

RICHMOND, VA

Retail Q1 2021



\$74,100

Median HH Income

YoY Chg



12-Mo. Forecast



0.7%

Population Growth



5.8%

Unemployment Rate



Source: BLS (Economic Indicators are representative of specific county or MSA.)

U.S. ECONOMIC INDICATORS Q1 2021

0.2%

GDP Growth

YoY Chg



12-Mo. Forecast



-1.6%

Consumer Spending Growth



11.8%

Retail Sales Growth



Source: BEA, Census Bureau

ECONOMIC OVERVIEW: Pandemic Recovery Continues

The regional unemployment rate continues to stay below the national average after a slight increase from the fourth quarter to 5.8%. Following the governor's announcement that all Virginians will be eligible for the COVID-19 vaccine in April, optimism remains for a strong economic rebound for the remainder of the year. The opportunity for employees to relocate during the pandemic has benefitted the Richmond region. Analysis by LinkedIn's Economic Graph shows Richmond is one of the nation's top destinations for new residents during the pandemic. Richmond's proximity to major metro areas, employment opportunities, and quality of life led to the region having the third largest gains in net arrivals to the area according to the analysis. Meanwhile, Vytal Studios announced it would relocate its corporate headquarters to the City of Richmond and create 155 new jobs.

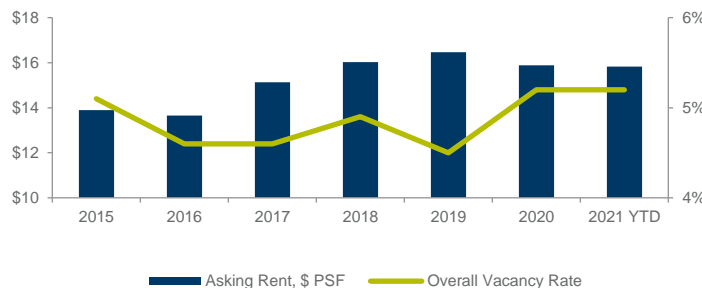
SUPPLY AND DEMAND: Positive Absorption Returns

Stimulus payments, loosening government restrictions, and the introduction of a vaccine propelled retail sales growth 11.8% in the first quarter. Retailers responded with the first quarter of positive absorption since the onset of the pandemic in Richmond. Overall absorption during the quarter totaled just under 115,000 square feet (sf), with the South Chesterfield, Regency, and Downtown submarkets led the region in positive absorption. Over 124,000 sf of retail space delivered during the quarter, as projects that started prior to the pandemic continue to reach their conclusion. The overall vacancy rate held steady at 5.2% as new deliveries offset absorption gains. Notable activity during the quarter included Locke Supply leasing 35,000 square feet (sf) in Colonial Heights, Dollar General signing for 10,150 sf at 8935 Patterson Ave., ACE Hardware taking 10,130 sf in Colonial Heights, and Virginia ABC finalizing a deal for 5,770 sf in Carytown Exchange. Best Buy closed two of its six existing stores in the region, the announcement will introduce new big box vacancies in Mechanicsville and Brandermill.

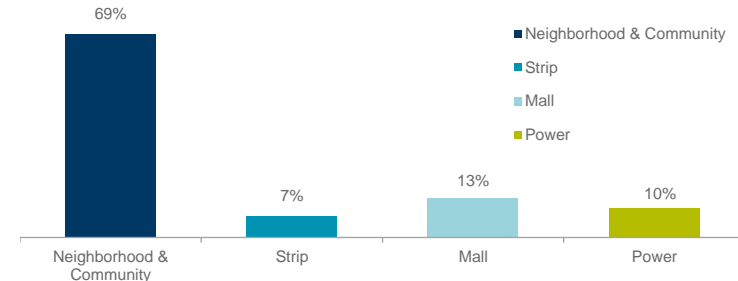
PRICING: Rental Rates Steadying

Rental rate growth has yet to return to the retail market, as rents remain down 3.8% year-over-year following new vacancies hitting the market. The increase in demand during the first quarter will provide more confidence for the rest of the year. Still, landlords and tenants continue to deal with the burden of pandemic closures. Overall sales activity remains down but is expected to increase as retailers regain confidence to sign long-term deals and distressed properties hit the market. The two largest sales transactions during the quarter occurred in South Chesterfield with Bermuda Square and the Shoppes at River Forest both selling for \$6.0 million.

