



Q2 2026 RETAIL MARKET REPORT

Retail Market - Key Trends Snapshot

Retail Market

Overview: The retail market in Virginia seems to be healthy and stable in the second quarter of 2026. Tenant demand was strong, leading to positive absorption as rents rose at a modest pace. Vacancy rates increased slightly due to a rise in deliveries, but overall, the construction pipeline is slowed this quarter.

Absorption: Retail absorption levels turned positive this quarter, indicating strong demand and a healthier market. There was a recorded 968,140 sq ft of occupied space in the retail market in Q2, an improvement from five years ago when there was just 155,664 sq ft. Most of the growth was concentrated in the large/big box retail sector with 839,425 sq ft of net absorption, the highest level since Q4 2015. The strongest net absorption occurred in Northern Virginia, Richmond and Hampton Roads.

Vacancy Rate: Despite an increase in occupied space, vacancy rates inched up this quarter, a sign that more inventory is hitting the market. In Q2 2026, the vacancy rate was 4.0%, slightly below the five-year average of 4.1%. Both sectors of the market experienced a small increase in vacancies with the rate up 0.1 percentage point for large/big box retail and 0.2 percentage points for small/neighborhood retail space.

Rent: There was moderate rent growth this quarter with the price per sq ft at \$18.26, up 0.6 percentage points from a year ago. In the small/neighborhood retail sector, rent dipped, going from \$22.72 to \$22.58 in Q2. Rent rose 2.1% for large/big box retail with the price per sq ft at \$14.36. The decline in large/big box retail rent in Charlottesville led to a 6.7% decrease across the metro area with retail spaces costing \$22.97 per sq ft.

Supply+ Deliveries: There was 971,802 sq ft of space underway in the second quarter of 2026, down 36.4% from the year prior and 21.7% from five years ago. Both large/big box retail and small/neighborhood retail experienced significant declines in construction activity this quarter.



VIRGINIA (Statewide)



Market Indicator Dashboard

	YoY Chg	Q2-2026	Indicator
% chg	0.2%	455,141,781	Total Inventory (sq. ft)
sq. ft	1,374,663	968,140	Net Absorption (sq. ft)
pct point	0.2%	4.0%	Vacancy Rate (%)
\$ per sq. ft	\$0.11	\$18.26	Full Service Rent (\$ per sq. ft)
sq. ft	426,741	704,562	New Supply Delivered (sq. ft)
sq. ft	-556,445	971,802	Under Construction (sq. ft)



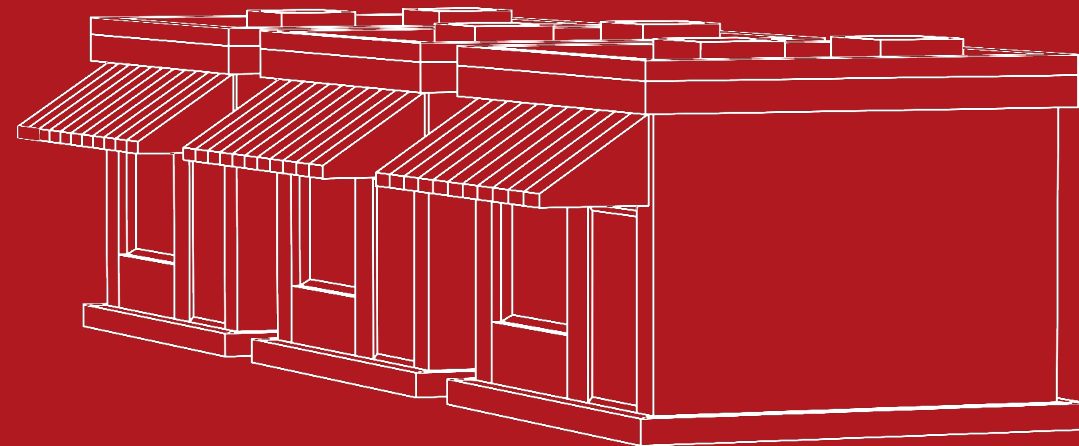
Economic Indicator Dashboard

	MoM % Chg	May-26	Indicator
% chg	-0.2%	4.2	Total Jobs (in millions, seasonally adjusted)
% chg	1.0%	822.4	Retail-Supporting Jobs (in thousands, seasonally adjusted)
pct point	0	3.8%	Unemployment Rate (% seasonally adjusted)
pct point	QoQ Chg 1.6%	Q1-2026 2.1	Gross Domestic Product (% chg from prior year)

Report Index

Virginia Retail Market

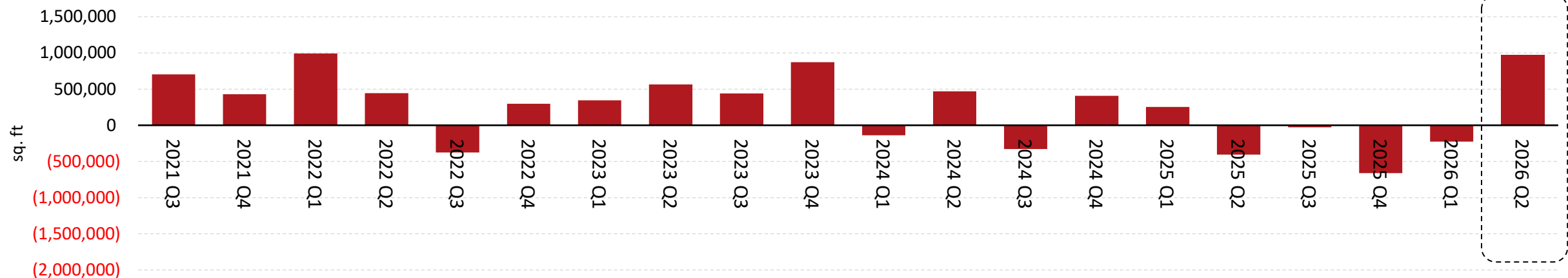
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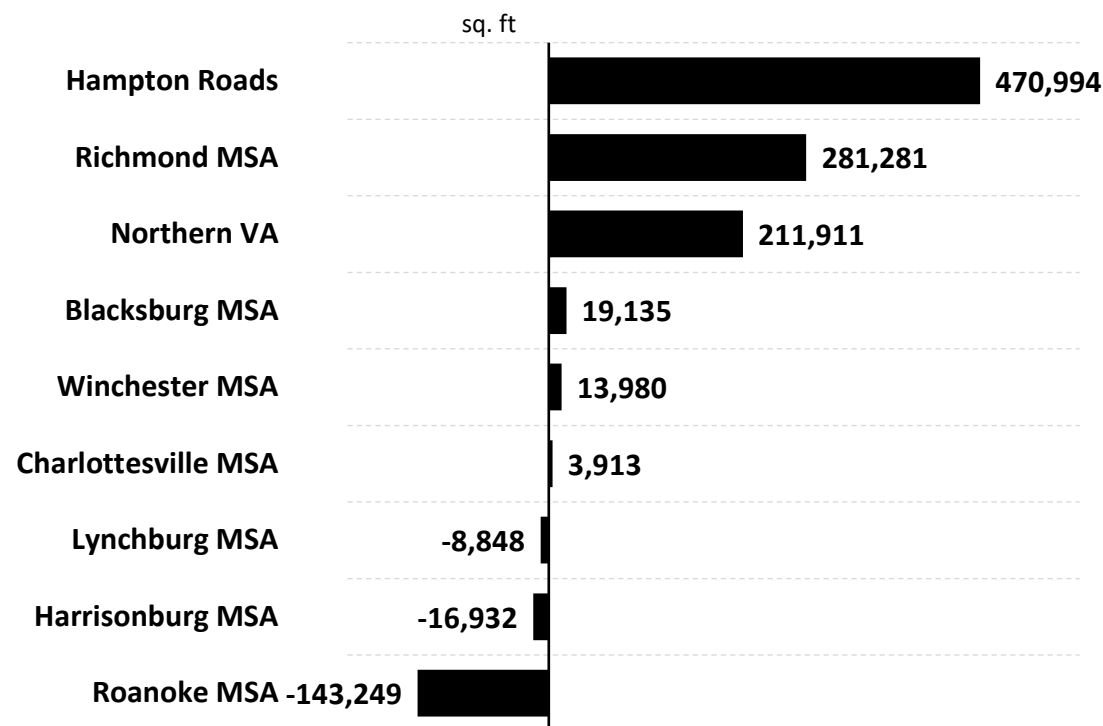
Retail Market - Absorption & Construction Trends

VIRGINIA (Statewide)

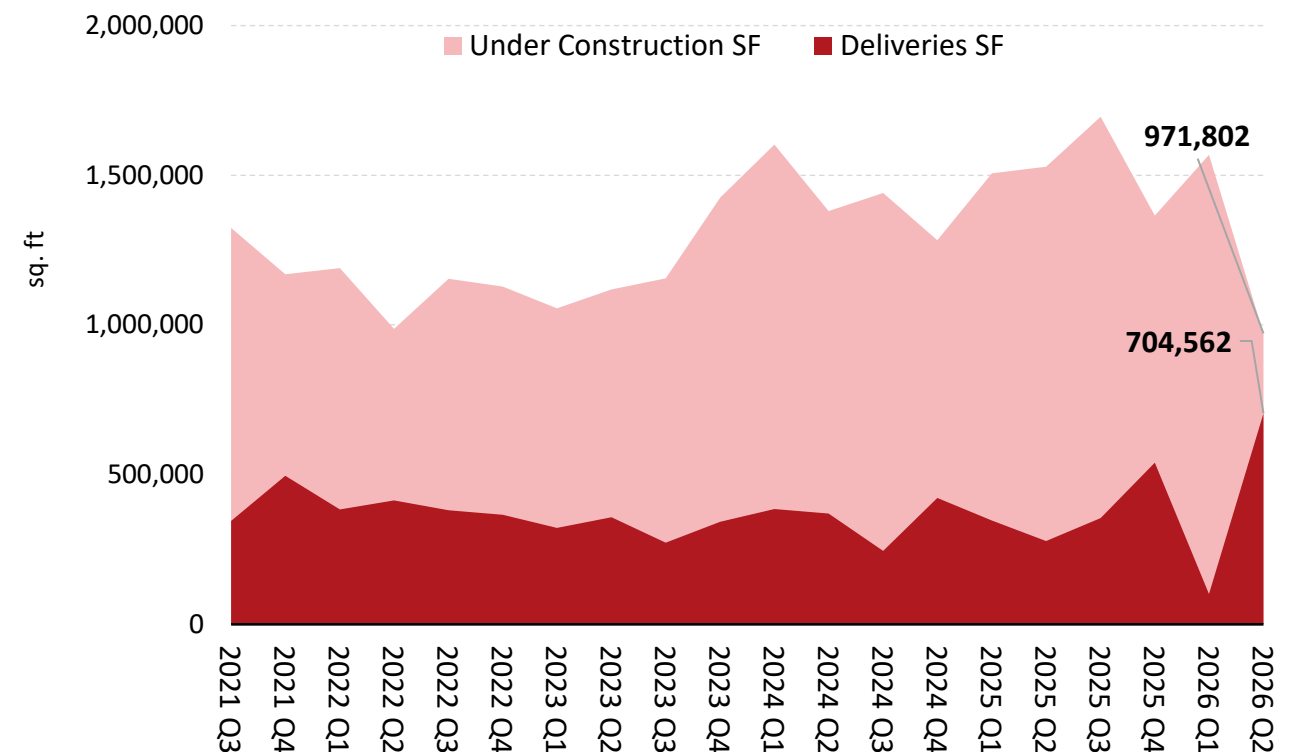
Net Absorption (sq. ft)



Q2-2026 Net Absorption by Metro Area (sq. ft)

