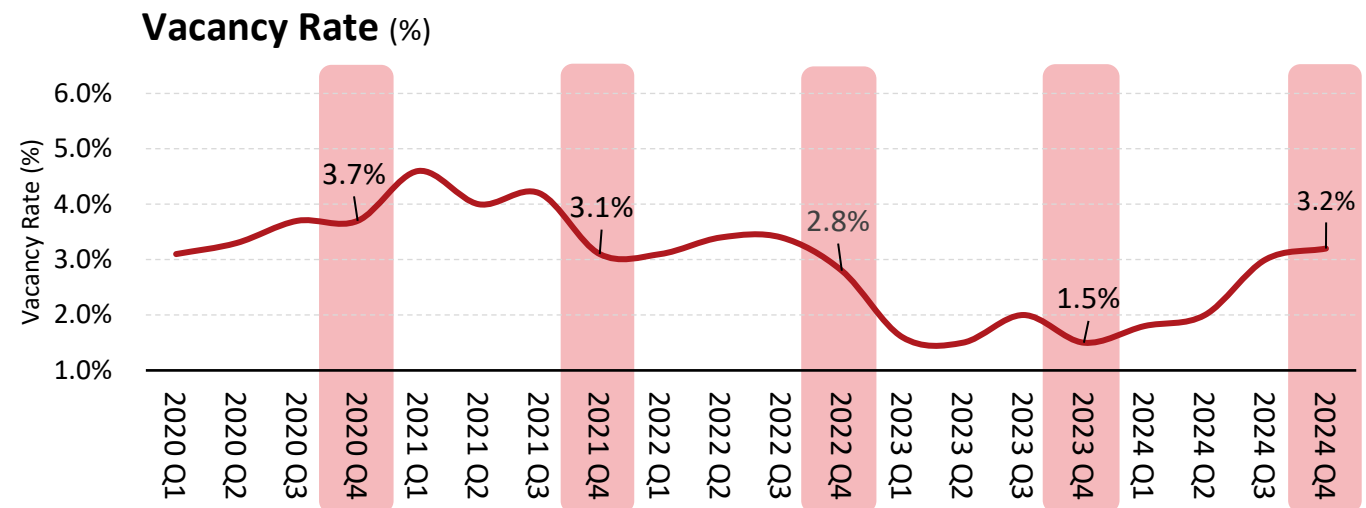
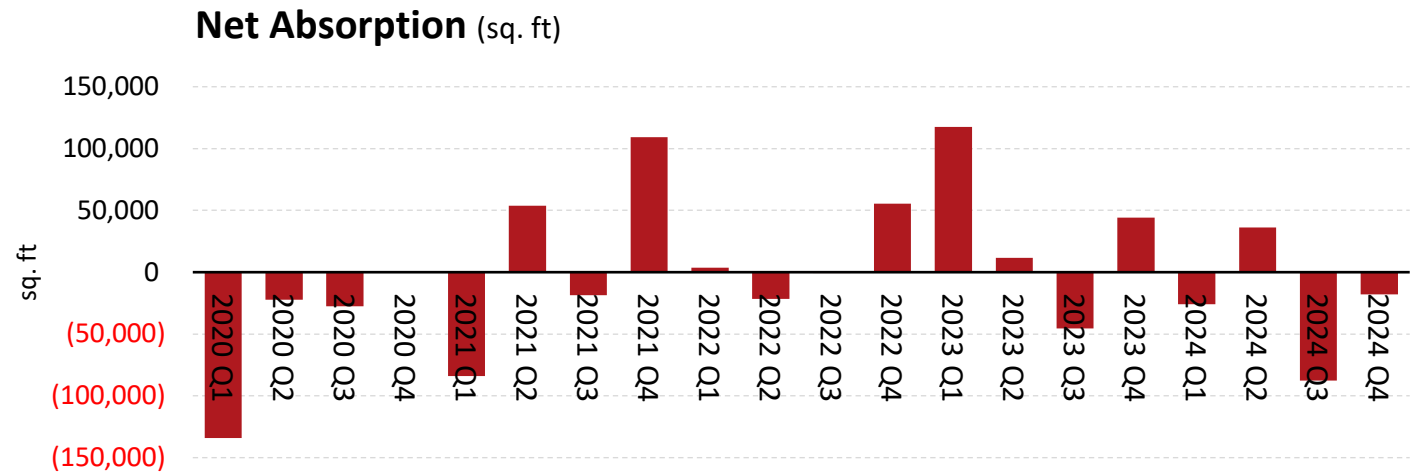


