

#CRE INSIGHTS

Consistent Consumer Demand And Economic Growth Are Pushing Retail Vacancies To An All-Time Low In Richmond

Q3 2018 | AUGUST

CURRENTLY THE SECOND LONGEST ECONOMIC EXPANSION IN U.S. HISTORY, THIS EXPANSION WILL BECOME THE LONGEST ON RECORD IF IT KEEPS PACE THROUGH JULY 2019. National and economic

indicators show increasing consumer sentiment and strong retail sales growth. On the heels of 5.3% annual retail sales growth in the second quarter of 2018, U.S. GDP increased 4.1% from the first quarter of 2018 to the second quarter of 2018. In Richmond, unemployment remains below 4%, while the median household income increased 2.8% year-over-year in the second quarter.

Richmond's retail market is thriving in the wake of one of the longest economic expansions in U.S. history. Retail vacancies are near an all-time low at 4.6% and rents increased 6.6%, nearly \$1 per square foot, from the previous year in the second quarter. The retail landscape remains highly competitive with the presence of e-commerce, decreasing foot traffic, and other brick and mortar competitors. Retailers and landlords are responding with more than 575,000 SF of space currently under construction in order to adapt, expand, and remain attractive in a sought after market.

RETAIL MARKET

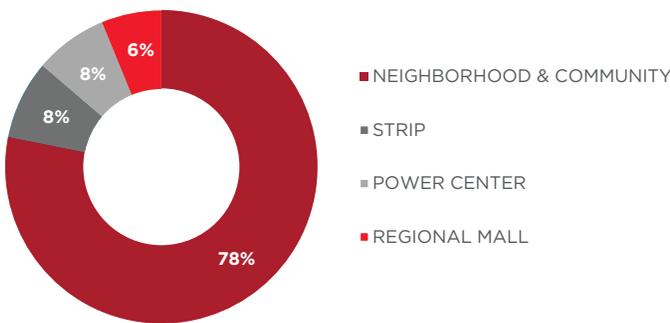
SUPPLY

▼ **94,172 SF**
Deliveries YTD

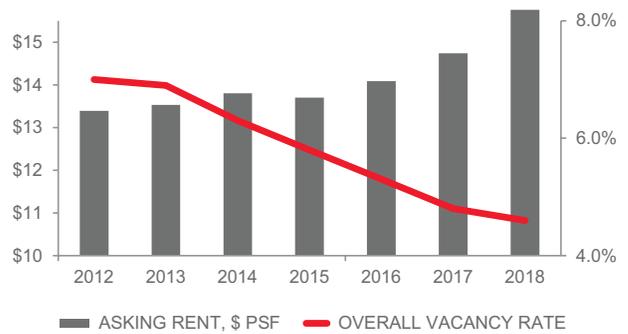
▲ **576,784 SF**
Under Construction

▼ **4.6%**
Vacancy Rate

AVAILABILITY BY TYPE



RENTAL RATE VS. OCCUPANCY RATE



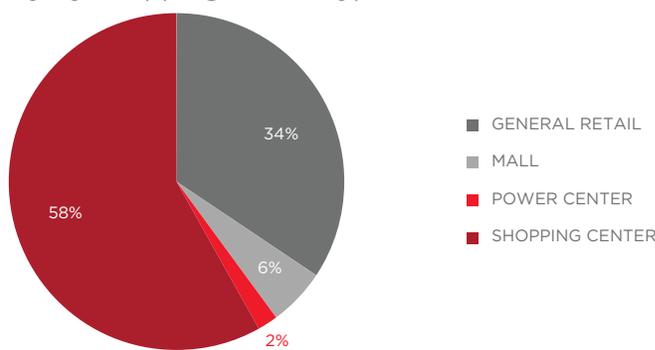
DEMAND

▲ **\$15.76**
Overall Average Asking Rent

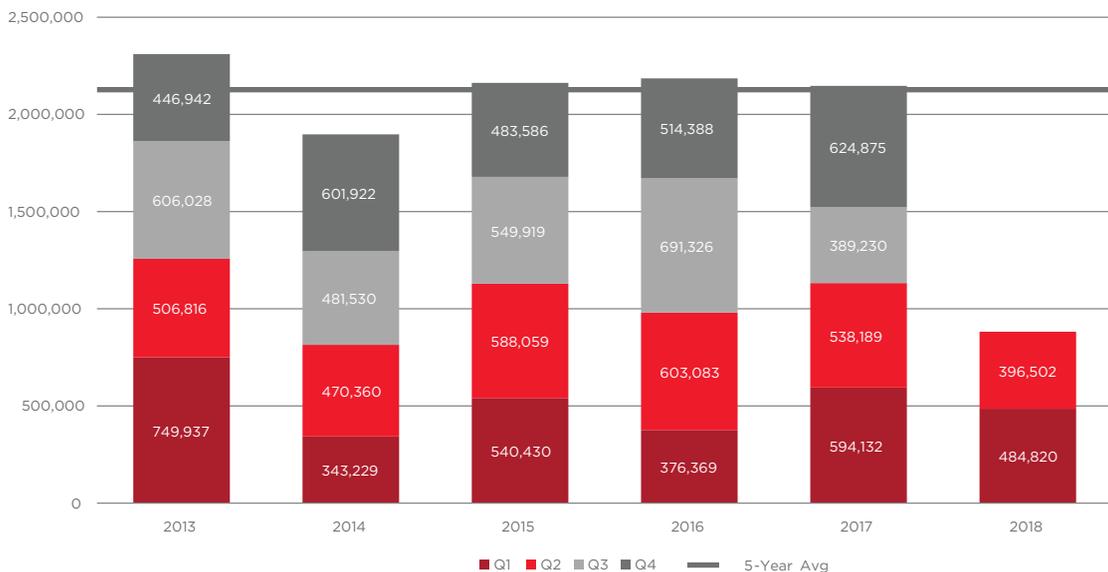
▲ **117,943 SF**
YTD Overall Net Absorption

▼ **881,322 SF**
YTD Leasing Activity

2018 YTD Leasing Activity By Shopping Center Type



Retail Leasing Activity



Source: Cushman & Wakefield

FOR MORE INFORMATION, PLEASE CONTACT:

JONATHAN KOES
Research Manager
804 697 3560
jonathan.koes@thalhimer.com