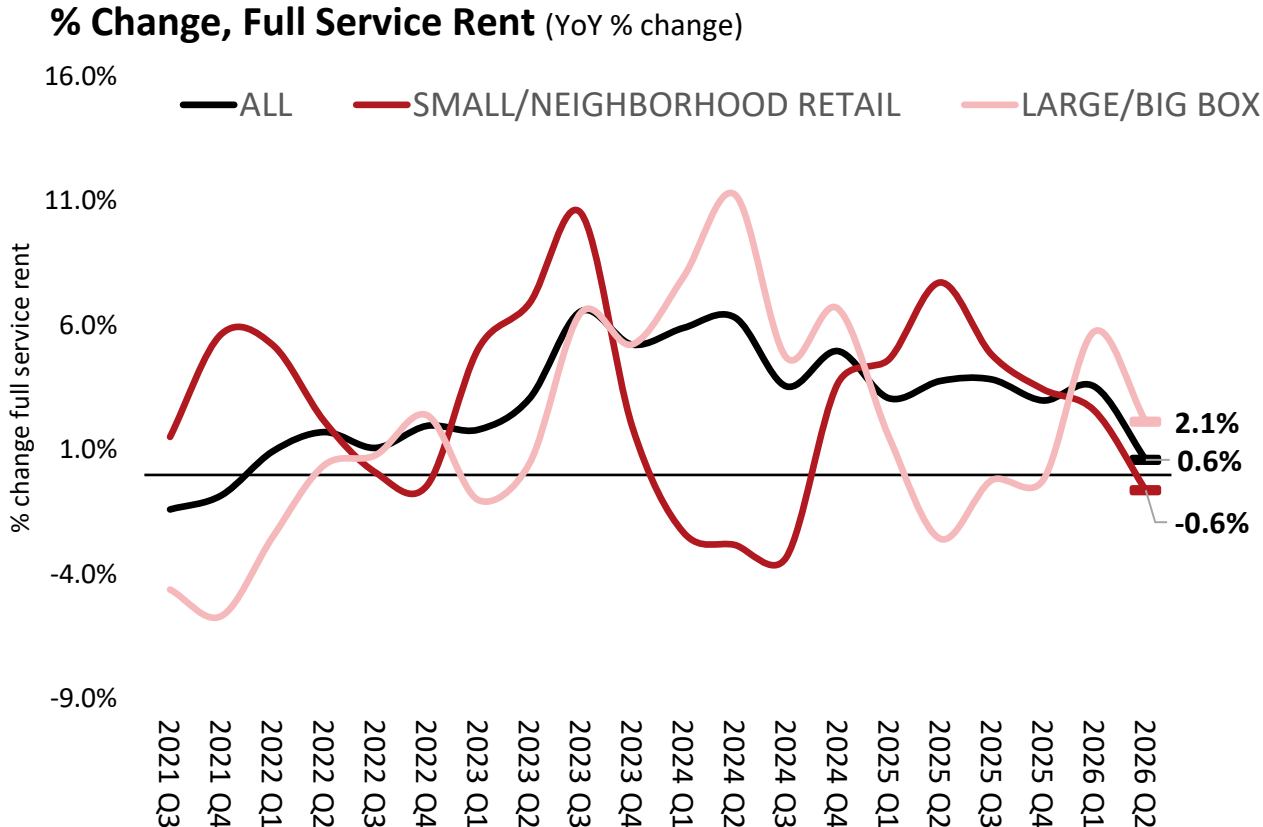
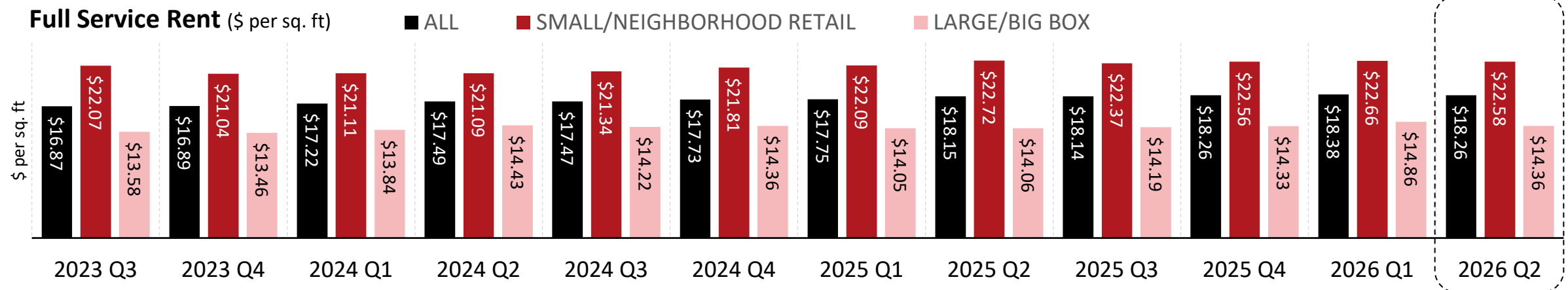


Under Construction & Net Deliveries (sq. ft)

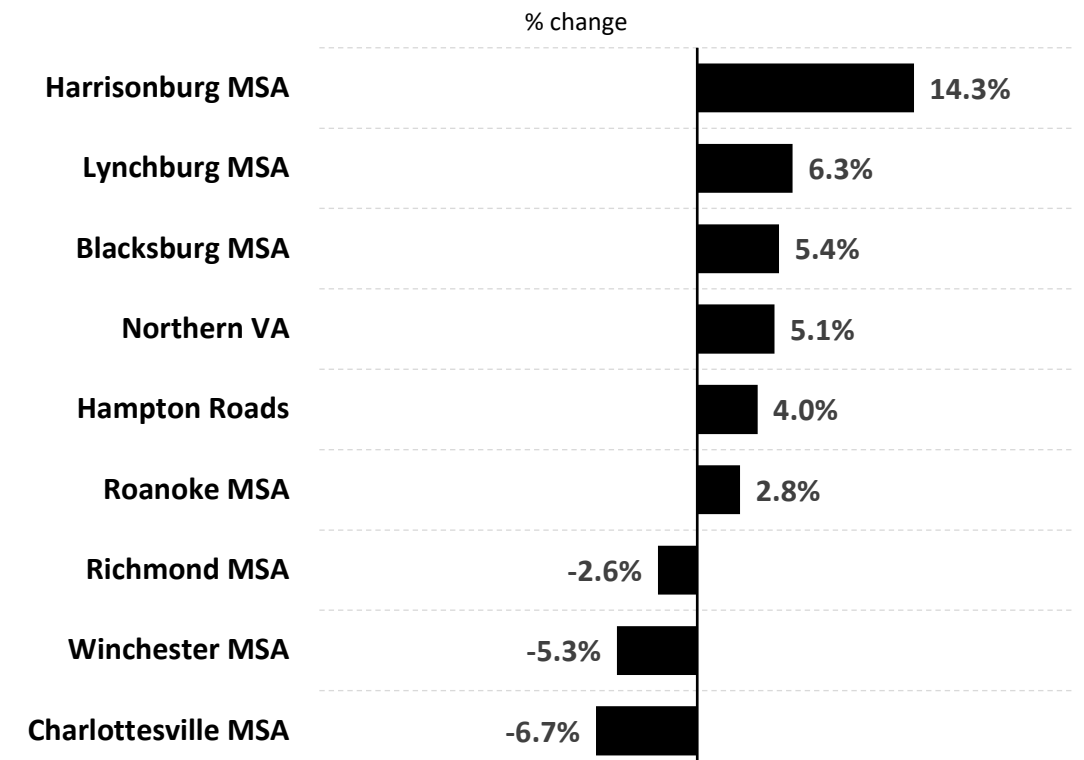


Retail Market - Rent Trends

VIRGINIA (Statewide)

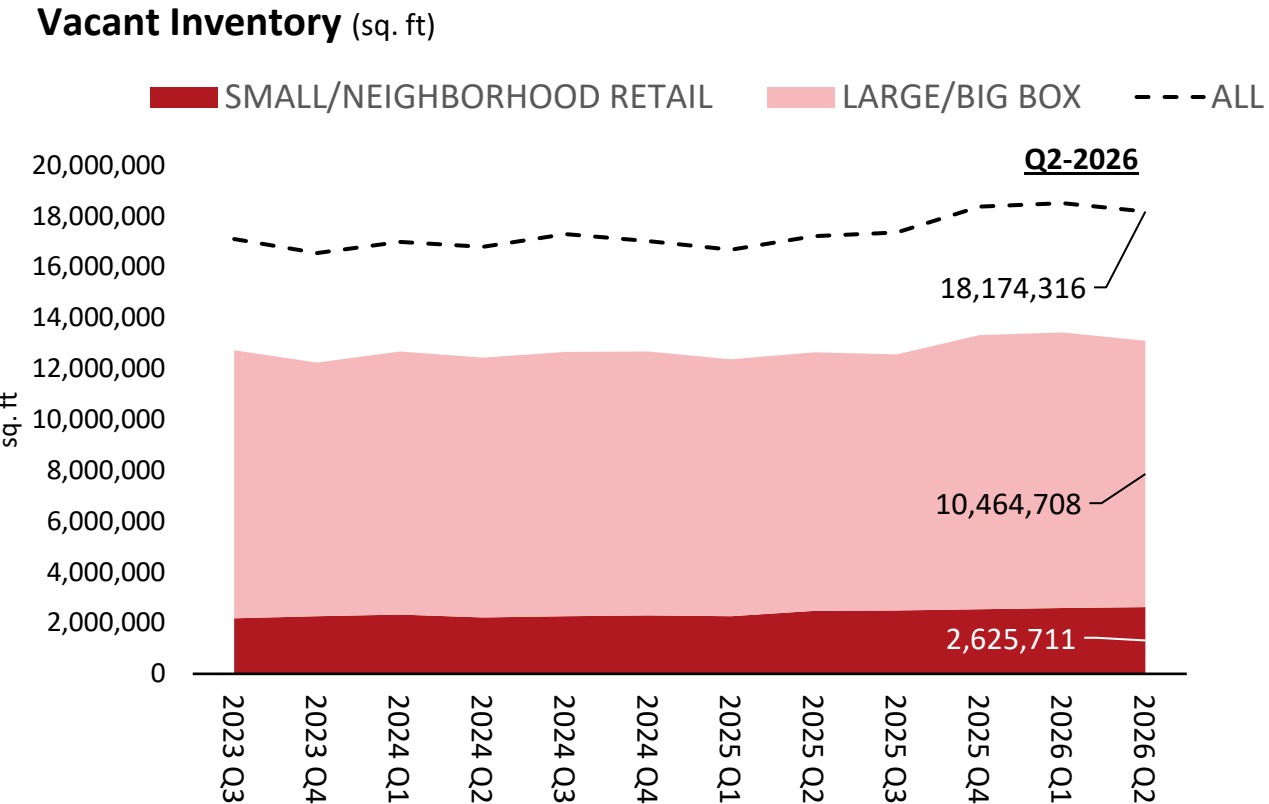
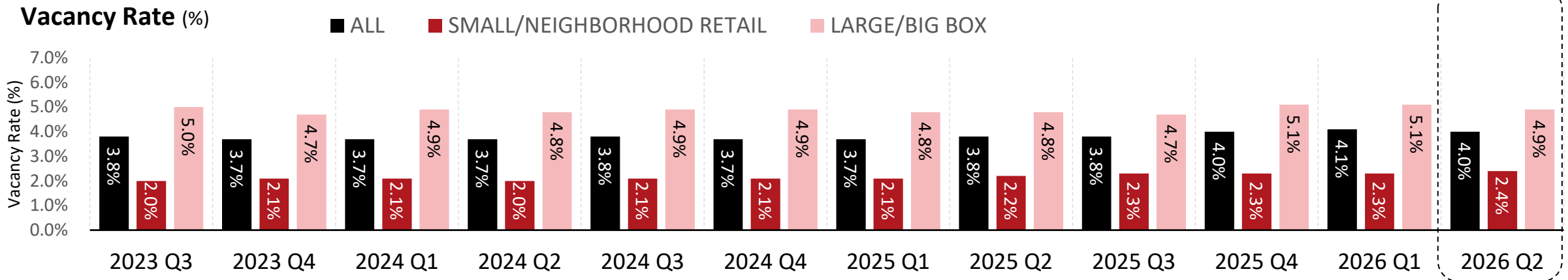


