



Q1 2026 RETAIL MARKET REPORT

Retail Market - Key Trends Snapshot

Retail Market

Overview: Virginia's retail market had a slow start to 2026. Net absorption was negative statewide for the third straight quarter, and vacancy rates rose from a year ago. Retail rents climbed in most regions, and the new construction pipeline continues to be much smaller than last year.

Absorption: Absorption levels in the retail sector continue to soften with 43,051 sq ft of negative net absorption. Both small/neighborhood retail and large/big box contributed to the state's negative net absorption. In Richmond, there was 144,592 sq ft of net positive absorbed space in Q1 2026, with large/big box accounting for most of the space gains this quarter. Hampton Roads and Harrisonburg saw a significant decrease in retail space absorption.

Vacancy Rate: Vacancy rates inched up 0.3 percentage points statewide with the rate now at 4.0% in Q1. Richmond and Hampton Roads saw the highest vacancy rates in the first quarter, but rates remained low in Winchester and Harrisonburg.

Rent: Retail average full-service rent reached \$18.35 per sf in the first quarter, up 3.4% from a year earlier. Rent went up the most for large/big box space with the price at \$14.84 per square foot, up 5.5% from the same time last year. Charlottesville was the only market where average rent declined slightly, going from \$23.49 to \$22.99 this quarter. Harrisonburg saw prices jump 11.6% to \$16.17 as rent for small/neighborhood spaces continued to surge in the region.

Supply+ Deliveries: Retail construction activity remained lower than last year across the state. There was an 18.4% drop in retail construction leading to 1.2 million square feet of space under development this quarter. Hampton Roads and Richmond saw the largest amount of retail space under construction this quarter. Deliveries fell 69.4% in Virginia, driven by the large/big box sector, which reported no new deliveries this quarter. Most of the new retail space was in Richmond, Northern Virginia, and Hampton Roads.

Retail-Supporting Job Sectors (% Chg Jan-26 to Feb-26, seasonally adjusted)



VIRGINIA (Statewide)



Market Indicator Dashboard

	YoY Chg	Q1-2026	Indicator
% chg	0.1%	454,346,855	Total Inventory (sq. ft)
sq. ft	-272,347	-43,051	Net Absorption (sq. ft)
pct point	0.3%	4.0%	Vacancy Rate (%)
\$ per sq. ft	\$0.60	\$18.35	Full Service Rent (\$ per sq. ft)
sq. ft	-230,775	101,679	New Supply Delivered (sq. ft)
sq. ft	-278,048	1,230,544	Under Construction (sq. ft)



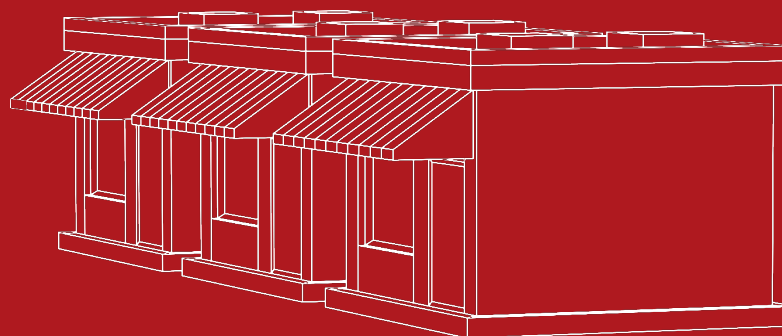
Economic Indicator Dashboard

	MoM % Chg	Feb-26	Indicator
% chg	-0.2%	4.2	Total Jobs (in millions, seasonally adjusted)
% chg	-0.3%	809.1	Retail-Supporting Jobs (in thousands, seasonally adjusted)
pct point	0.1%	3.8%	Unemployment Rate (% seasonally adjusted)
	QoQ Chg	Q4-2025	
pct point	-3.9%	0.5	Gross Domestic Product (% chg from prior year)

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Virginia Retail Market

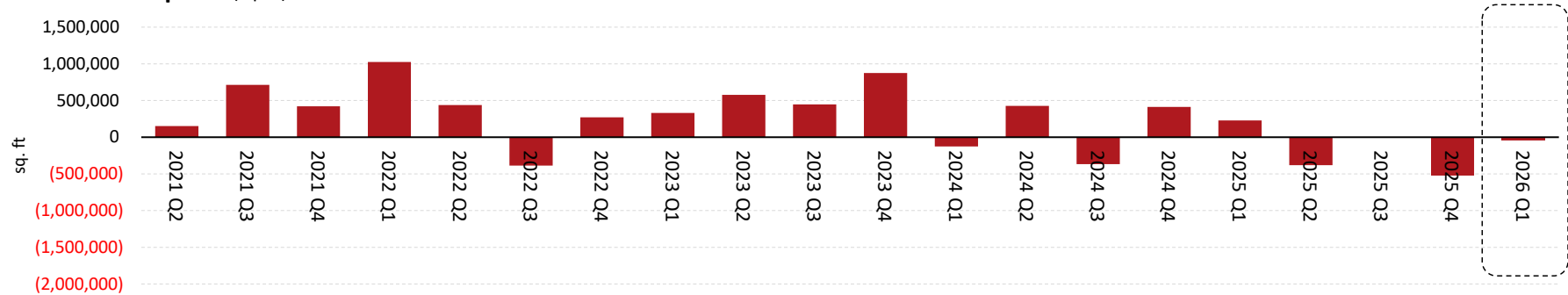
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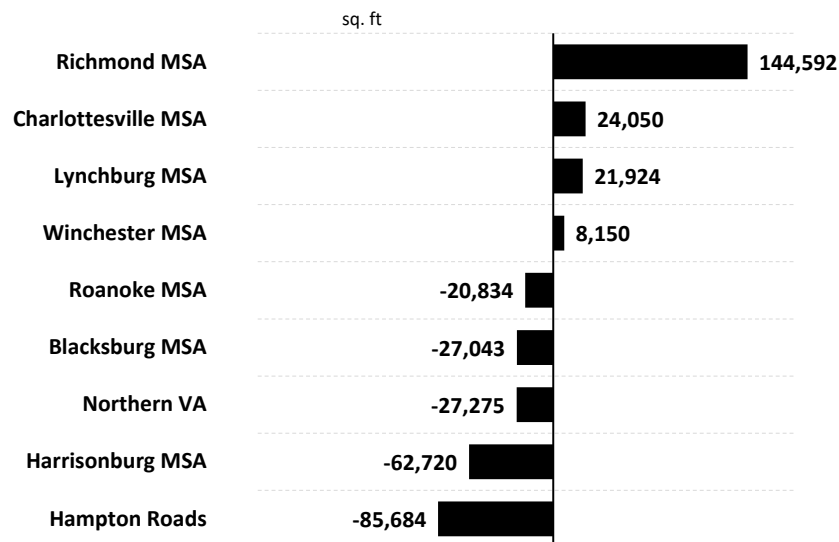
Retail Market - Absorption & Construction Trends

VIRGINIA (Statewide)