Retail Market - MSA Trends

BLACKSBURG MSA

Local Market Indicator Dashboard

	Q4-2024	YoY Chg	
Total Inventory (sq. ft, millions)	9.4	0.7%	% chg
Vacancy Rate (%)	3.2%	1.7%	pct points
Net Absorption (sq. ft)	(17,841)	-61,874	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$12.24	-\$0.21	\$ per sq. ft
Deliveries (sq. ft)	0	0	sq. ft
Under Construction (sq. ft)	0	-63,230	sq. ft

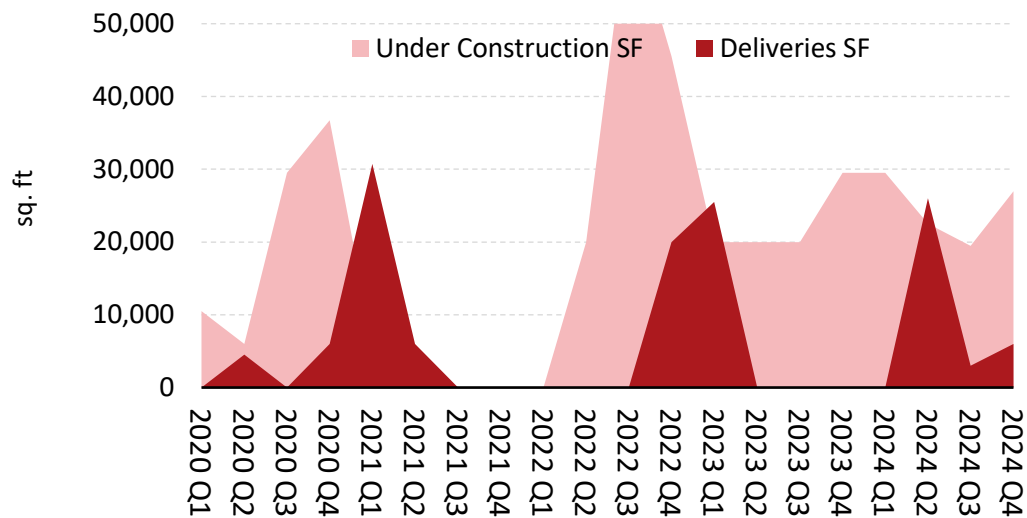


WINCHESTER MSA

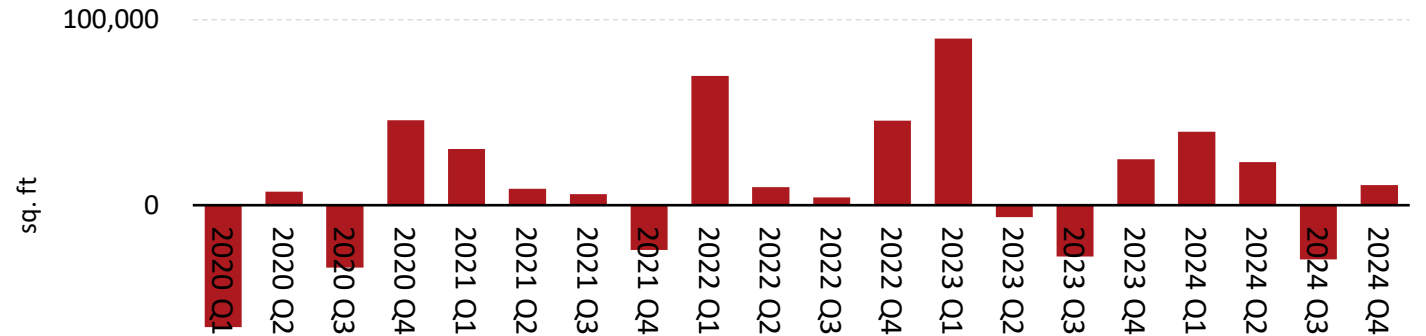
Local Market Indicator Dashboard

	Q4-2024	YoY Chg	
Total Inventory (sq. ft, millions)	9.0	0.4%	% chg
Vacancy Rate (%)	2.8%	-0.1%	pct points
Net Absorption (sq. ft)	10,900	-13,932	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$14.98	\$0.12	\$ per sq. ft
Deliveries (sq. ft)	6,000	6,000	sq. ft
Under Construction (sq. ft)	27,000	-2,511	sq. ft