Q2-2026 by MSA: % Change, Full Service Rent (YoY % change)

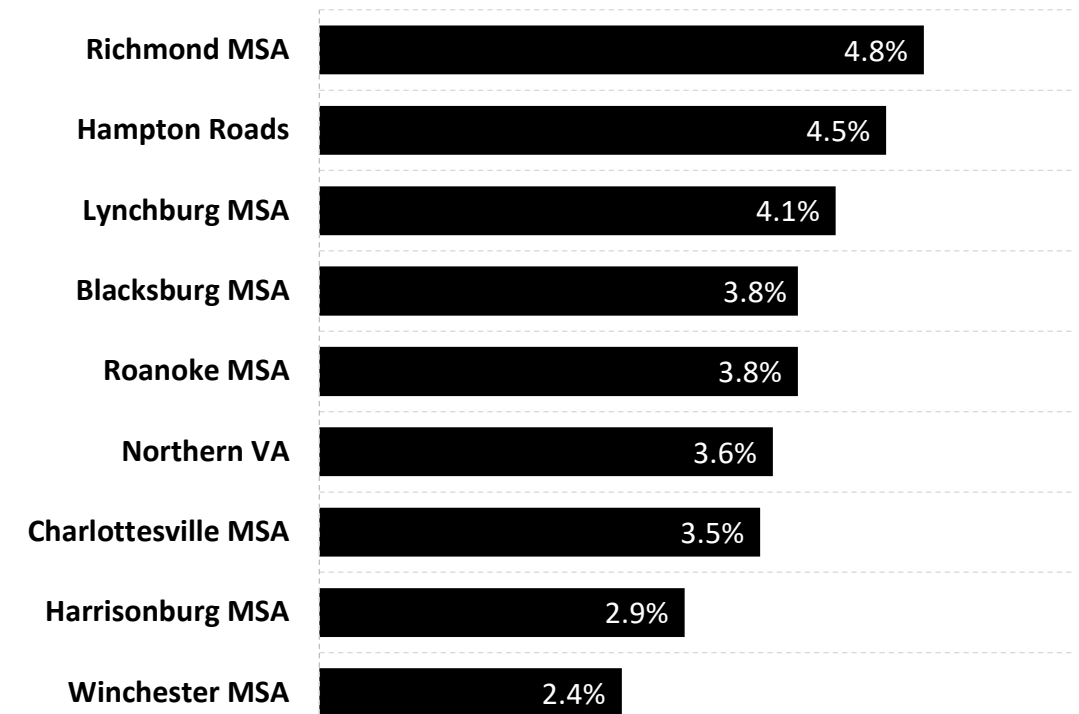


Retail Market - Vacancy Trends

VIRGINIA (Statewide)



Q2-2026 Retail Vacancy Rate by MSA



MSA TRENDS

METROPOLITAN STATISTICAL AREA

Q2

Virginia
REALTORS®

2026

RETAIL
Market Report



Snapshot of Retail Market Conditions Around Virginia

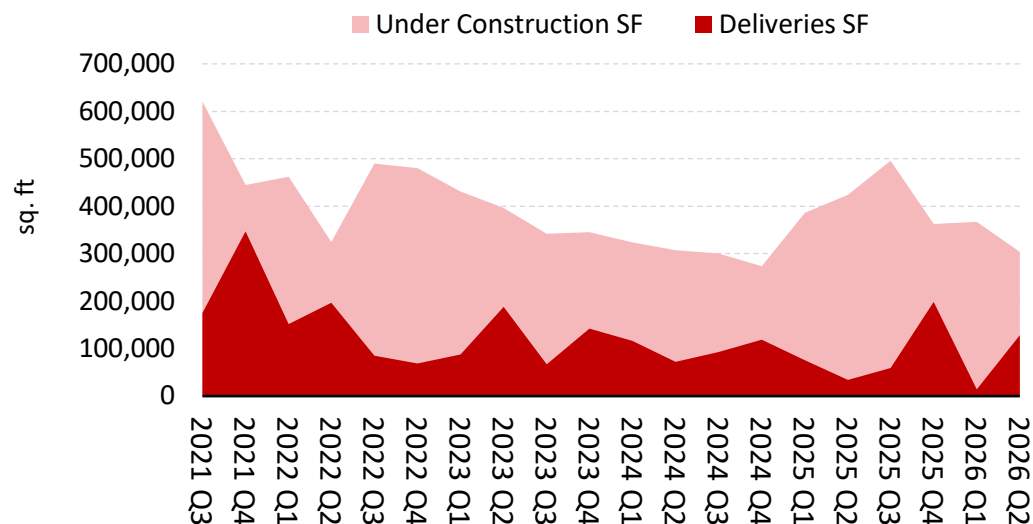
Retail Market - MSA Trends

NORTHERN VIRGINIA

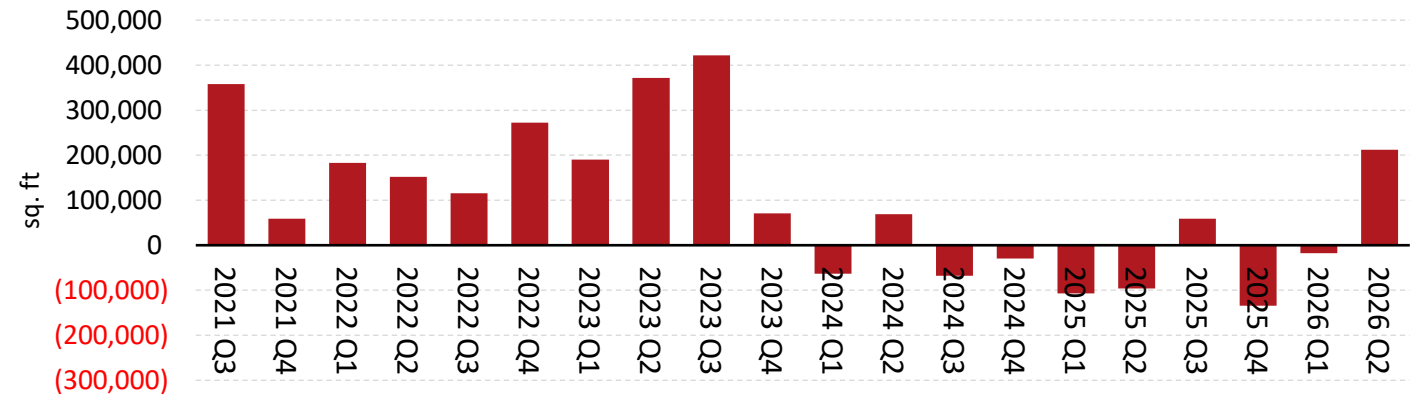
Local Market Indicator Dashboard

	Q2-2026	YoY Chg
Total Inventory (sq. ft, millions)	134.6	0.2% % chg
Vacancy Rate (%)	3.6%	0.1% pct points
Net Absorption (sq. ft)	211,911	307,543 sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$29.02	\$1.41 \$ per sq. ft
Deliveries (sq. ft)	128,575	94,354 sq. ft
Under Construction (sq. ft)	303,562	-120,288 sq. ft

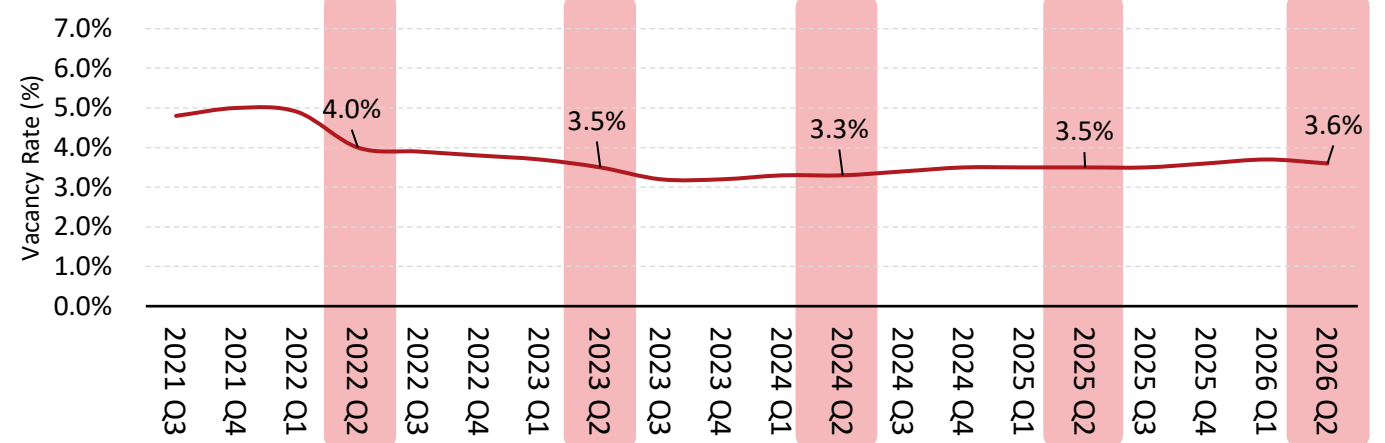
Under Construction & Net Deliveries (sq. ft)



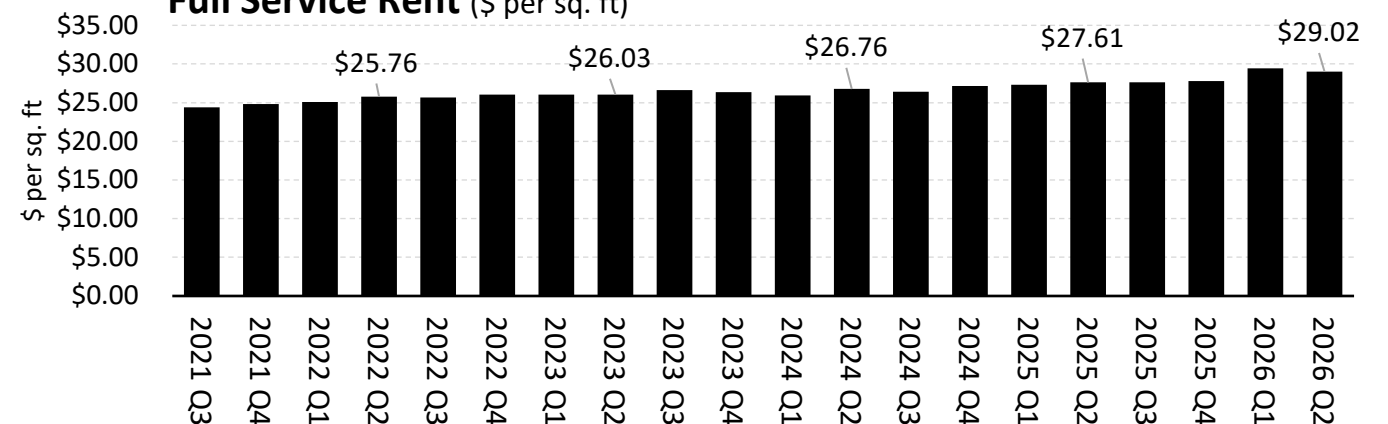
Net Absorption (sq. ft)



Vacancy Rate (%)



Full Service Rent (\$ per sq. ft)