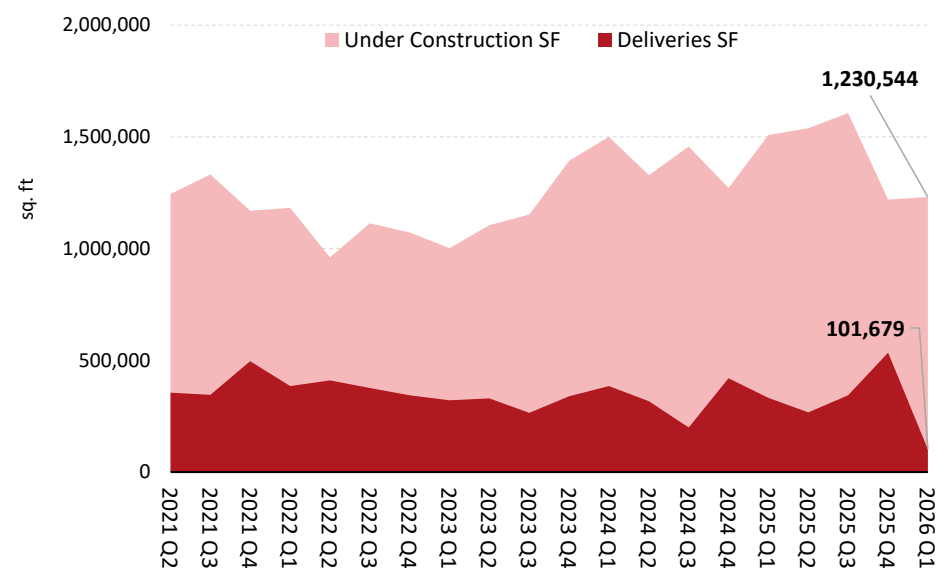
Net Absorption (sq. ft)



Q1-2026 Net Absorption by Metro Area (sq ft)

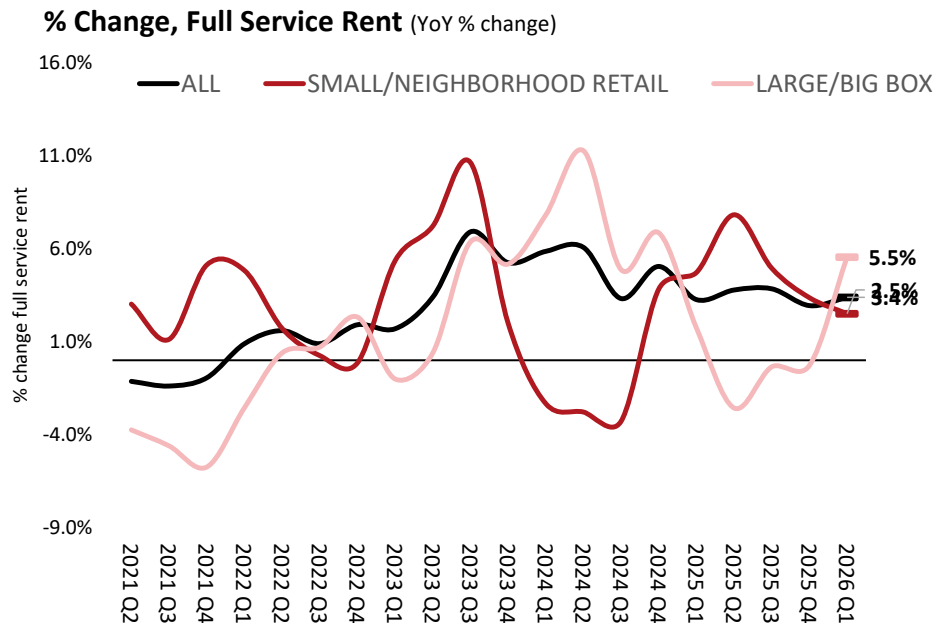
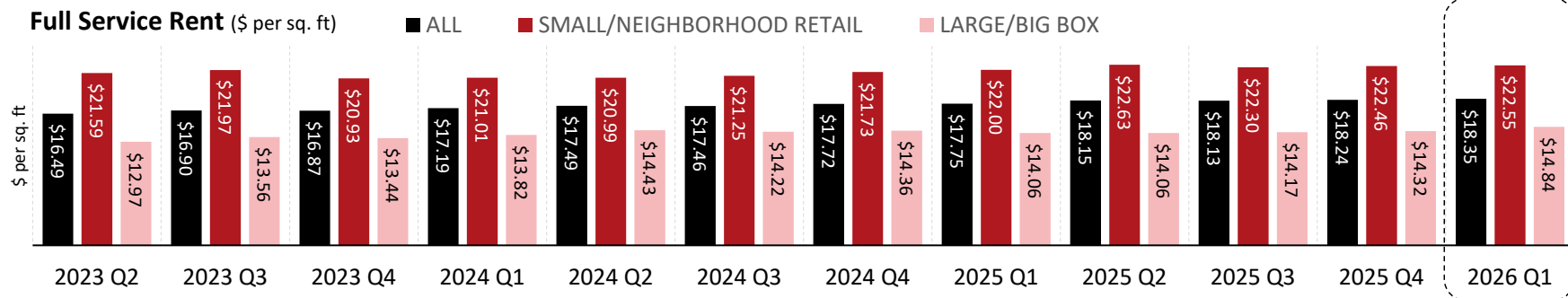


Under Construction & Net Deliveries (sq. ft)

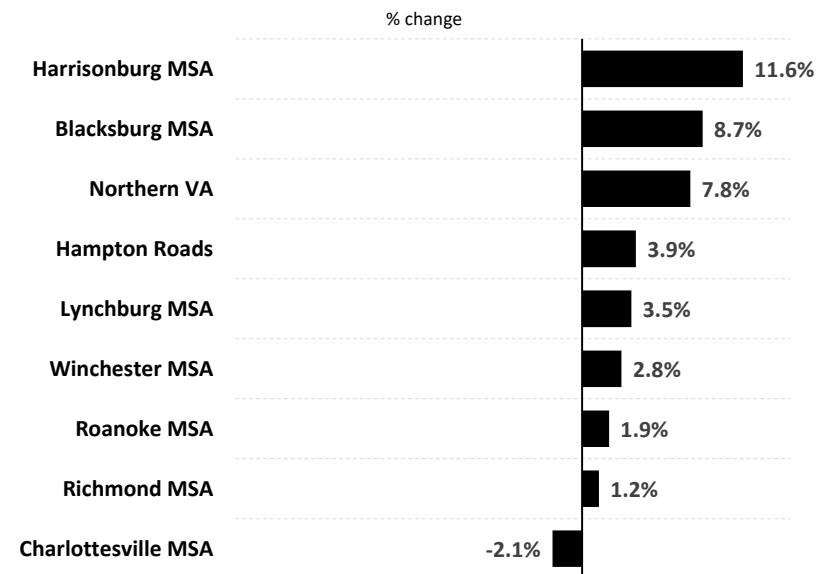


Retail Market - Rent Trends

VIRGINIA (Statewide)

