

RICHMOND, VA

YEAR-END

# market

SNAPSHOT

RETAIL | OFFICE | INDUSTRIAL



CUSHMAN &  
WAKEFIELD

THALHIMER



# RETAIL

Richmond's retail vacancy declined by

**50 BASIS POINTS** & rents increased by **4.6%.**

A positive **511,230 SF** of retail space was absorbed in 2017 & **721,524 SF** was delivered.



# RENTAL

## RATES

Q4 2017

**\$14.74** SF NNN  
TOTAL RETAIL

**\$14.18** SF NNN  
SHOPPING CENTER

4.6% INCREASE

Q4 2016

**\$14.09** SF NNN  
TOTAL RETAIL

**\$13.56** SF NNN  
SHOPPING CENTER



# vacancy

## RATES

Q4 2017

4.8%

-50 BPS

TOTAL RETAIL

8.6%

-130 BPS

SHOPPING CENTER



Q4 2016

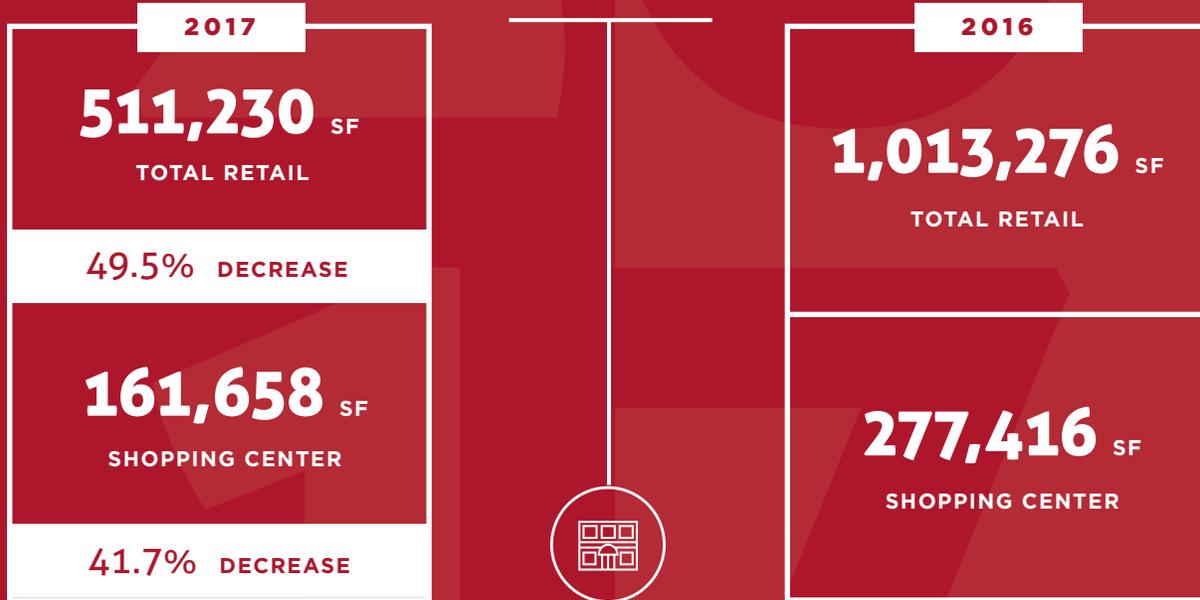
5.3%

TOTAL RETAIL

9.9%

SHOPPING CENTER

# ABSORPTION



# Development

## RATES



**332,526** SF

CURRENT SF  
UNDER CONSTRUCTION

**UNDER  
CONSTRUCTION**



**721,524** SF

2017 CONSTRUCTION  
COMPLETIONS

**2017**



**4,627,561** SF

PROPOSED  
CONSTRUCTION STARTS

**PROPOSED**



# OFFICE

Richmond's unemployment rate remains **BELOW 4.0%** while office fundamentals continue to show positive indicators. The overall rental rate increased by **5.2%** over a year ago while vacancy declined by **60 BASIS POINTS**. Of the 1.3 million SF under construction only **6.0%** is available for lease.