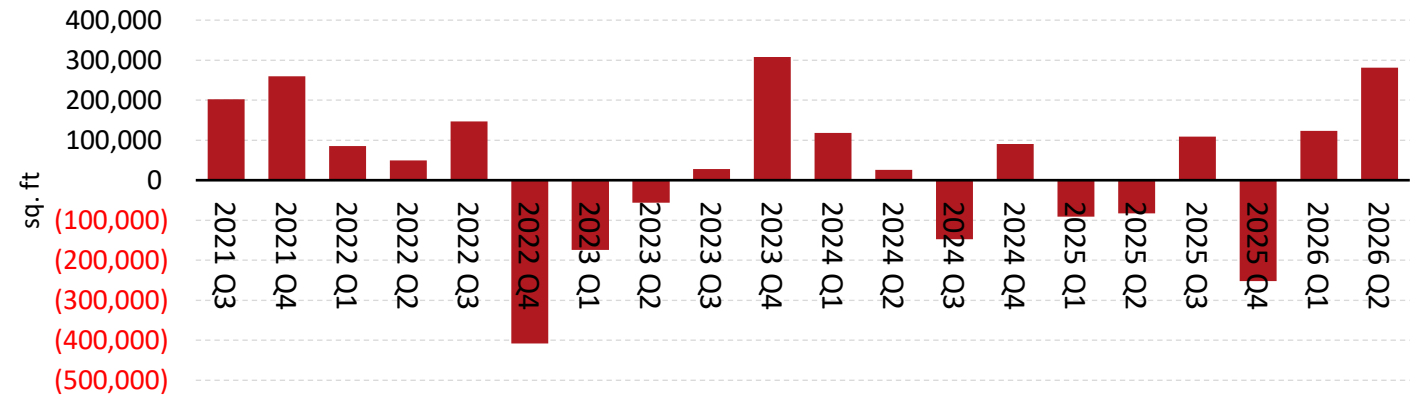
Retail Market - MSA Trends

RICHMOND MSA

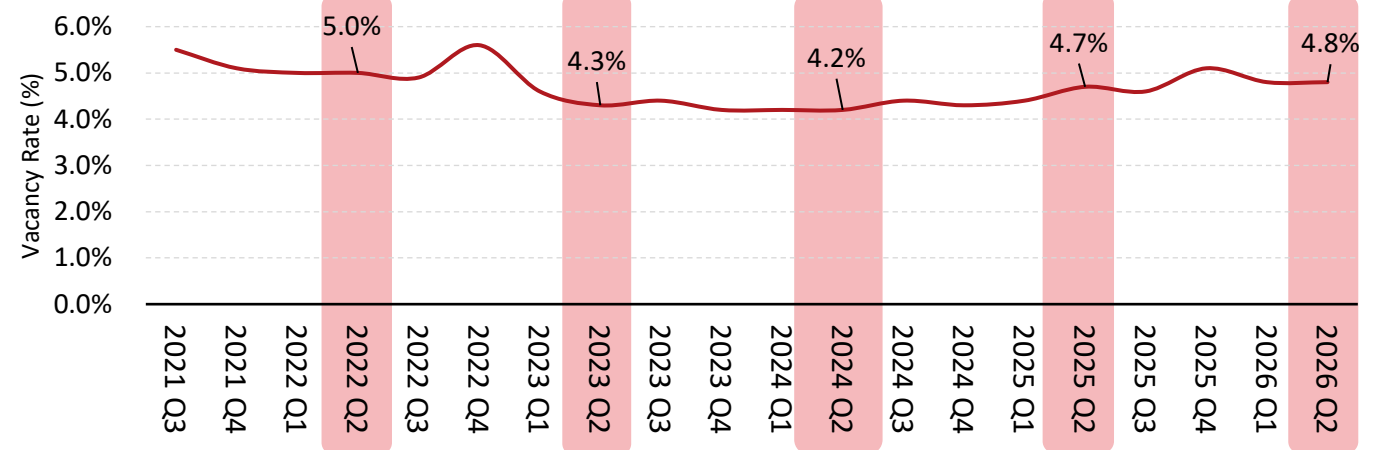
Local Market Indicator Dashboard

	Q2-2026	YoY Chg	
Total Inventory (sq. ft, millions)	78.7	0.5%	% chg
Vacancy Rate (%)	4.8%	0.1%	pct points
Net Absorption (sq. ft)	281,281	363,932	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$19.85	-\$0.53	\$ per sq. ft
Deliveries (sq. ft)	284,463	156,138	sq. ft
Under Construction (sq. ft)	203,811	-89,999	sq. ft

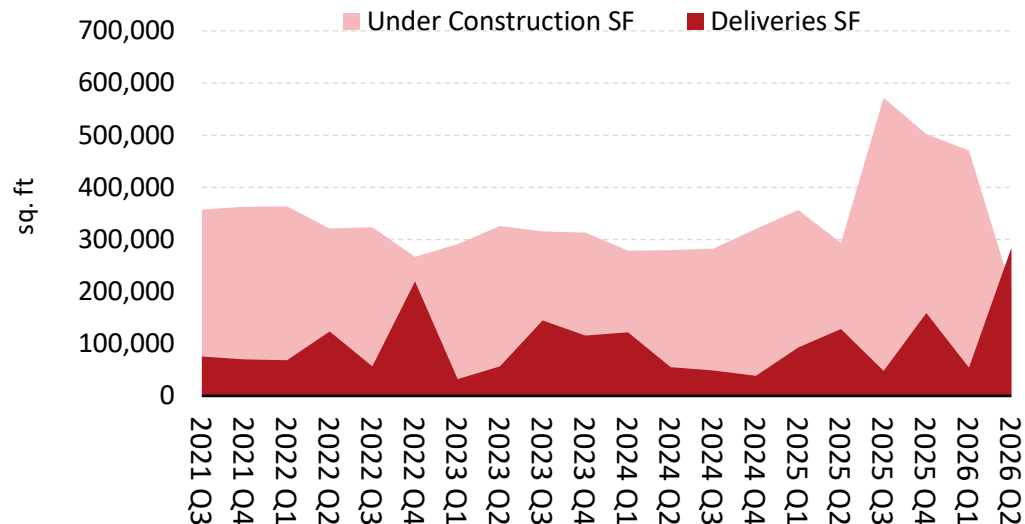
Net Absorption (sq. ft)



Vacancy Rate (%)



Under Construction & Net Deliveries (sq. ft)



Full Service Rent (\$ per sq. ft)



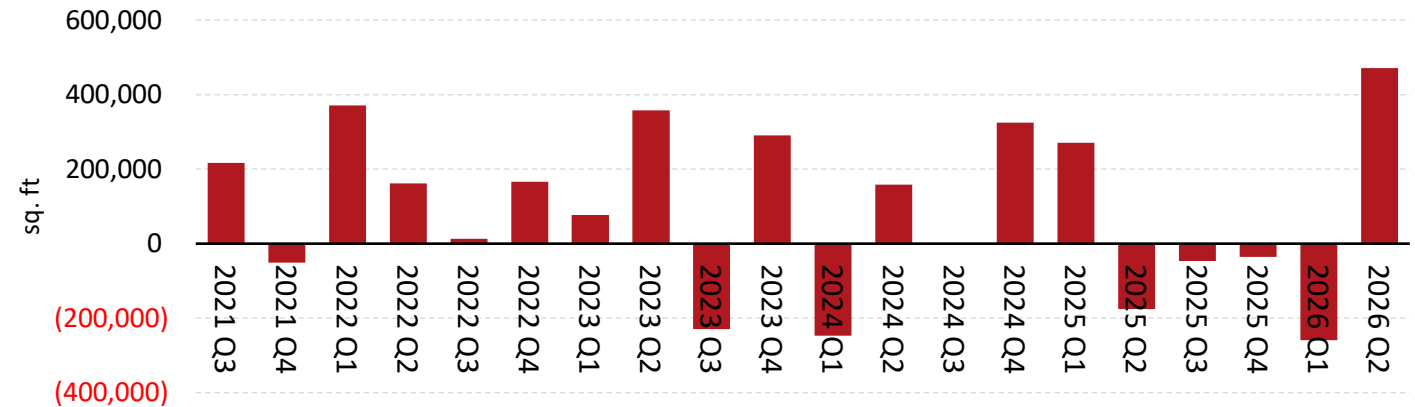
Retail Market - MSA Trends

HAMPTON ROADS

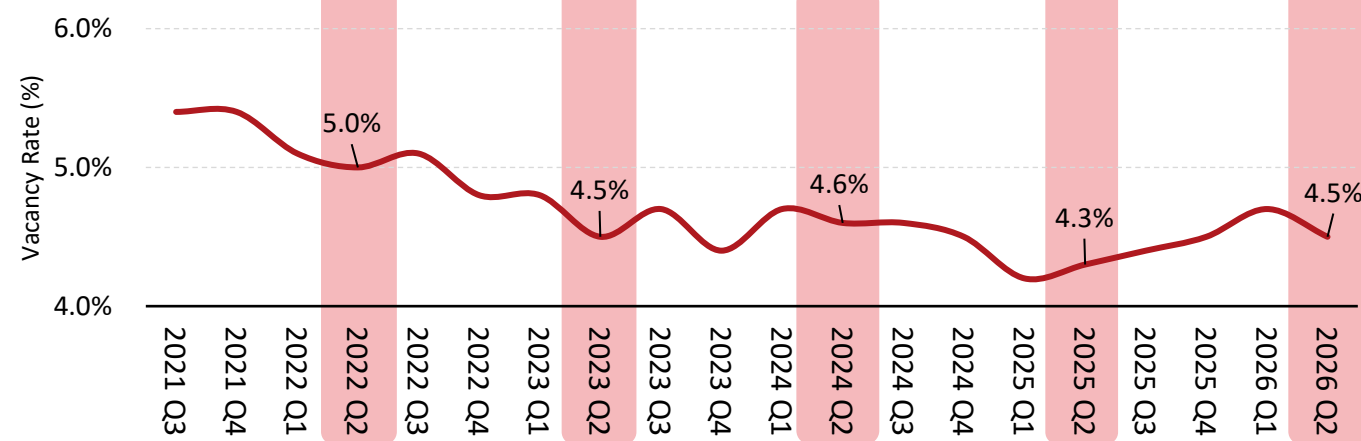
Local Market Indicator Dashboard

	Q2-2026	YoY Chg
Total Inventory (sq. ft, millions)	106.6	0.3% % chg
Vacancy Rate (%)	4.5%	0.2% pct points
Net Absorption (sq. ft)	470,994	646,300 sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$17.18	\$0.66 \$ per sq. ft
Deliveries (sq. ft)	249,628	249,628 sq. ft
Under Construction (sq. ft)	343,692	-184,718 sq. ft

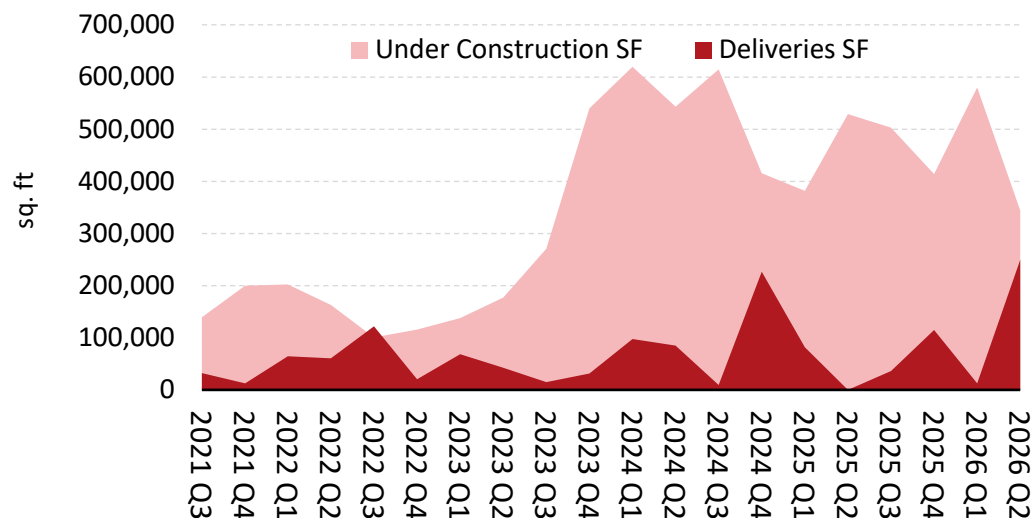
Net Absorption (sq. ft)