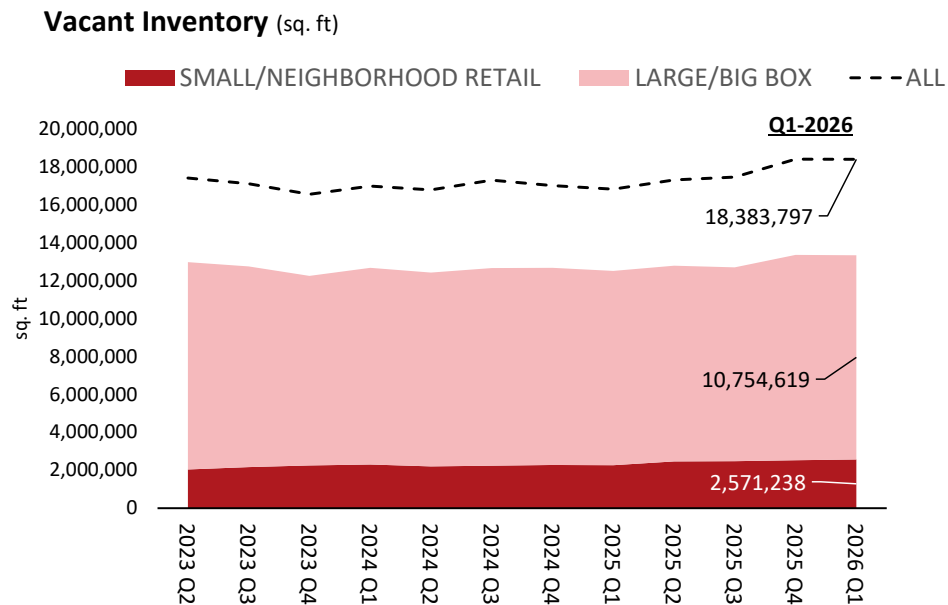
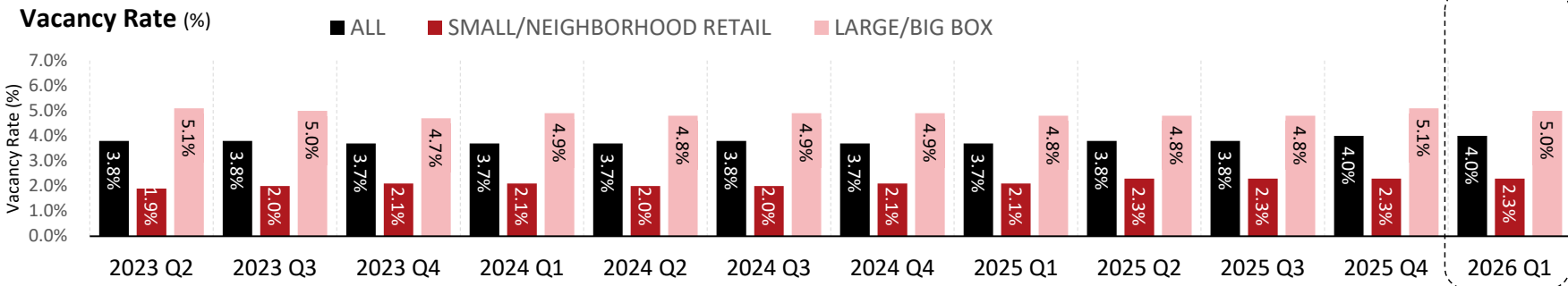


Q1-2026 by MSA: % Change, Full Service Rent (YoY % change)

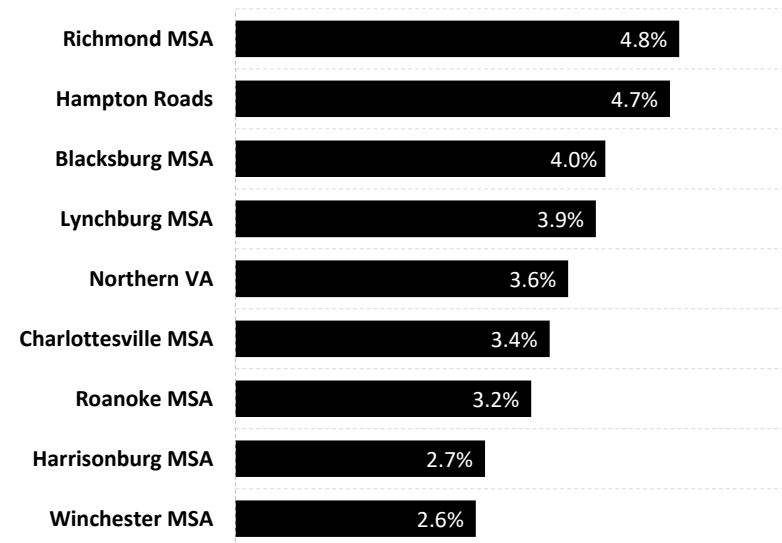


Retail Market - Vacancy Trends

VIRGINIA (Statewide)



Q1-2026 Retail Vacancy Rate by MSA



MSA TRENDS

METROPOLITAN STATISTICAL AREA

Q1
2026

Virginia
REALTORS®
RETAIL
Market Report



Snapshot of Retail Market Conditions Around Virginia

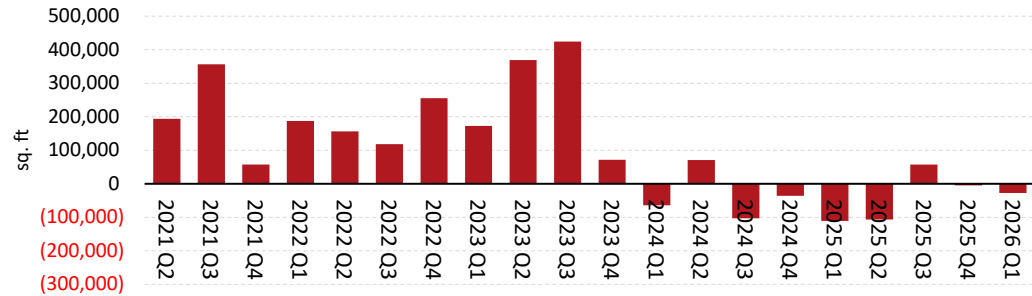
Retail Market - MSA Trends

NORTHERN VIRGINIA

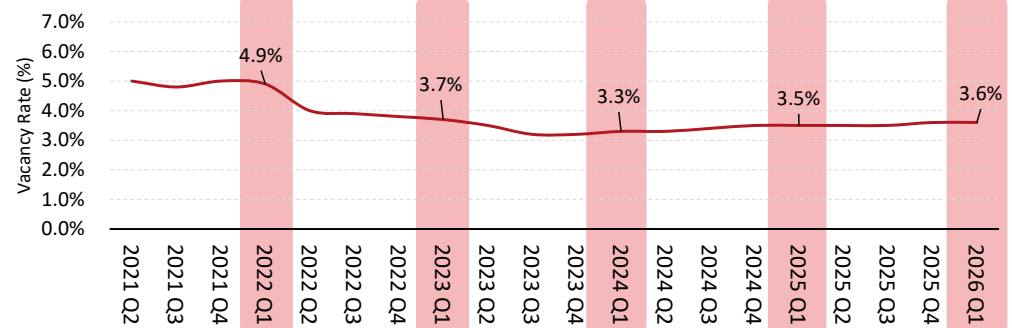
Local Market Indicator Dashboard

	Q1-2026	YoY Chg	
Total Inventory (sq. ft, millions)	134.5	0.1%	% chg
Vacancy Rate (%)	3.6%	0.1%	pct points
Net Absorption (sq. ft)	(27,275)	83,743	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$29.45	\$2.13	\$ per sq. ft
Deliveries (sq. ft)	13,760	-62,140	sq. ft
Under Construction (sq. ft)	295,591	-77,457	sq. ft

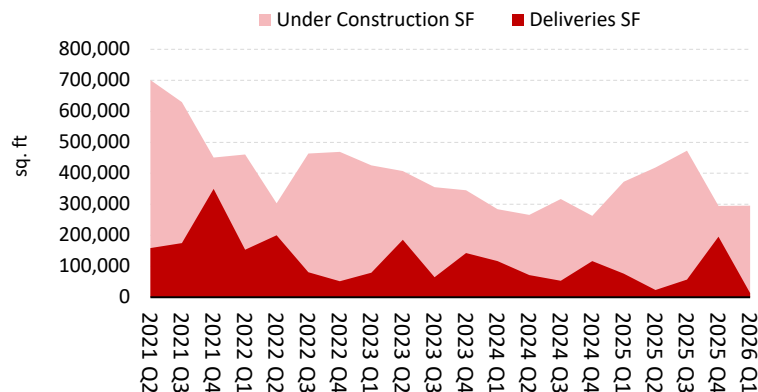
Net Absorption (sq. ft)