# RENTAL

## RATES

Q4 2017

**\$ 21.85** SF

RICHMOND CBD DIRECT

5.7% INCREASE

**\$18.97** SF

RICHMOND DIRECT

5.2% INCREASE

Q4 2016

**\$20.68** SF

RICHMOND CBD DIRECT

**\$18.03** SF

RICHMOND DIRECT



# vacancy

## RATES

Q4 2017

8.5%

-210 BPS

RICHMOND CBD

7.1%

-60 BPS

RICHMOND OVERALL

Q4 2016

10.6%

RICHMOND CBD

7.7%

RICHMOND OVERALL



# ABSORPTION

2017

**183,598** SF

RICHMOND CBD

59.4% INCREASE

**771,233** SF

RICHMOND OVERALL

241.1% INCREASE

2016

**115,207** SF

RICHMOND CBD

**226,132** SF

RICHMOND OVERALL



# DEVELOPMENT

## RATES



**1,351,243** SF

CURRENT SF  
UNDER CONSTRUCTION

**UNDER  
CONSTRUCTION**



**111,016** SF

2017 CONSTRUCTION  
COMPLETIONS

**2017**



**273,461** SF

ESTIMATED CONSTRUCTION  
COMPLETIONS 2018

**2018**



# INDUSTRIAL

Richmond's industrial market tightened significantly over the past year. Industrial vacancy declined by **290 BASIS POINTS** while rents **INCREASED BY 4.2%**. Asking rents for warehouse/distribution space **INCREASED BY 7.4%**. Only 215,447 SF of space is under construction of which **77% IS PRE-LEASED**.

# RENTAL RATES

Q4 2017

\$ **4.92** SF NNN

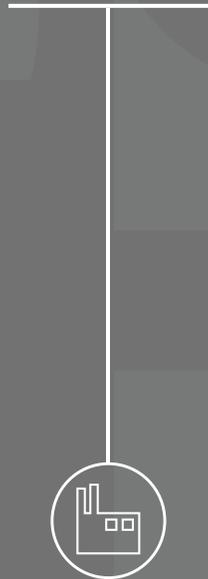
TOTAL INDUSTRIAL  
(FLEX INCLUDED)

4.2% INCREASE

\$ **4.33** SF NNN

WAREHOUSE/  
DISTRIBUTION

7.4% INCREASE



Q4 2016

\$ **4.72** SF NNN

TOTAL INDUSTRIAL  
(FLEX INCLUDED)

\$ **4.03** SF NNN

WAREHOUSE/  
DISTRIBUTION

# vacancy

## RATES

Q4 2017

**3.7 %**

-290 BPS

TOTAL INDUSTRIAL  
(FLEX INCLUDED)

**3.4 %**

-340 BPS

WAREHOUSE/  
DISTRIBUTION

Q4 2016

**6.6 %**

TOTAL INDUSTRIAL  
(FLEX INCLUDED)

**6.8 %**

WAREHOUSE/  
DISTRIBUTION



# ABSORPTION

2017

**2,803,408** SF

TOTAL INDUSTRIAL  
(FLEX INCLUDED)

131.9 % INCREASE

**2,444,187** SF

WAREHOUSE/  
DISTRIBUTION

250.2 % INCREASE

2016

**1,208,735** SF

TOTAL INDUSTRIAL  
(FLEX INCLUDED)

**698,032** SF

WAREHOUSE/  
DISTRIBUTION



# Development

## RATES



**215,447** SF

CURRENT SF  
UNDER CONSTRUCTION

**UNDER  
CONSTRUCTION**



**770,333** SF

2017 CONSTRUCTION  
COMPLETIONS

**2017**



**1,978,806** SF

PROPOSED CONSTRUCTION  
STARTS

**PROPOSED**

# FULL REPORT TO COME

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CUSHMAN &  
WAKEFIELD

THALHIMER

RICHMOND, VA