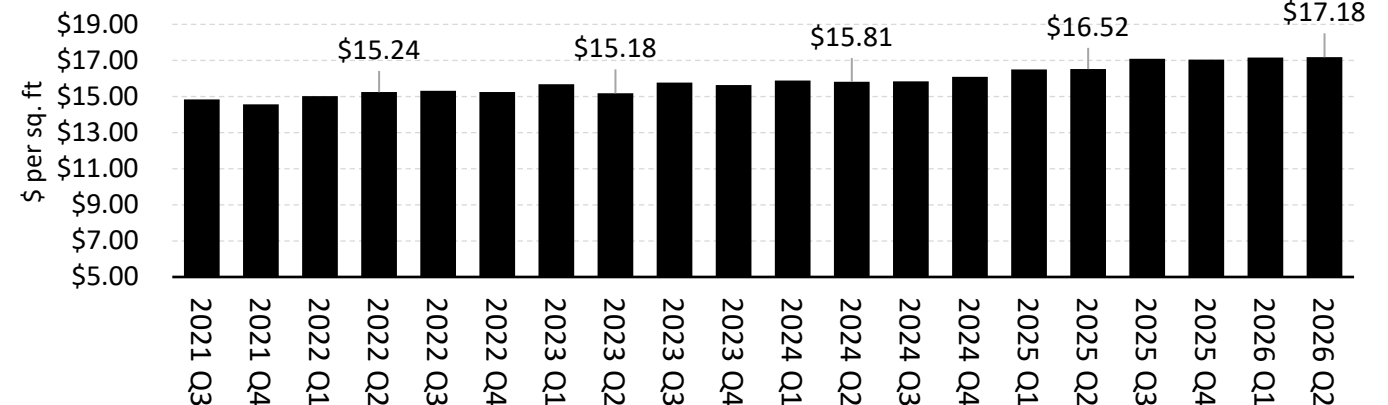
Vacancy Rate (%)



Under Construction & Net Deliveries (sq. ft)



Full Service Rent (\$ per sq. ft)



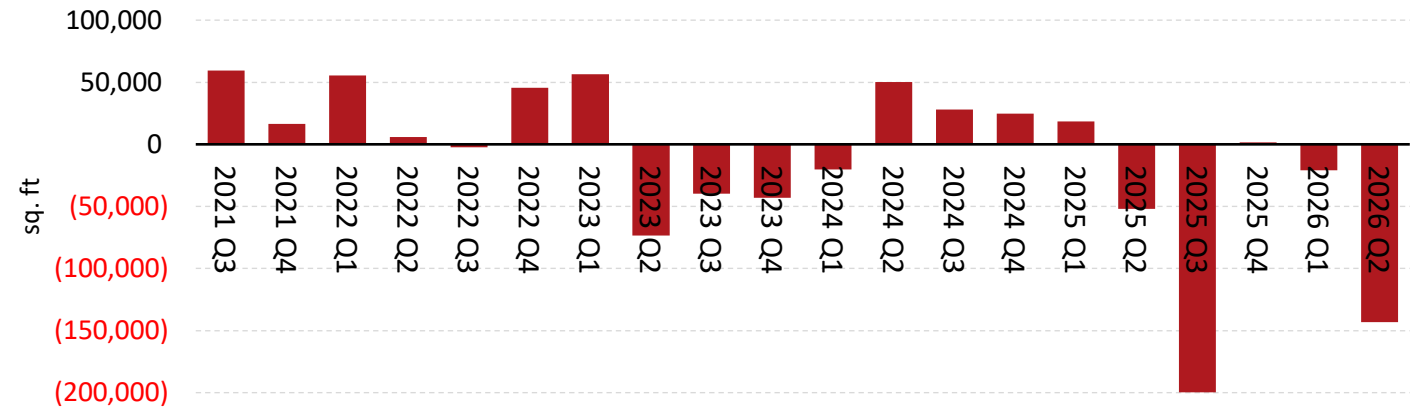
Retail Market - MSA Trends

ROANOKE MSA

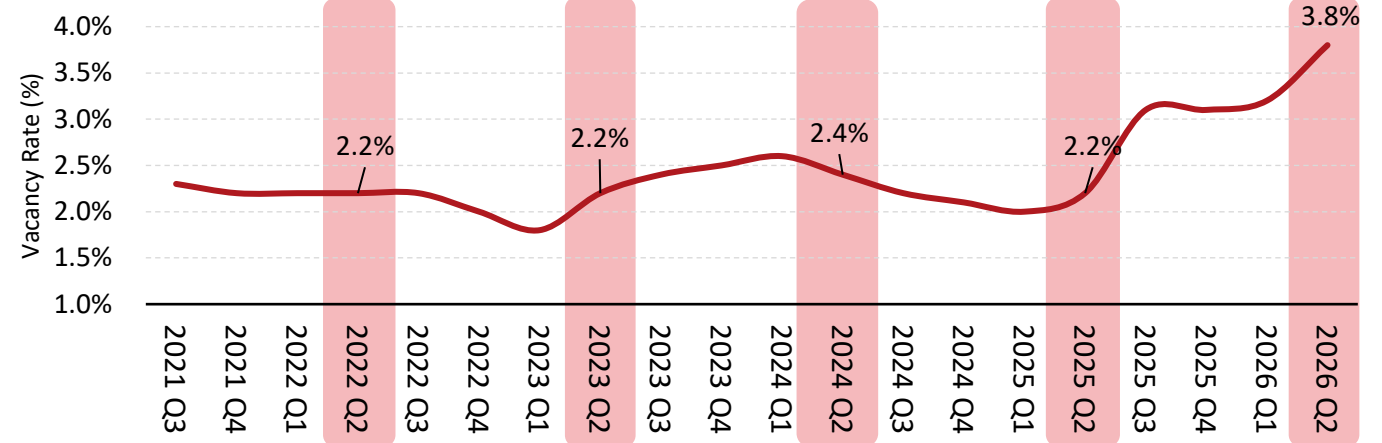
Local Market Indicator Dashboard

	Q2-2026	YoY Chg	
Total Inventory (sq. ft, millions)	23.7	0.0%	% chg
Vacancy Rate (%)	3.8%	1.6%	pct points
Net Absorption (sq. ft)	(143,249)	-91,110	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$15.24	\$0.42	\$ per sq. ft
Deliveries (sq. ft)	2,000	2,000	sq. ft
Under Construction (sq. ft)	18,500	5,051	sq. ft

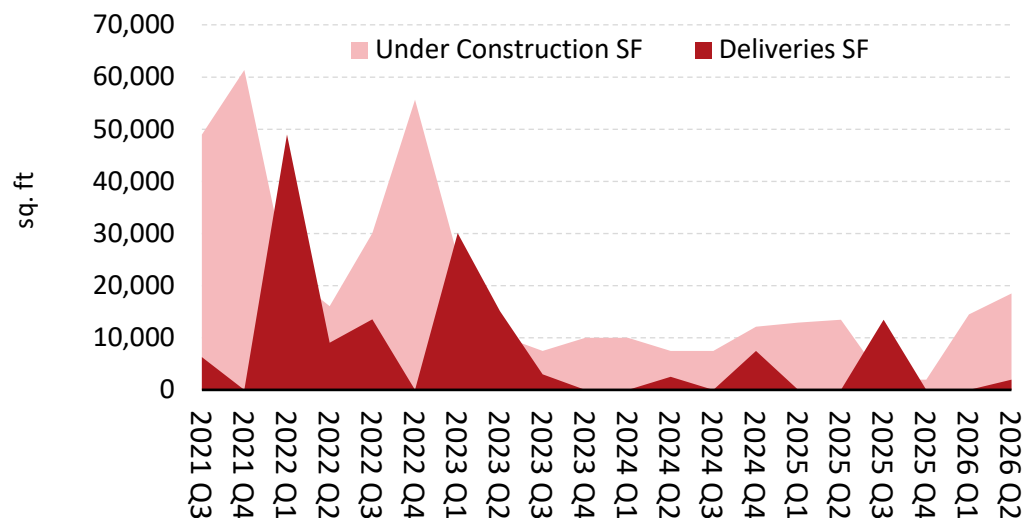
Net Absorption (sq. ft)



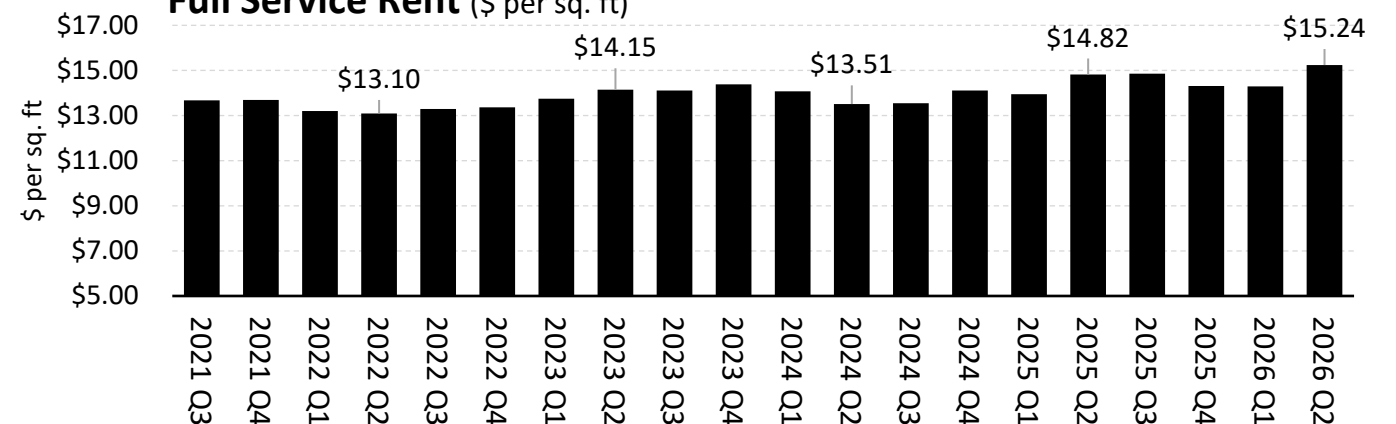
Vacancy Rate (%)



Under Construction & Net Deliveries (sq. ft)



Full Service Rent (\$ per sq. ft)