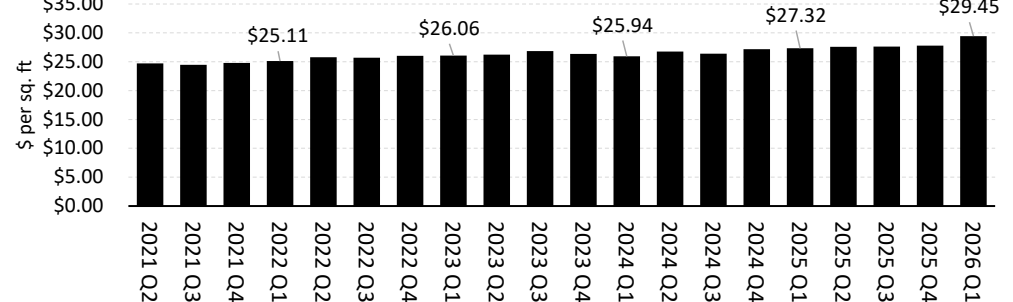
Vacancy Rate (%)



Under Construction & Net Deliveries (sq. ft)



Full Service Rent (\$ per sq. ft)



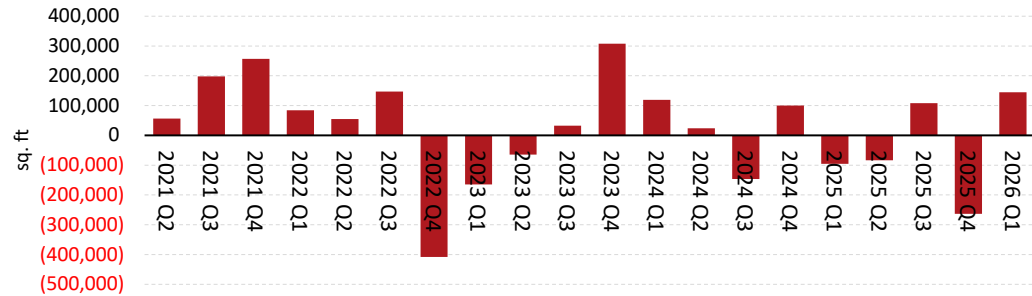
Retail Market - MSA Trends

RICHMOND MSA

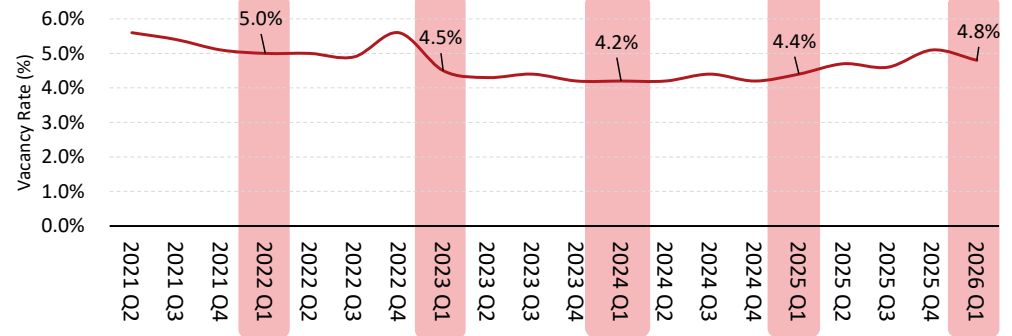
Local Market Indicator Dashboard

	Q1-2026	YoY Chg	
Total Inventory (sq. ft, millions)	78.7	0.3%	% chg
Vacancy Rate (%)	4.8%	0.4%	pct points
Net Absorption (sq. ft)	144,592	239,989	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$19.30	\$0.23	\$ per sq. ft
Deliveries (sq. ft)	54,076	-38,709	sq. ft
Under Construction (sq. ft)	388,015	14,031	sq. ft

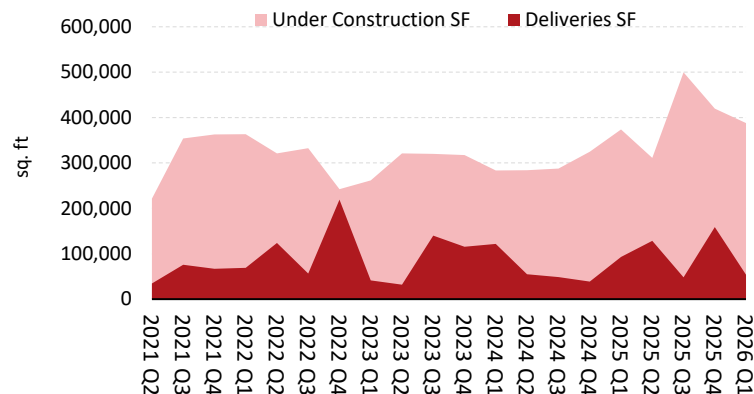
Net Absorption (sq. ft)



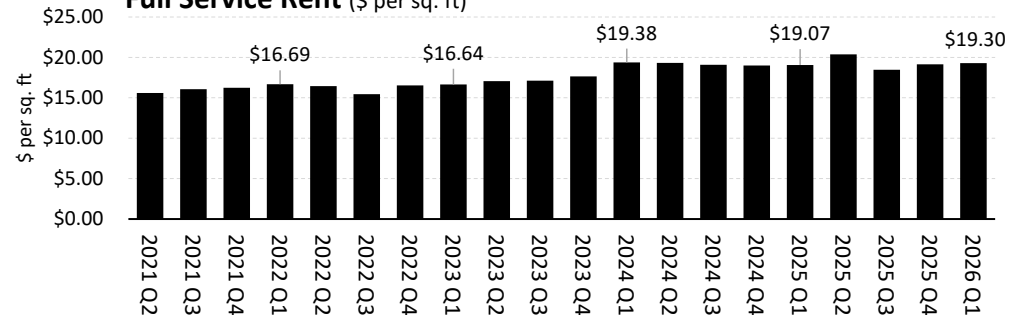
Vacancy Rate (%)



Under Construction & Net Deliveries (sq. ft)



Full Service Rent (\$ per sq. ft)



