

# RICHMOND, VA

Retail Q2 2021



	YoY Chg	12-Mo. Forecast
<b>\$69,300</b> Median HH Income	▼	▼
<b>0.4%</b> Population Growth	▲	▲
<b>5.0%</b> Unemployment Rate	▼	▼

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

## U.S. ECONOMIC INDICATORS Q2 2021

	YoY Chg	12-Mo. Forecast
<b>13.2%</b> GDP Growth	▼	▲
<b>16.6%</b> Consumer Spending Growth	▲	▲
<b>31.0%</b> Retail Sales Growth	▲	▲

Source: BEA, Census Bureau

## ECONOMIC OVERVIEW: Signs of Recovery

Employment growth has remained steady through the second quarter of 2021. The unemployment rate dropped from 5.8% in Q1 to 4.4% in Q2 - its lowest since a pandemic high of 11.4%. Employment marketplace, ZipRecruiter, quotes over 50,000 jobs available in Greater Richmond, 20,000 more jobs than the reported number of unemployed persons. The talent pool of employees in Richmond has caught the attention of corporations that continue to make investments in Richmond, including: Carvana, which announced a \$25M inspection facility that will create 400 new jobs; and Amazon which is hiring 1,000 individuals to staff a new distribution center.

## SUPPLY AND DEMAND: Positive Absorption Returns

Retail was hit particularly hard because of the mandated closures due to COVID-19, but the lifting of restrictions in Q2 has led to a significantly more stabilized market. Absorption for the quarter was net positive 31,000 square feet (sf) continuing a 12-month trend of positive absorption amounting to 393,000 sf. Richmond continues to post historically below average vacancy and signs of a resurging need are evident in several high-profile lease deals: Burke's Outlet took over more than 27,000 sf at 203 N Washington Hwy, Aaron's will be moving into 17,650 sf on Southpark Blvd, and CVS inked a deal for 20 years on Weir Rd for \$22.50 per square foot (psf).

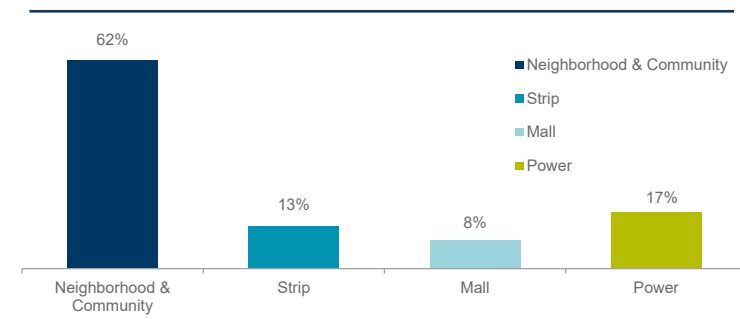
## PRICING: Low-Risk Investing

The second quarter of retail sales saw limited availability and low vacancies driving high prices. Sale price per square foot was at a recorded high of \$153 and overall volume was consistent with ten-year averages. The pandemic has highlighted the value of lower risk essential item focused retail single tenant net-leased properties or grocery anchored shopping centers. Walmart anchored Hancock village sold for \$11.1 million and CVS at 12410 W Broad St closed at \$4.92 million.

## RENT / VACANCY RATE



## AVAILABILITY BY PRODUCT TYPE



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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	4,848,303	3.5%	27,584	22,669	0	0	\$17.34
Colonial Heights	219	3,267,127	7.6%	17,368	-31,107	0	0	\$17.14
Downtown	454	3,132,096	4.2%	12,014	32,432	0	0	\$17.66
East End	509	4,548,479	4.2%	21,697	34,270	15,300	20,975	\$16.19
Far West End North	32	318,473	4.6%	-1,500	-4,601	0	0	\$31.29
Far West End South	87	1,284,579	5.7%	-3,843	6,957	2,150	0	\$15.05
Goochland	67	475,435	0.0%	-	0	0	40,400	\$12.97
Hopewell	169	1,295,009	7.4%	10,747	13,869	0	0	\$9.80
I-95 Ashland/NW	213	2,057,238	3.4%	3,695	-10,116	0	4,050	\$14.64
I-95 Chamberlayne/NE	114	1,158,254	2.3%	5,966	30,002	36,000	0	\$16.38
Jeff Davis Corridor	526	3,076,015	7.0%	-3,602	16,188	0	17,448	\$15.75
Laburnum/Rte 360	462	2,877,073	6.7%	-19,900	-20,783	0	9,180	\$13.01
Louisa County	82	893,349	2.2%	-3,800	3,990	0	0	\$15.98
Mechanicsville	220	2,861,815	4.4%	-21,566	-7,005	0	0	\$9.38
Midlothian E/Hull St	579	7,185,989	4.6%	-1,827	8,368	0	0	\$12.71
Midlothian Village	135	1,811,418	4.7%	15,110	23,240	22,270	0	\$25.97
Midlothian West	300	6,832,526	5.2%	26,092	-10,793	0	0	\$17.28
Near West End	665	3,862,483	3.3%	-10,565	-25,552	0	0	\$18.93
New Kent County	63	591,802	0.9%	3,200	5,450	0	0	\$17.61
Petersburg	403	3,035,072	6.7%	-27,627	-25,561	0	0	\$10.87
Powhatan	83	797,893	1.2%	1,830	830	0	0	\$18.04
Prince George	69	1,050,689	3.5%	6,222	6,222	0	0	\$11.09
Regency	121	2,756,345	10.6%	13,592	36,823	0	0	\$17.99
Short Pump	145	4,772,799	6.7%	-3,216	-4,828	0	0	\$18.49
South Chesterfield	350	4,074,505	4.0%	2,969	106,239	71,422	0	\$14.61
Staples Mill / Parham	356	5,347,781	6.9%	-4,978	-37,975	2,560	7,225	\$19.12
Swift Creek	186	3,817,141	5.0%	-43,363	-44,763	3,000	0	\$21.56
Willow Lawn	302	3,072,945	2.5%	8,980	17,339	2,250	0	\$25.29
<b>RICHMOND, VA TOTALS</b>	<b>7,183</b>	<b>81,102,633</b>	<b>4.60%</b>	<b>31,279</b>	<b>141,804</b>	<b>154,952</b>	<b>99,278</b>	<b>\$16.86</b>

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

## KEY LEASE TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	TENANT	SF	TYPE
203-259 N Washington Hwy	I-95 Ashland/NW	Burke's Outlet	27,476	New
3041-3135 Mechanicsville Tpke	Laburnum/Rte 360	Hair Palace	23,000	New
820-830 Southpark Blvd	Colonial Heights	Aaron's	17,650	New

## KEY SALES TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$PSF
4703-4715 Nine Mile Rd	Laburnum/Rte 360	East End Resources Gp LLC / MacKenzie Commercial	100,000	\$4.4M / \$44
Hancock Village	Swift Creek	EDCO, LLC / Equity Management Group	61,500	\$11.1M / \$180
9850 W Broad St	Broad St Corridor	Weinstein Properties / The Penn Group of Companies	29,831	\$6.3M / \$210
Bowles Farm Plaza	Mechanicsville	Meyer Goergen & Marris / New Generation Mgmt LLC	28,170	\$4.4M / \$158

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