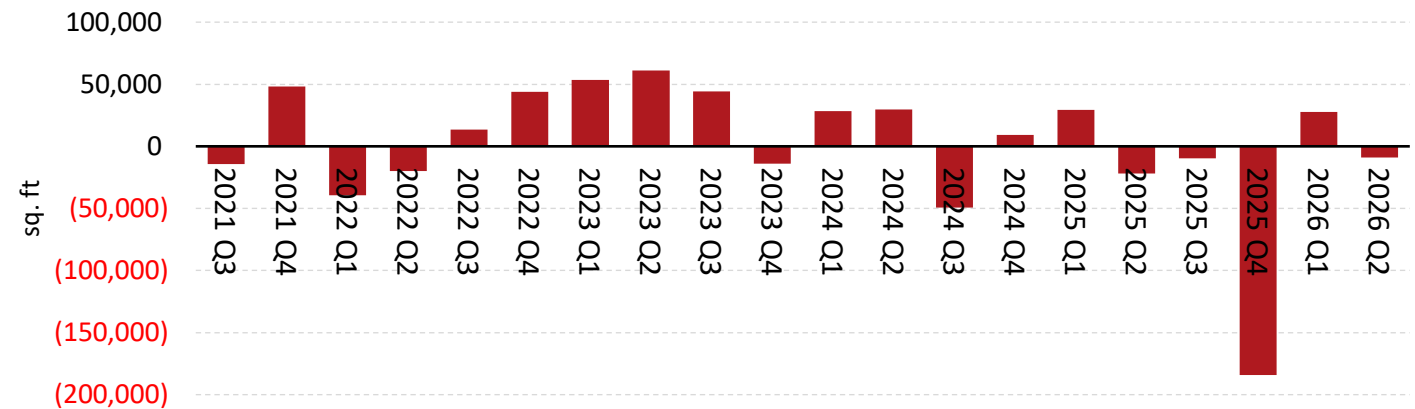
Retail Market - MSA Trends

LYNCHBURG MSA

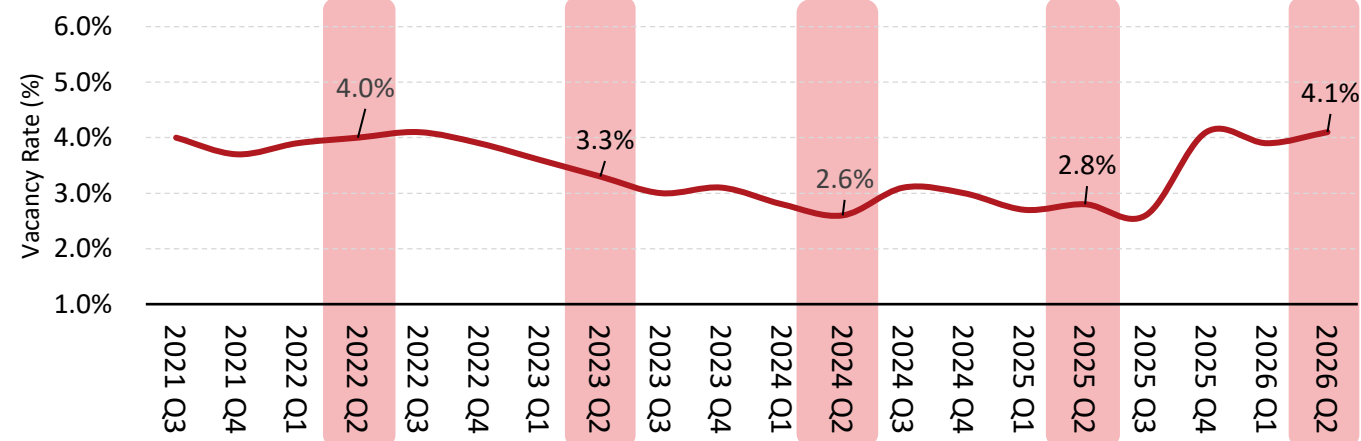
Local Market Indicator Dashboard

	Q2-2026	YoY Chg
Total Inventory (sq. ft, millions)	14.4	0.1% % chg
Vacancy Rate (%)	4.1%	1.3% pct points
Net Absorption (sq. ft)	(8,848)	13,000 sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$17.01	\$1.01 \$ per sq. ft
Deliveries (sq. ft)	21,759	21,079 sq. ft
Under Construction (sq. ft)	0	-29,704 sq. ft

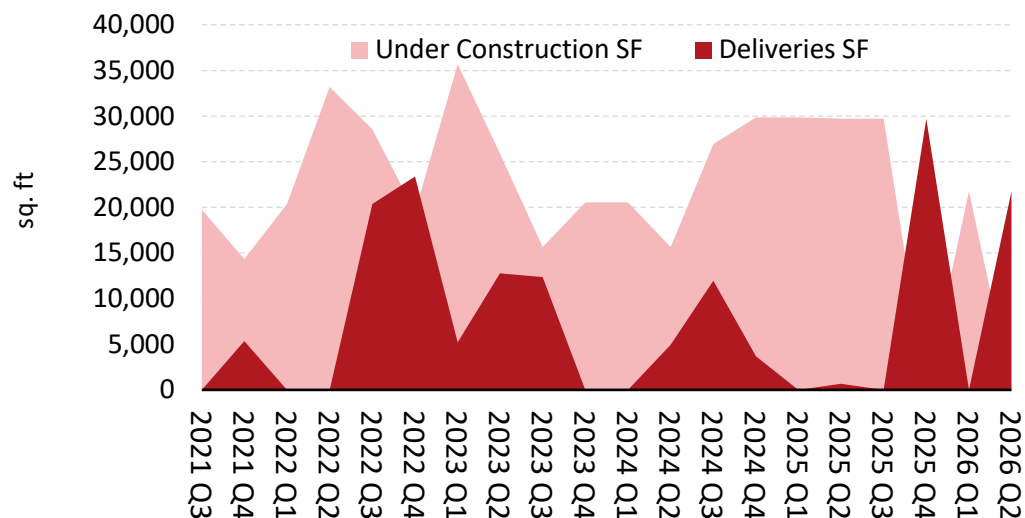
Net Absorption (sq. ft)



Vacancy Rate (%)



Under Construction & Net Deliveries (sq. ft)



Full Service Rent (\$ per sq. ft)



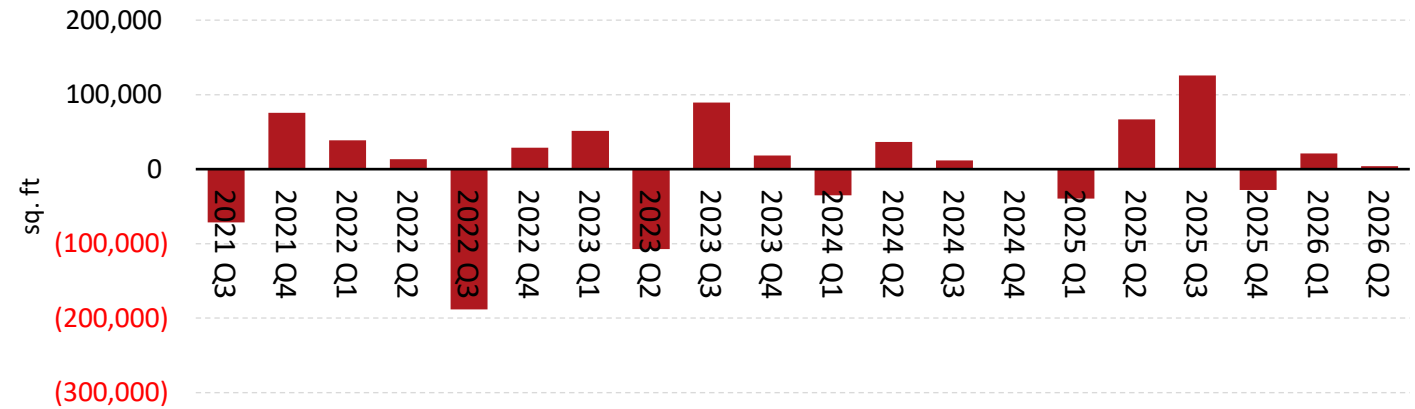
Retail Market - MSA Trends

CHARLOTTESVILLE MSA

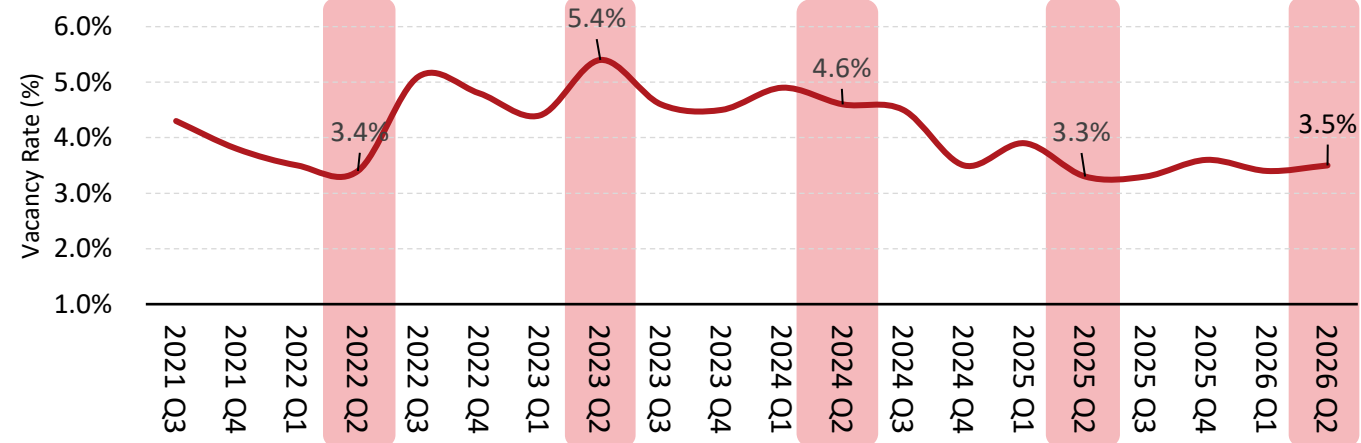
Local Market Indicator Dashboard

	Q2-2026	YoY Chg	
Total Inventory (sq. ft, millions)	10.9	1.4%	% chg
Vacancy Rate (%)	3.5%	0.2%	pct points
Net Absorption (sq. ft)	3,913	-62,903	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$22.97	-\$1.65	\$ per sq. ft
Deliveries (sq. ft)	6,038	6,038	sq. ft
Under Construction (sq. ft)	70,552	-77,145	sq. ft

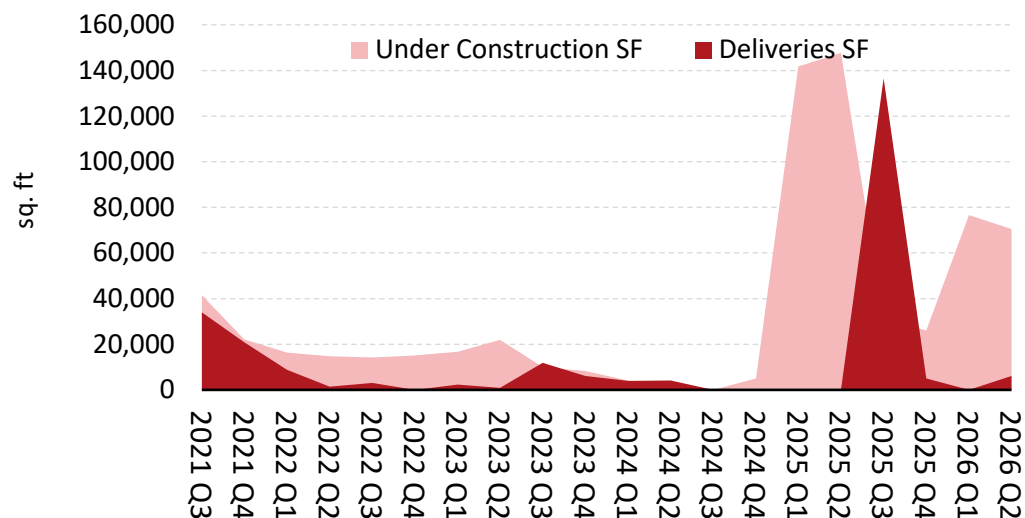
Net Absorption (sq. ft)