RENT / VACANCY RATE



AVAILABILITY BY PRODUCT TYPE



RICHMOND, VA

Retail Q1 2021

SUBMARKET	TOTAL BLDGS	INVENTORY (SF)	OVERALL VACANCY RATE	OVERALL CURRENT NET ABSORPTION (SF)	OVERALL YTD NET ABSORPTION (SF)	DELIVERIES YTD (SF)	UNDER CONSTR (SF)	OVERALL AVERAGE ASKING RENT
Broad St. Corridor	272	4,879,183	4.0%	-4,915	-4,915	0	0	\$17.53
Colonial Heights	217	3,277,780	6.2%	-48,475	-48,475	0	0	\$12.93
Downtown	456	3,143,133	4.3%	20,418	20,418	0	0	\$16.61
East End	508	4,541,054	1.3%	12,573	12,573	0	20,975	\$16.61
Far West End North	32	318,227	4.2%	-3,101	-3,101	0	0	\$31.29
Far West End South	86	1,281,752	5.3%	10,800	10,800	0	2,150	\$14.98
Goochland	66	474,235	-	-	0	0	40,400	-
Hopewell	169	1,293,855	8.2%	3,122	3,122	0	0	\$9.79
I-95 Ashland/NW	213	2,053,550	3.5%	-13,811	-13,811	0	4,050	\$15.02
I-95 Chamberlayne/NE	114	1,156,298	2.1%	24,036	24,036	36,000	0	\$16.15
Jeff Davis Corridor	525	3,074,853	2.5%	19,790	19,790	0	14,358	\$15.53
Laburnum/Rte 360	461	2,868,848	6.1%	-883	-883	0	0	\$13.86
Louisa County	81	891,600	1.8%	7,790	7,790	0	0	\$11.00
Mechanicsville	221	2,865,815	3.5%	14,561	14,561	0	0	\$9.41
Midlothian E/Hull St	580	7,308,963	3.9%	10,195	10,195	0	40,500	\$12.69
Midlothian Village	135	1,811,221	5.1%	8,130	8,130	22,270	25,870	\$24.96
Midlothian West	302	6,874,009	5.1%	-36,885	-36,885	0	0	\$17.73
Near West End	667	3,893,015	2.8%	-14,987	-14,987	0	65,032	\$18.15
New Kent County	63	591,802	1.5%	2,250	2,250	0	0	\$23.32
Petersburg	402	3,033,221	5.9%	2,066	2,066	0	0	\$10.90
Powhatan	82	787,676	1.0%	-1,000	-1,000	0	0	\$17.87
Prince George	69	924,808	4.7%	-	0	0	0	\$16.00
Regency	121	2,619,775	5.1%	23,231	23,231	0	5,000	\$18.11
Short Pump	145	4,778,329	3.6%	-1,612	-1,612	0	0	\$18.65
South Chesterfield	347	4,040,413	3.8%	103,270	103,270	60,200	56,222	\$14.60
Staples Mill / Parham	356	5,343,434	4.0%	-32,997	-32,997	2,560	27,475	\$17.15
Swift Creek	186	3,815,162	3.9%	-1,400	-1,400	3,000	5,000	\$21.79
Willow Lawn	303	3,133,315	2.7%	8,359	8,359	0	38,639	\$24.76
RICHMOND, VA TOTALS	7,388	82,574,458	5.2%	114,815	114,815	124,030	345,671	\$15.82

*Rental rates reflect NNN asking \$psf/year. Renewals included in leasing statistics

KEY LEASE TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Colonial Square	Colonial Heights	Locke Supply	35,000	New
8935 Patterson	Regency	Dollar General	10,150	New
Dunlop Village	Colonial Heights	ACE Hardware	10,130	New
301-357 Perimeter Dr	Midlothian Village	Napa Kitchen & Wine	6,778	New

KEY SALES TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$PSF
Bermuda Square – Hobby Lobby	South Chesterfield	GBT Realty Corp. / Agree Realty Corp.	50,000	\$6.0M / \$120
Shoppes at River Forest	South Chesterfield	Spherexx / Prudent Growth Partners	30,720	\$6.0M / \$195
8727 Staples Mill Rd	Staples Mill/Parham	Pontus Capital / Undisclosed	2,942	\$3.2M / \$1,079
10151 Brook Rd	Staples Mill/Parham	Greentree Partners / Rebkee Company	4,928	\$2.4M / \$487

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