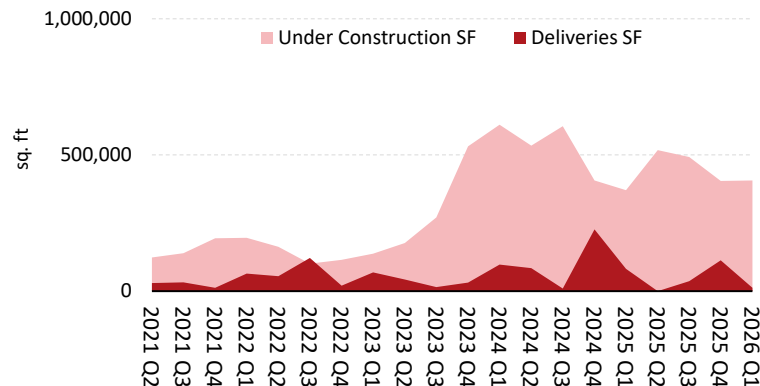
Retail Market - MSA Trends

HAMPTON ROADS

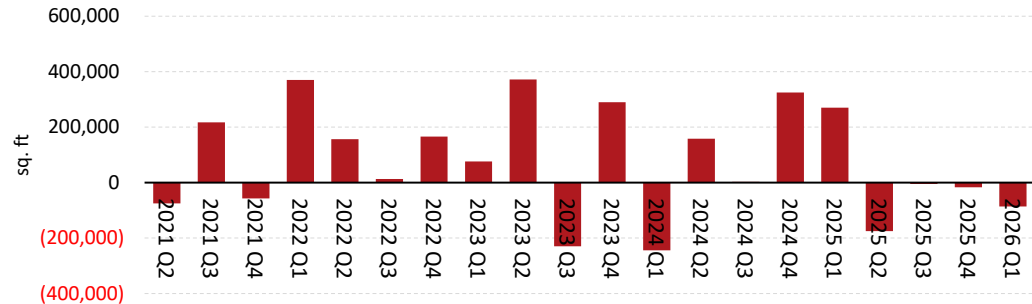
Local Market Indicator Dashboard

	Q1-2026	YoY Chg	
Total Inventory (sq. ft, millions)	106.2	0.1%	% chg
Vacancy Rate (%)	4.7%	0.4%	pct points
Net Absorption (sq. ft)	(85,684)	-355,502	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$17.15	\$0.64	\$ per sq. ft
Deliveries (sq. ft)	12,250	-69,337	sq. ft
Under Construction (sq. ft)	405,995	35,120	sq. ft

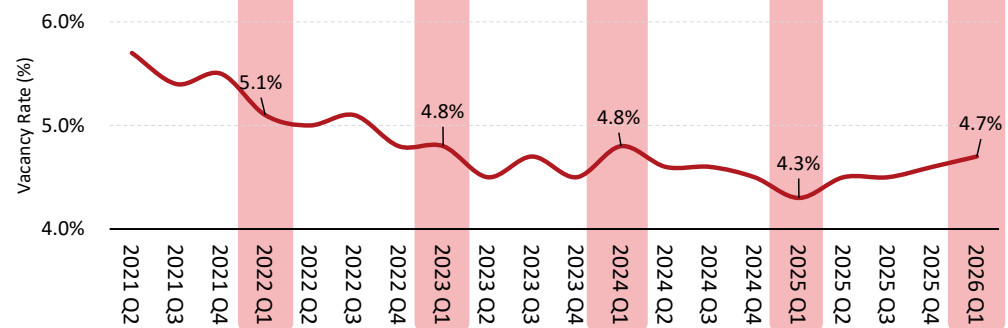
Under Construction & Net Deliveries (sq. ft)



Net Absorption (sq. ft)



Vacancy Rate (%)



Full Service Rent (\$ per sq. ft)



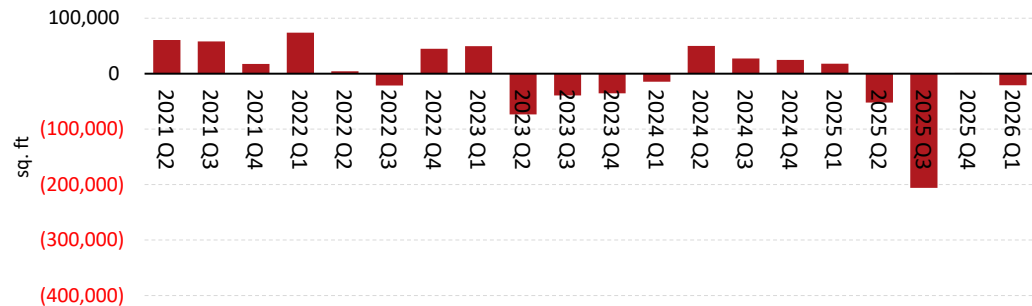
Retail Market - MSA Trends

ROANOKE MSA

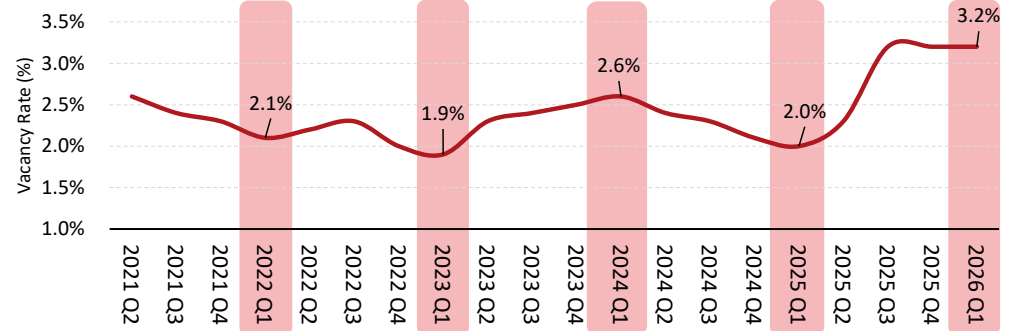
Local Market Indicator Dashboard

	Q1-2026	YoY Chg	
Total Inventory (sq. ft, millions)	23.7	0.0%	% chg
Vacancy Rate (%)	3.2%	1.2%	pct points
Net Absorption (sq. ft)	(20,834)	-38,894	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$14.17	\$0.27	\$ per sq. ft
Deliveries (sq. ft)	0	\$ -	sq. ft
Under Construction (sq. ft)	14,500	1,561	sq. ft

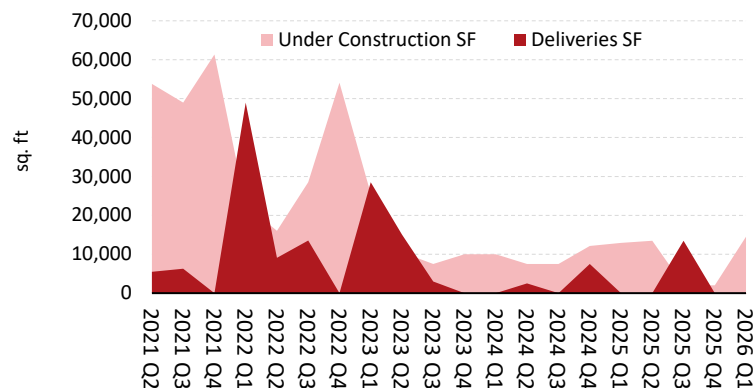
Net Absorption (sq. ft)



Vacancy Rate (%)



Under Construction & Net Deliveries (sq. ft)



Full Service Rent (\$ per sq. ft)