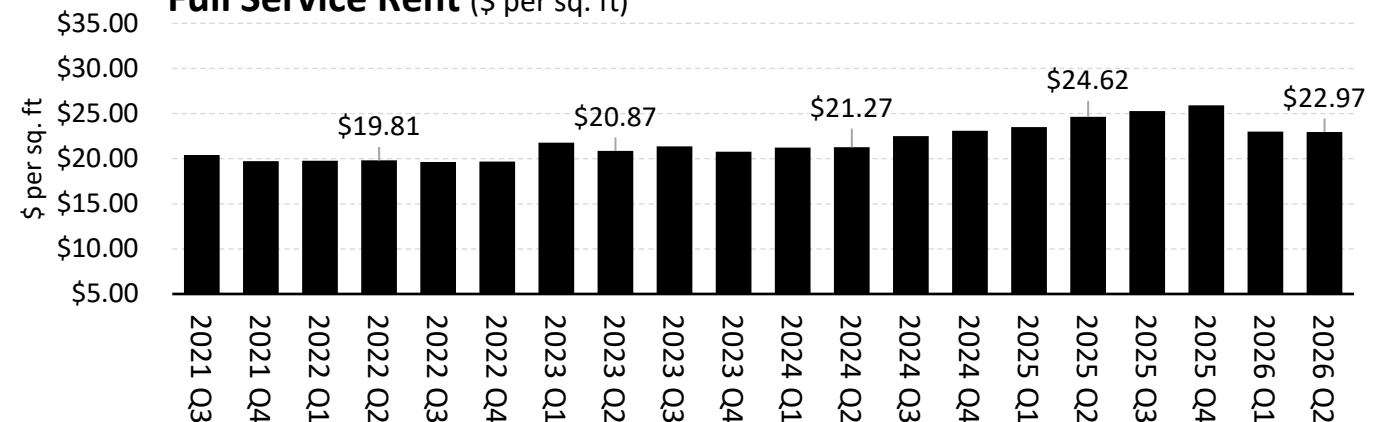
Vacancy Rate (%)



Under Construction & Net Deliveries (sq. ft)



Full Service Rent (\$ per sq. ft)



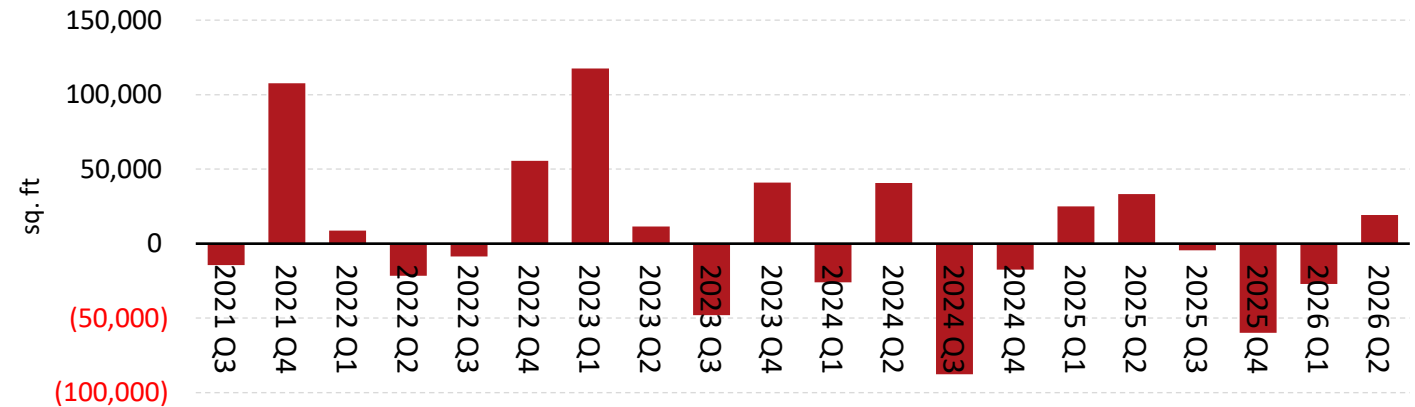
Retail Market - MSA Trends

BLACKSBURG MSA

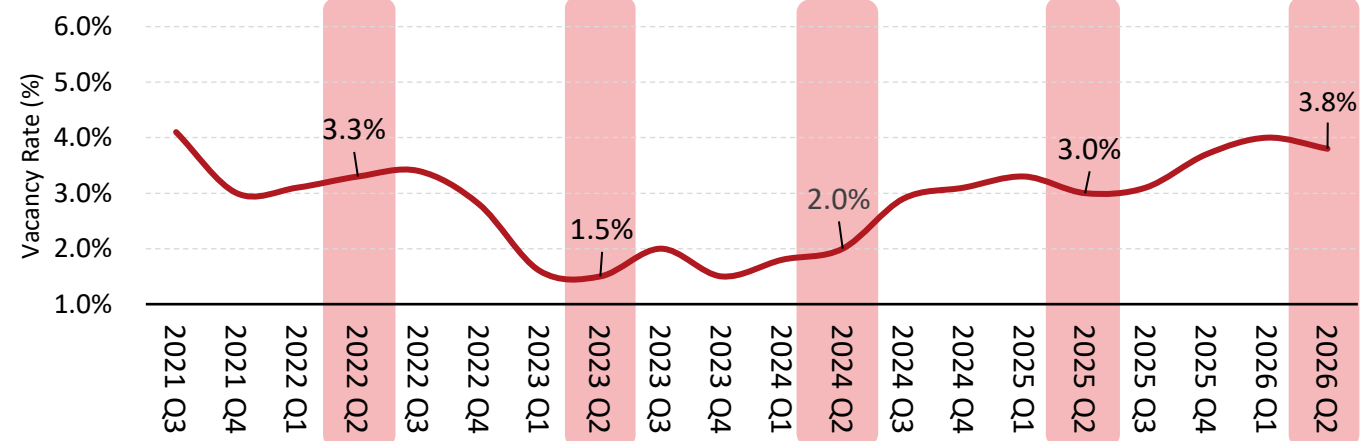
Local Market Indicator Dashboard

	Q2-2026	YoY Chg	
Total Inventory (sq. ft, millions)	9.4	0	% chg
Vacancy Rate (%)	3.8%	0.8%	pct points
Net Absorption (sq. ft)	19,135	-14,165	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$12.25	\$0.63	\$ per sq. ft
Deliveries (sq. ft)	0	-2,500	sq. ft
Under Construction (sq. ft)	0	0	sq. ft

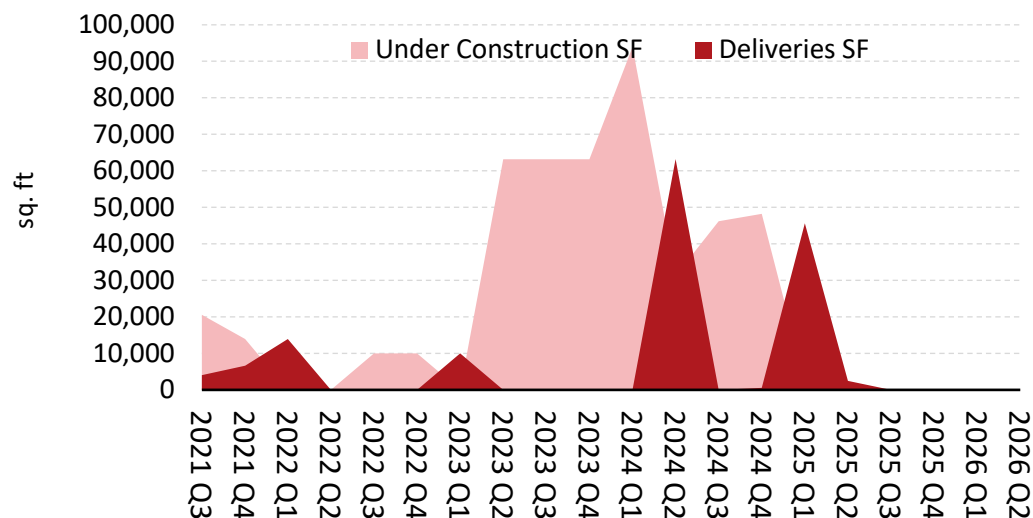
Net Absorption (sq. ft)



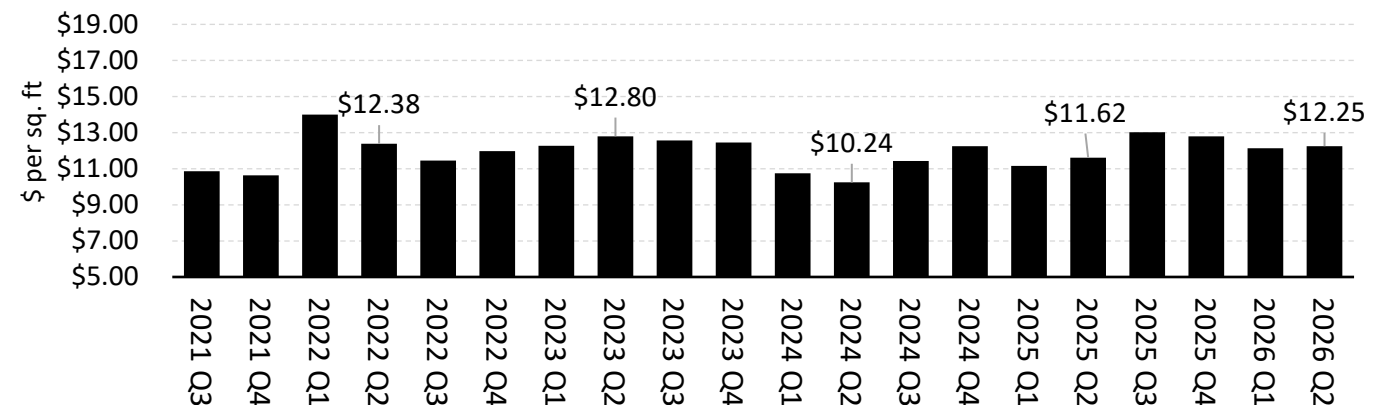
Vacancy Rate (%)



Under Construction & Net Deliveries (sq. ft)



Full Service Rent (\$ per sq. ft)



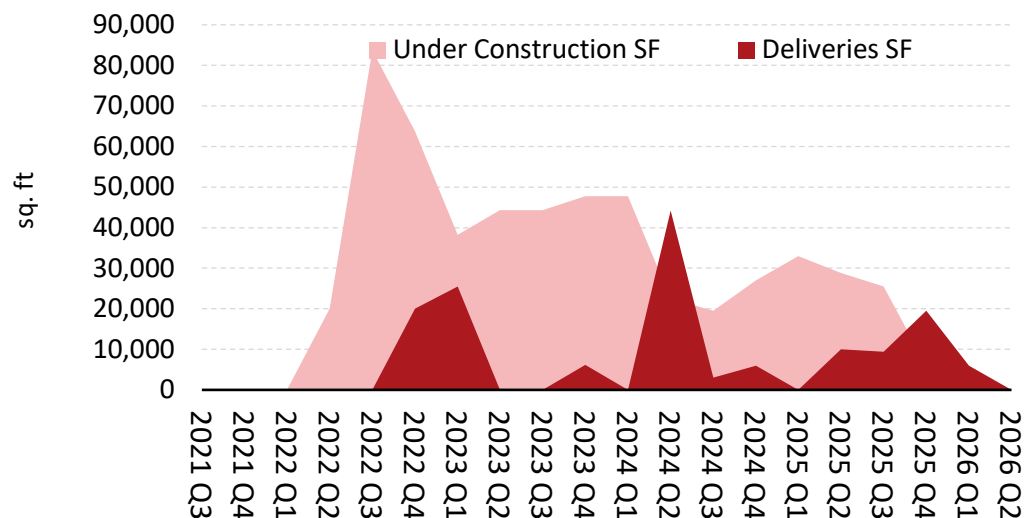
Retail Market - MSA Trends

WINCHESTER MSA

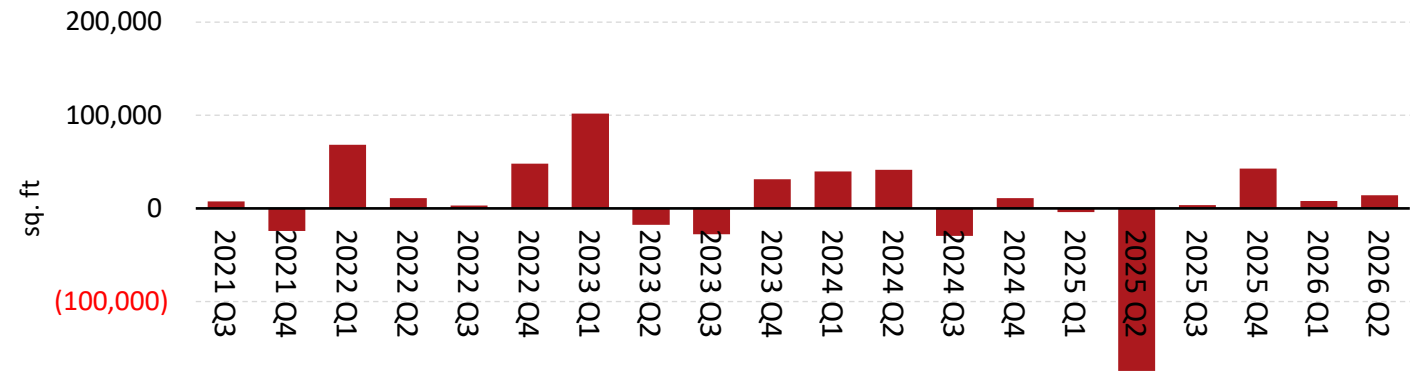
Local Market Indicator Dashboard

	Q2-2026	YoY Chg	
Total Inventory (sq. ft, millions)	8.7	-1.7%	% chg
Vacancy Rate (%)	2.4%	-2.4%	pct points
Net Absorption (sq. ft)	13,980	188,282	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$15.52	-\$0.87	\$ per sq. ft
Deliveries (sq. ft)	0	-10,000	sq. ft
Under Construction (sq. ft)	0	-28,859	sq. ft