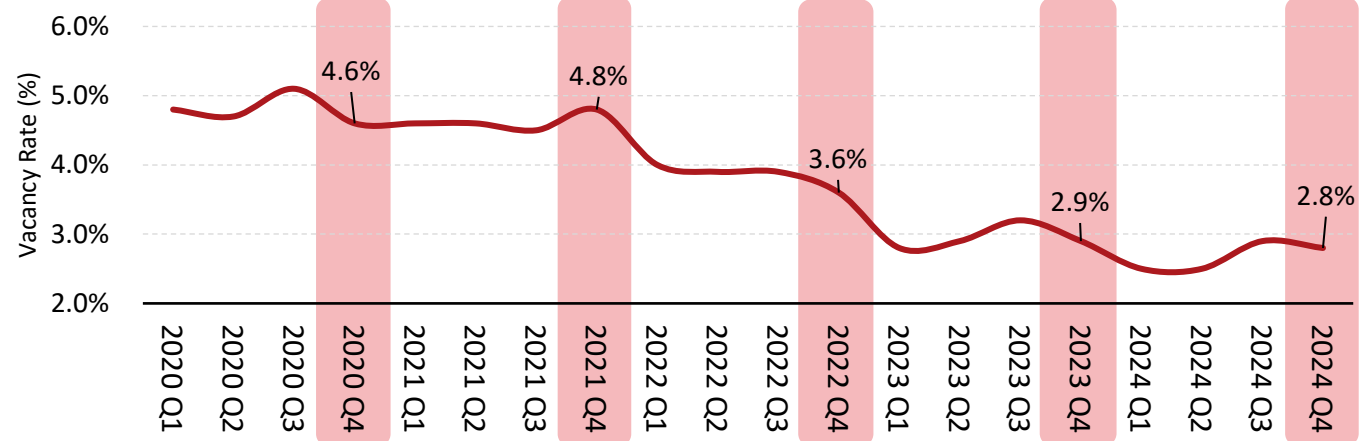
Under Construction & Net Deliveries (sq. ft)



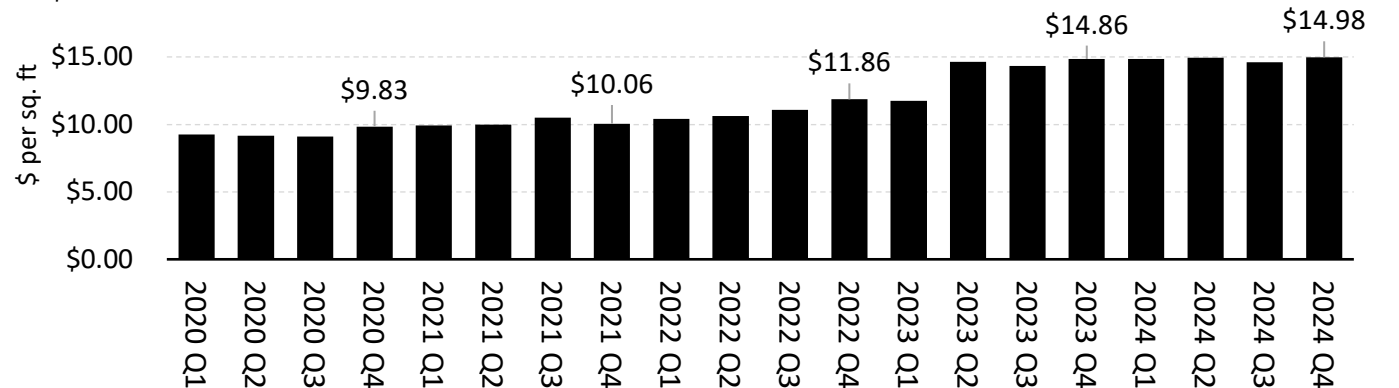
Net Absorption (sq. ft)



Vacancy Rate (%)



Full Service Rent (\$ per sq. ft)