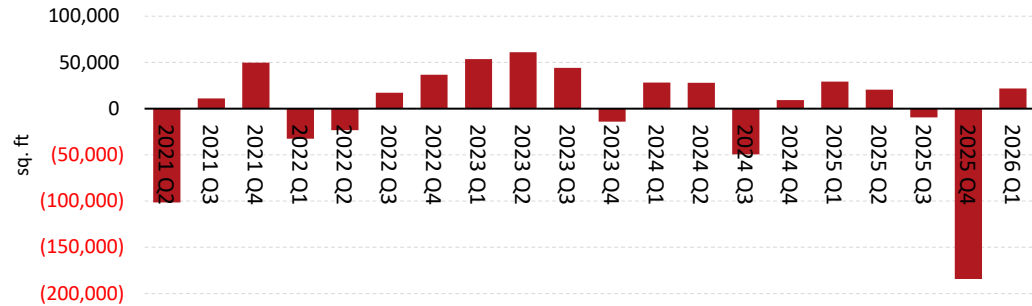
Retail Market - MSA Trends

LYNCHBURG MSA

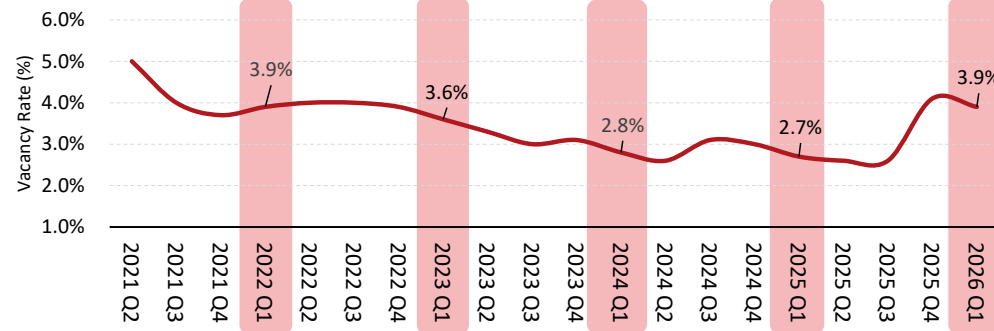
Local Market Indicator Dashboard

	Q1-2026	YoY Chg	
Total Inventory (sq. ft, millions)	14.3	0.2%	% chg
Vacancy Rate (%)	3.9%	1.2%	pct points
Net Absorption (sq. ft)	21,924	-7,301	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$16.65	\$0.57	\$ per sq. ft
Deliveries (sq. ft)	0	0	sq. ft
Under Construction (sq. ft)	16,900	-29,859	sq. ft

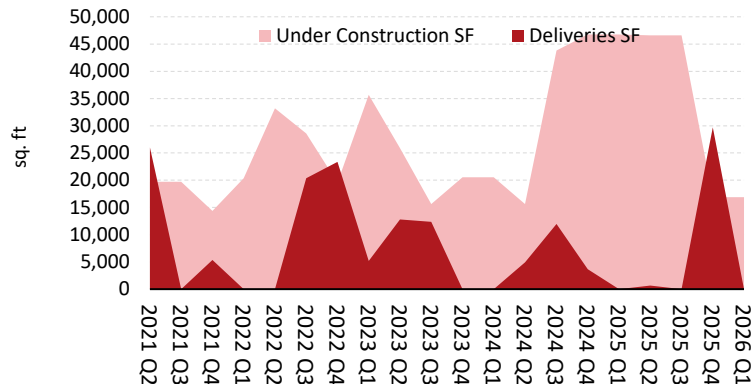
Net Absorption (sq. ft)



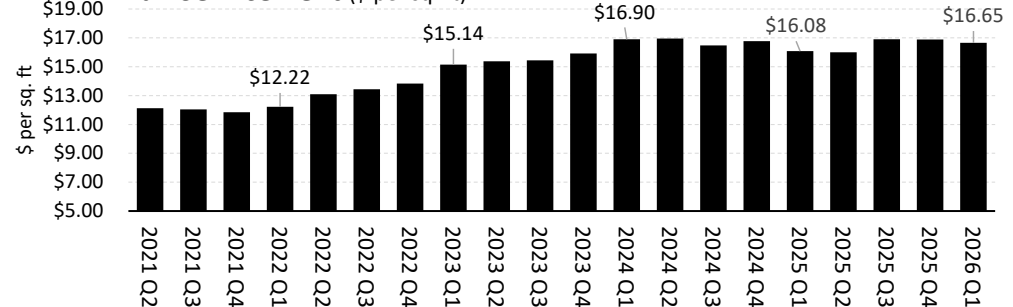
Vacancy Rate (%)



Under Construction & Net Deliveries (sq. ft)



Full Service Rent (\$ per sq. ft)



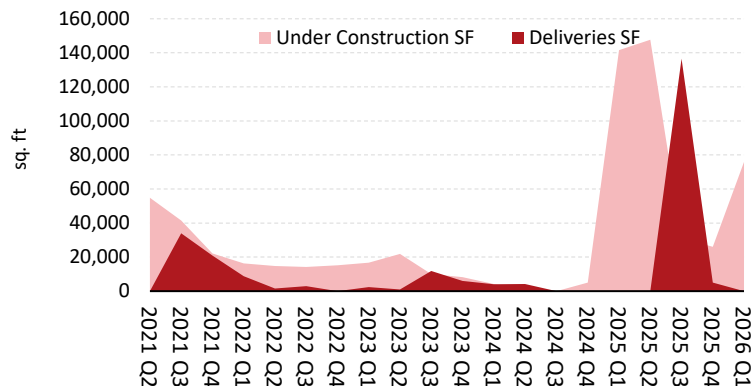
Retail Market - MSA Trends

CHARLOTTESVILLE MSA

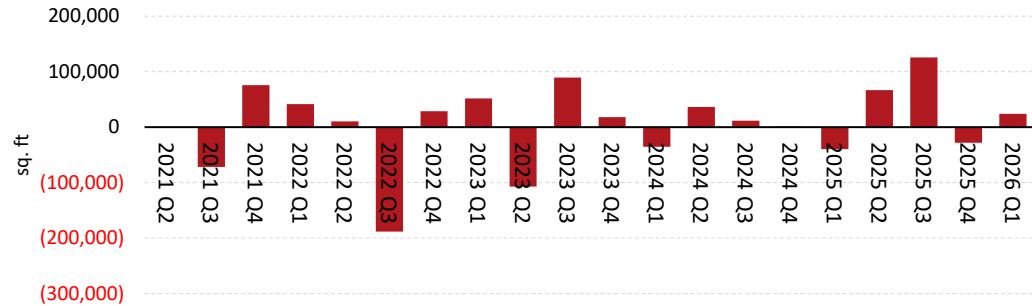
Local Market Indicator Dashboard

	Q1-2026	YoY Chg	
Total Inventory (sq. ft, millions)	10.8	1.3%	% chg
Vacancy Rate (%)	3.4%	-0.5%	pct points
Net Absorption (sq. ft)	24,050	63,810	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$22.99	-\$0.50	\$ per sq. ft
Deliveries (sq. ft)	0	0	sq. ft
Under Construction (sq. ft)	75,898	-65,761	sq. ft

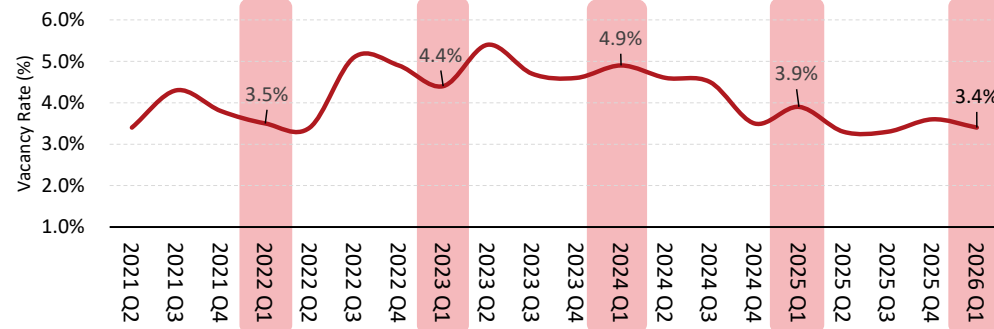
Under Construction & Net Deliveries (sq. ft)