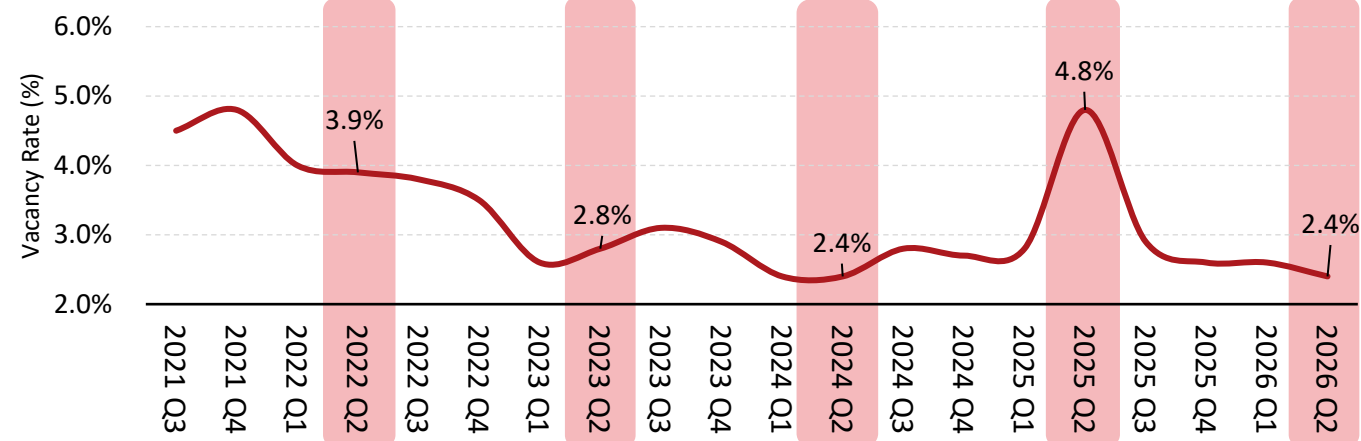
Under Construction & Net Deliveries (sq. ft)



Net Absorption (sq. ft)



Vacancy Rate (%)



Full Service Rent (\$ per sq. ft)



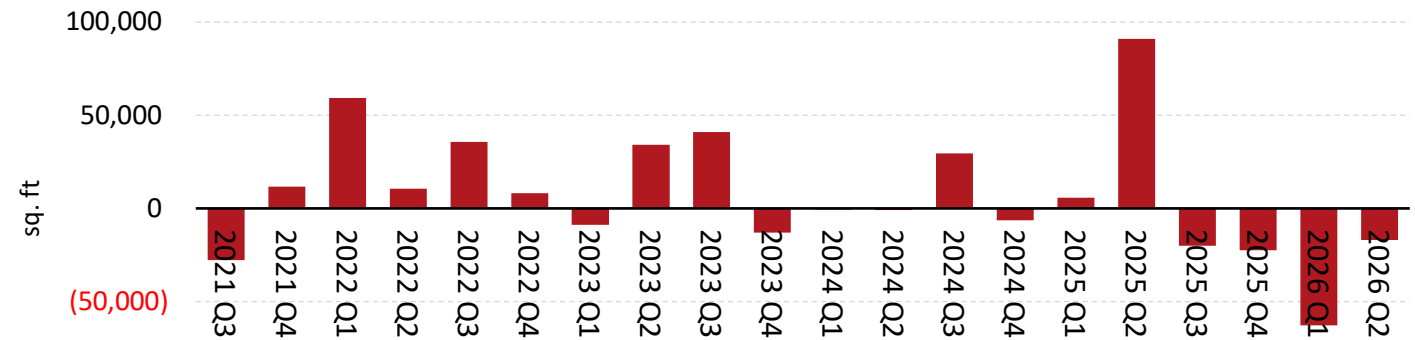
Retail Market - MSA Trends

HARRISONBURG MSA

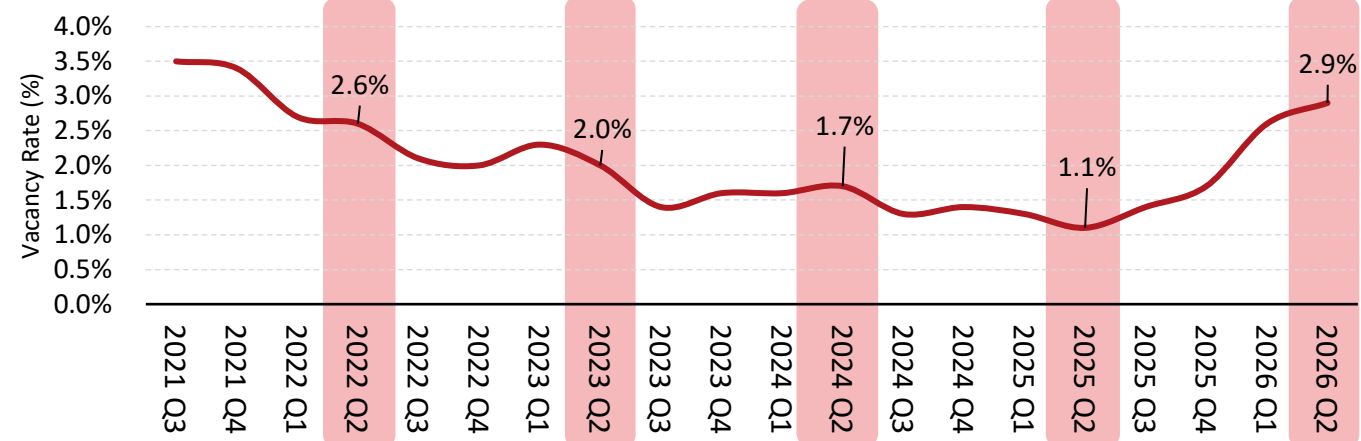
Local Market Indicator Dashboard

	Q2-2026	YoY Chg	
Total Inventory (sq. ft, millions)	7.1	0.0%	% chg
Vacancy Rate (%)	2.9%	1.8%	pct points
Net Absorption (sq. ft)	(16,932)	-107,977	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$17.07	\$2.14	\$ per sq. ft
Deliveries (sq. ft)	0	-80,100	sq. ft
Under Construction (sq. ft)	0	-720	sq. ft

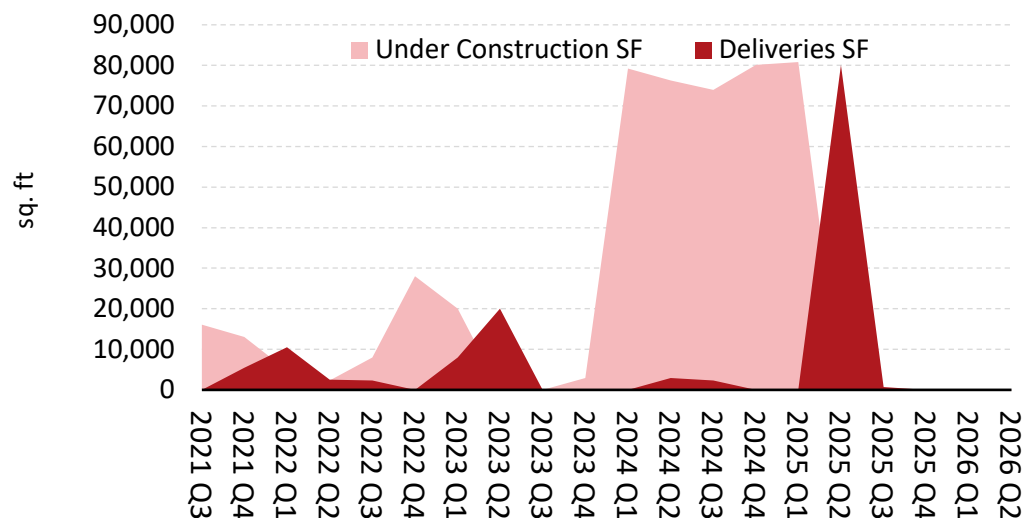
Net Absorption (sq. ft)



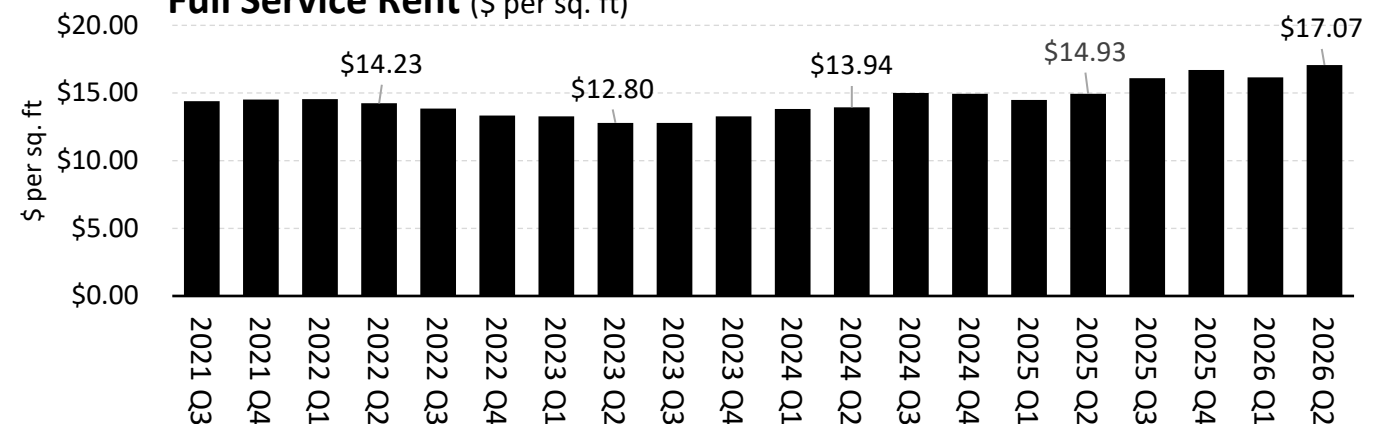
Vacancy Rate (%)



Under Construction & Net Deliveries (sq. ft)



Full Service Rent (\$ per sq. ft)



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