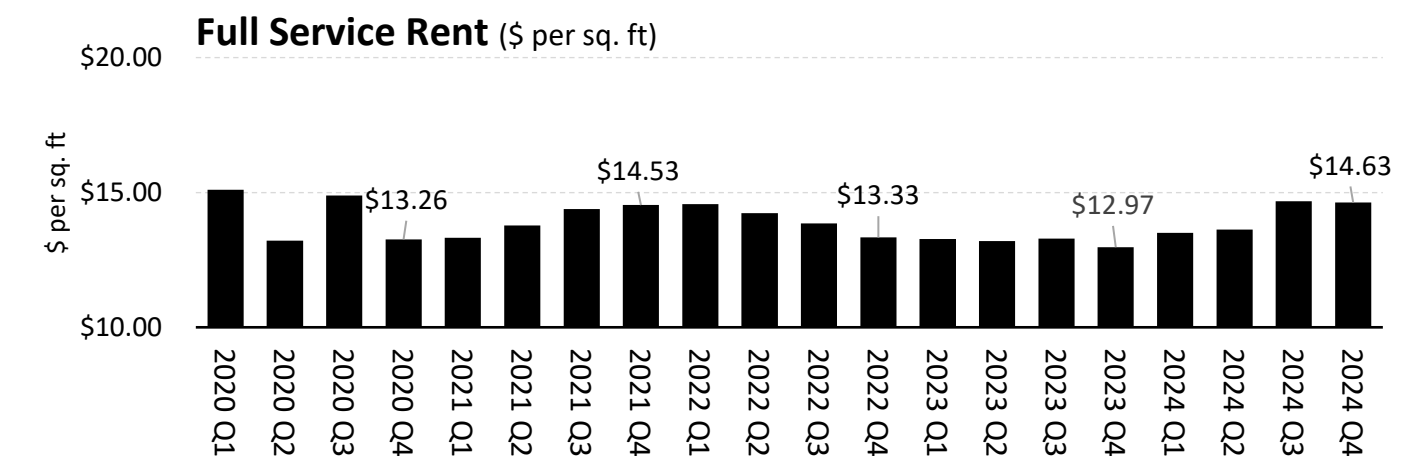
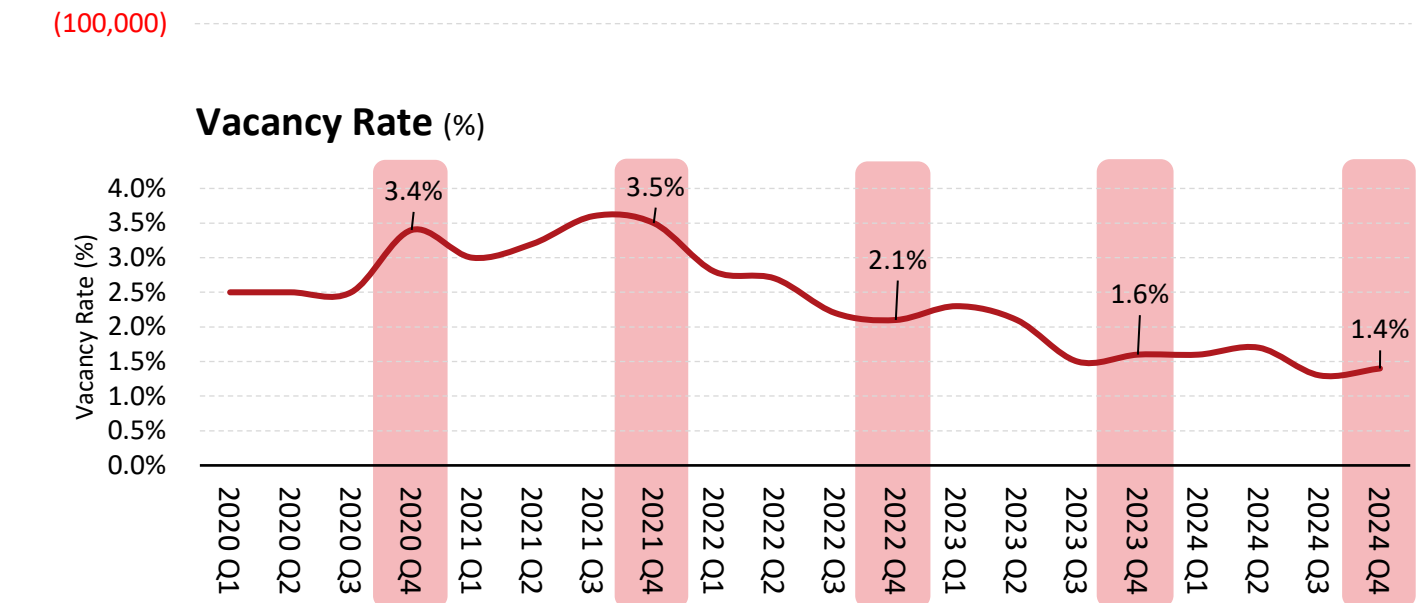
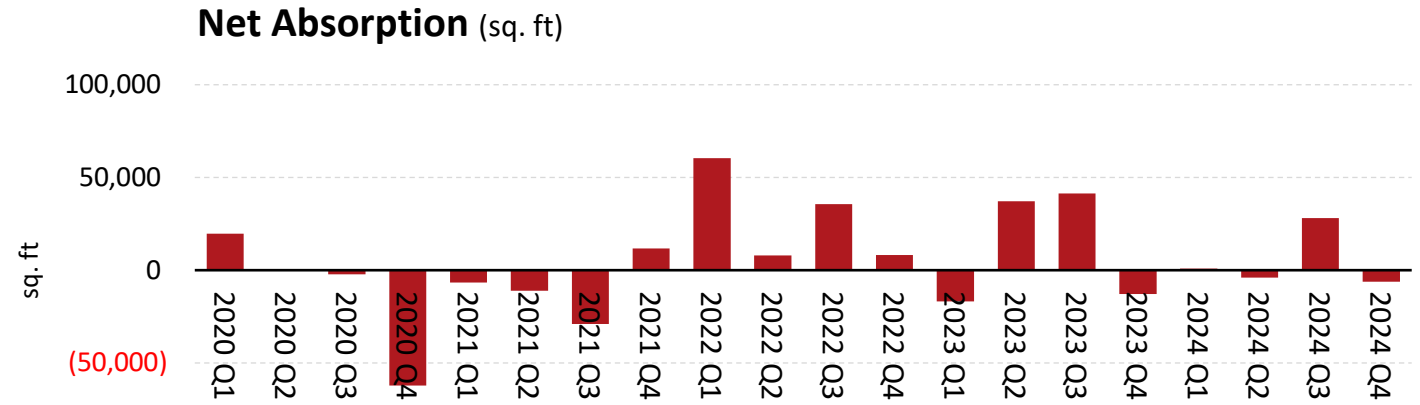
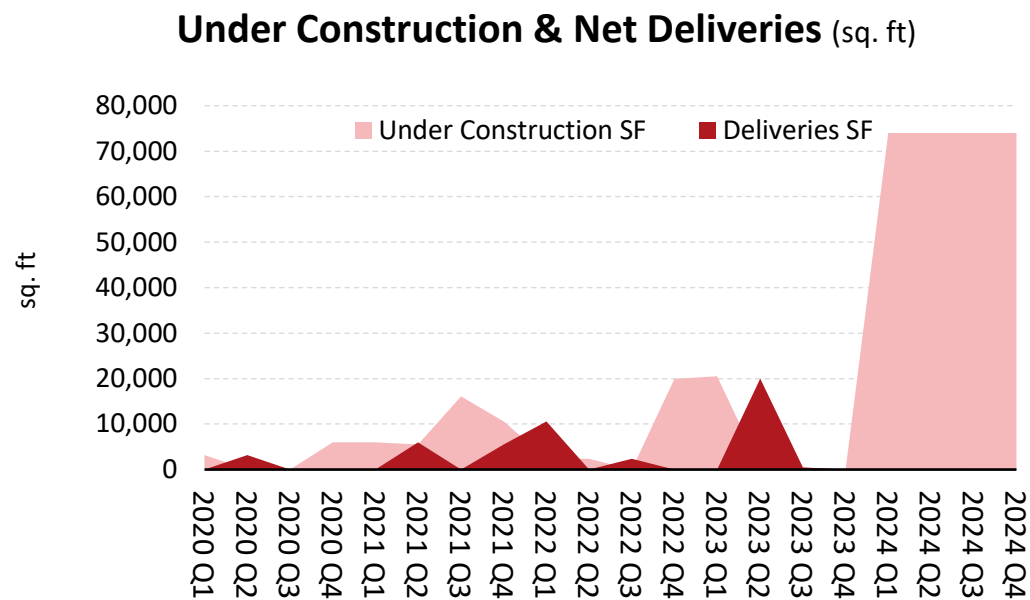


Retail Market - MSA Trends

HARRISONBURG MSA

Local Market Indicator Dashboard

	Q4-2024	YoY Chg	
Total Inventory (sq. ft, millions)	6.8	0	% chg
Vacancy Rate (%)	1.4%	-0.2%	pct points
Net Absorption (sq. ft)	(6,119)	6,781	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$14.63	\$1.66	\$ per sq. ft
Deliveries (sq. ft)	0	0	sq. ft
Under Construction (sq. ft)	74,000	74,000	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