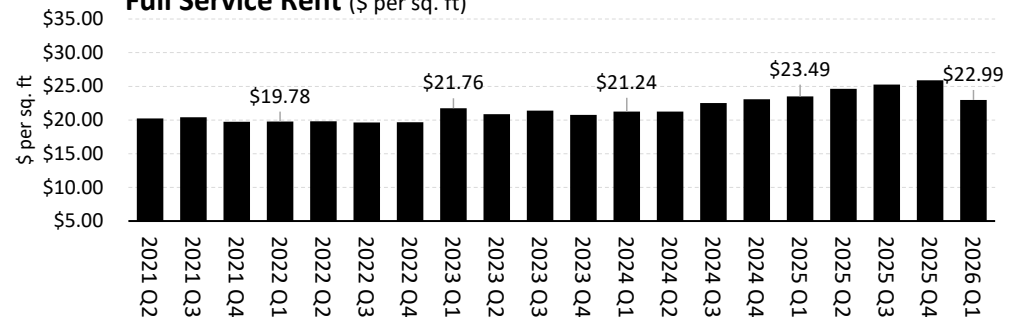
Net Absorption (sq. ft)



Vacancy Rate (%)



Full Service Rent (\$ per sq. ft)



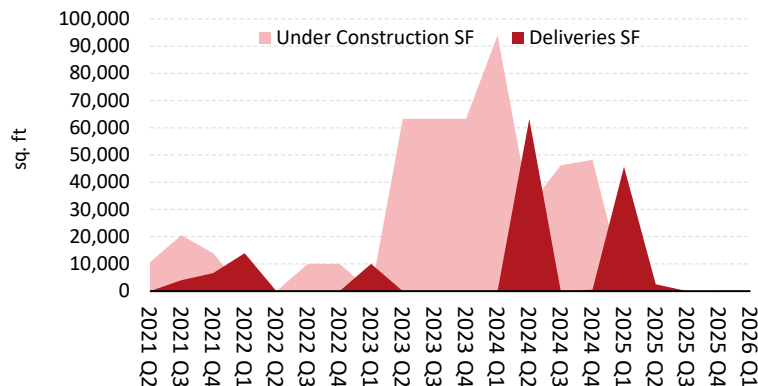
Retail Market - MSA Trends

BLACKSBURG MSA

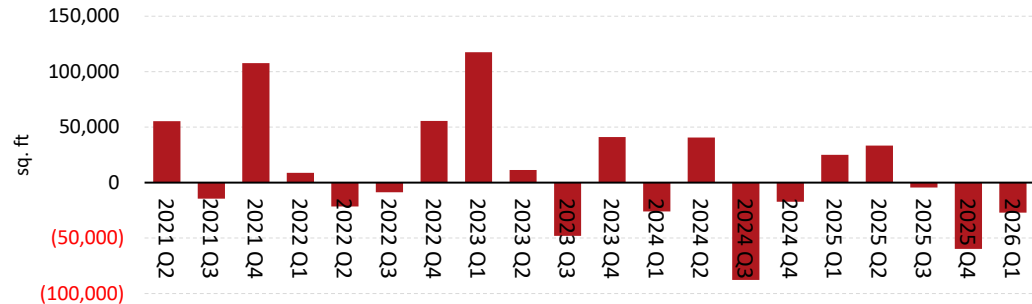
Local Market Indicator Dashboard

	Q1-2026	YoY Chg	
Total Inventory (sq. ft, millions)	9.4	0.0%	% chg
Vacancy Rate (%)	4.0%	0.7%	pct points
Net Absorption (sq. ft)	(27,043)	-52,094	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$12.13	\$0.97	\$ per sq. ft
Deliveries (sq. ft)	0	-45,690	sq. ft
Under Construction (sq. ft)	0	-2,500	sq. ft

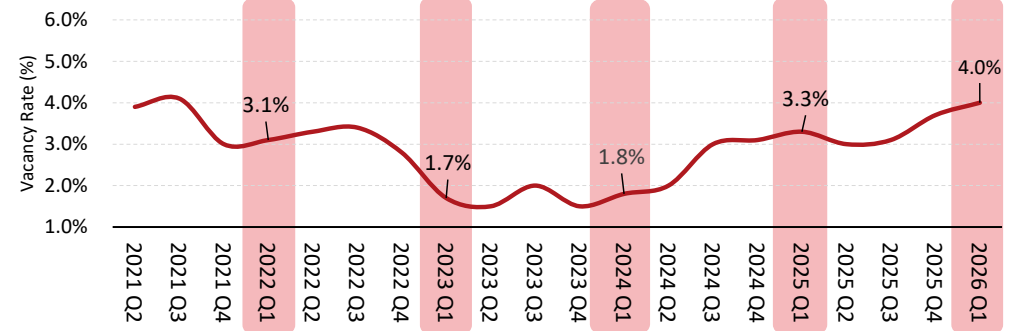
Under Construction & Net Deliveries (sq. ft)



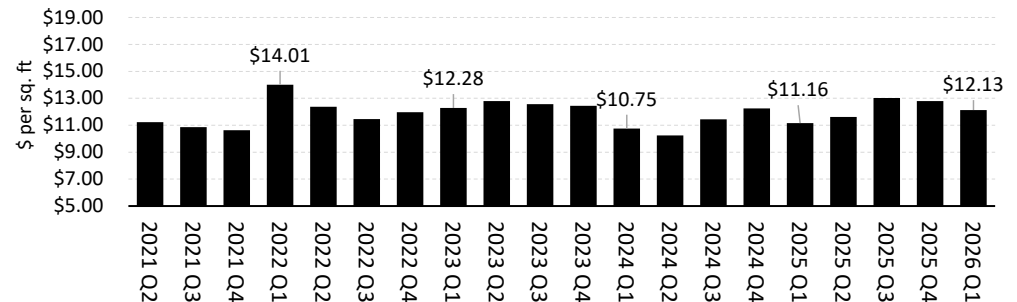
Net Absorption (sq. ft)



Vacancy Rate (%)



Full Service Rent (\$ per sq. ft)



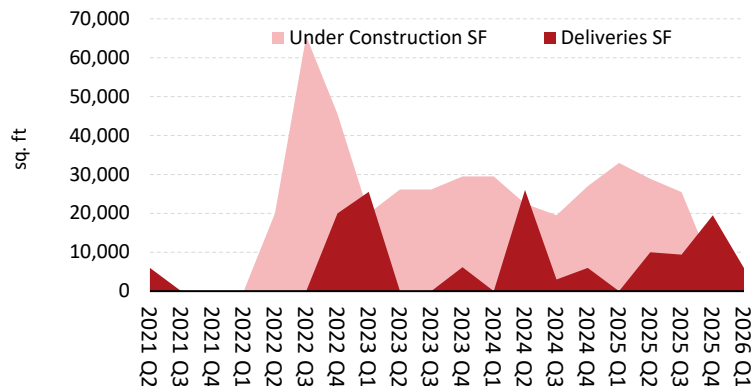
Retail Market - MSA Trends

WINCHESTER MSA

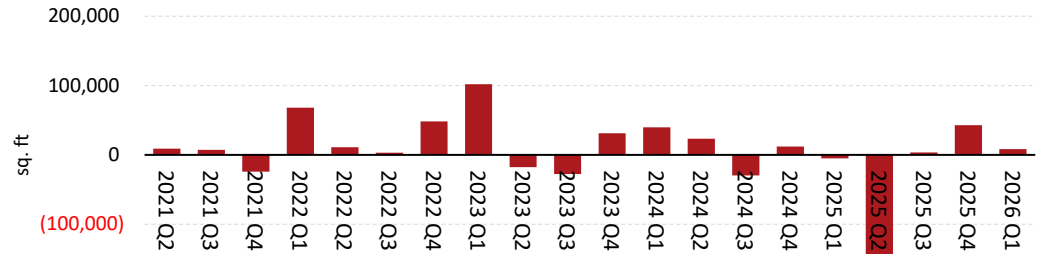
Local Market Indicator Dashboard

	Q1-2026	YoY Chg	
Total Inventory (sq. ft, millions)	8.8	-1.5%	% chg
Vacancy Rate (%)	2.6%	-0.1%	pct points
Net Absorption (sq. ft)	8,150	13,250	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$15.91	\$0.44	\$ per sq. ft
Deliveries (sq. ft)	5,944	5,944	sq. ft
Under Construction (sq. ft)	0	-32,944	sq. ft

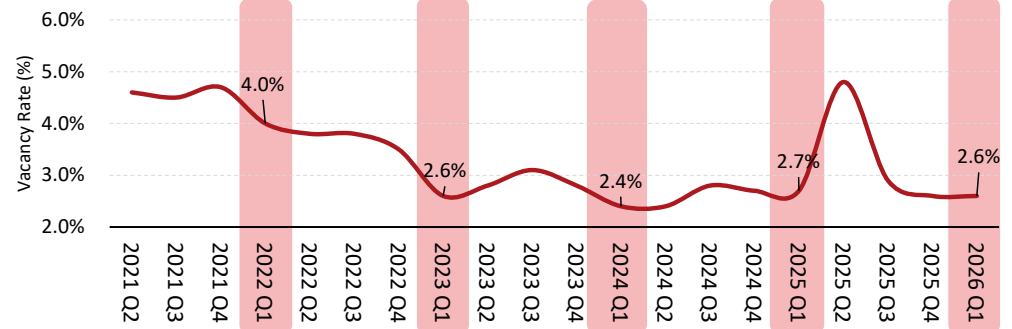
Under Construction & Net Deliveries (sq. ft)



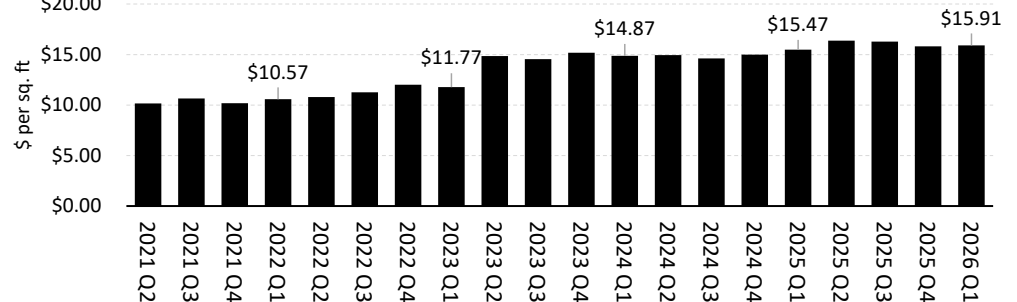
Net Absorption (sq. ft)



Vacancy Rate (%)



Full Service Rent (\$ per sq. ft)



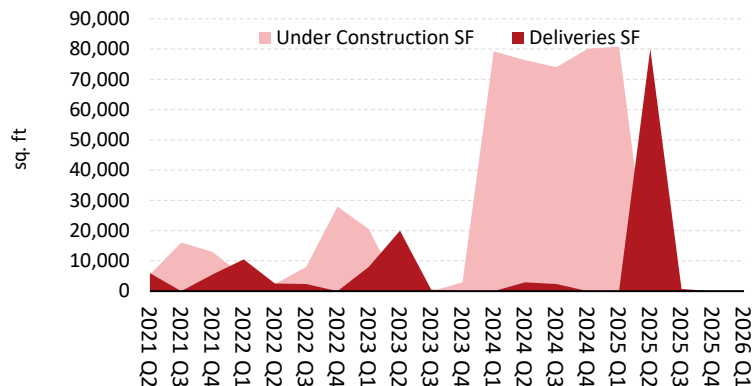
Retail Market - MSA Trends

HARRISONBURG MSA

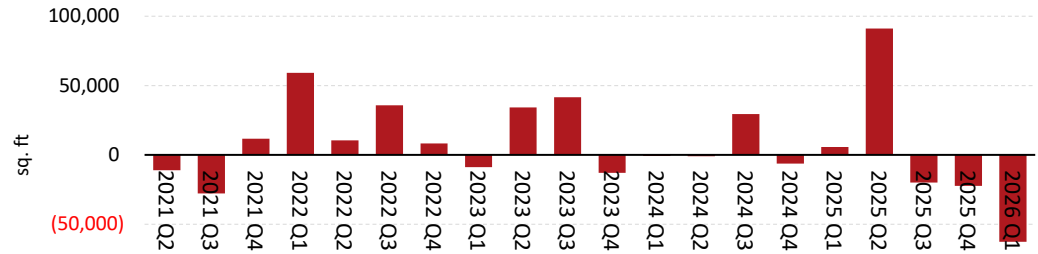
Local Market Indicator Dashboard

	Q1-2026	YoY Chg	
Total Inventory (sq. ft, millions)	7.0	1.2%	% chg
Vacancy Rate (%)	2.7%	1.4%	pct points
Net Absorption (sq. ft)	(62,720)	-68,384	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$16.17	\$1.68	\$ per sq. ft
Deliveries (sq. ft)	0	0	sq. ft
Under Construction (sq. ft)	0	-80,820	sq. ft

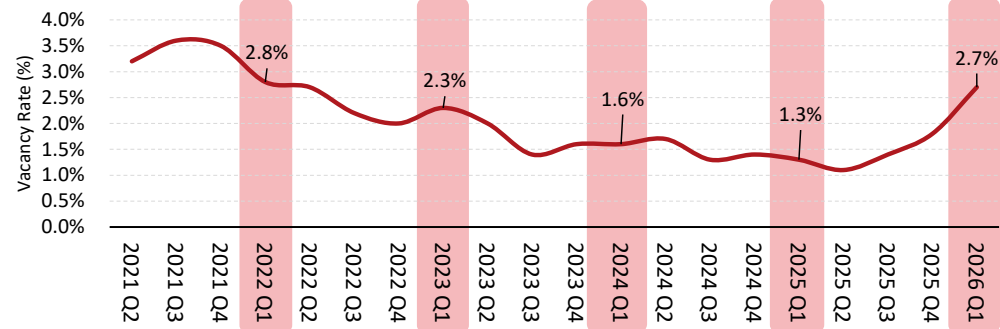
Under Construction & Net Deliveries (sq. ft)



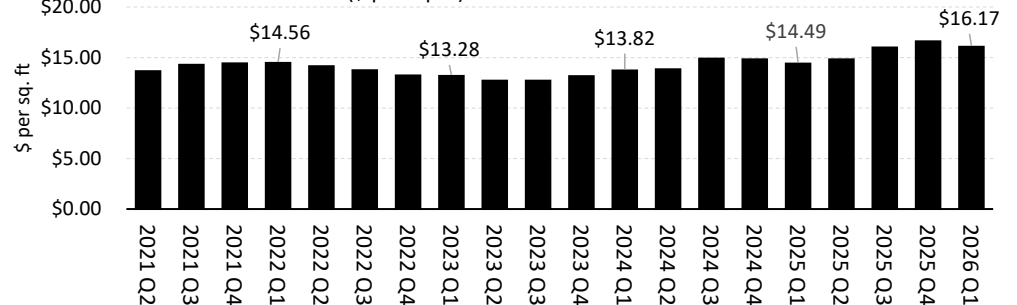
Net Absorption (sq. ft)



Vacancy Rate (%)



Full Service Rent (\$ per sq. ft)



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All inquiries regarding this report may be directed to:

Robin Spensieri

Virginia REALTORS® Senior Vice President
of Corporate Communications

rspensieri@virginiarealtors.org

404-433-6015

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