

RICHMOND, VA

Retail Q3 2021

\$69,900

Median HH Income

YoY Chg



12-Mo. Forecast



0.5%

Population Growth



4.3%

Unemployment Rate



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

U.S. ECONOMIC INDICATORS Q3 2021

5.6%

GDP Growth

YoY Chg



12-Mo. Forecast



11.0%

Consumer Spending Growth



14.1%

Retail Sales Growth



Source: BEA, Census Bureau

ECONOMIC OVERVIEW: Signs of Recovery

The Richmond Metro Area economy continued its recovery in Q3 2021. The unemployment rate of 4.3% in the third quarter was down 10 basis points (bps) from the previous quarter and 360 bps from Q3 2020. Nonagricultural employment was 651,400, an increase of 5,600 jobs year-over-year (YOY). The third quarter saw an increase of dining and travel that had previously been restricted and not surprisingly leisure and hospitality jobs experienced the largest gains of any sector, with a 16% gain YOY. Accolades for the area were high in Q3; Virginia was elected by CNBC as the best state for businesses for the second consecutive year and the Wall St. Journal ranked Richmond as a top 25 city in America to start a career based on opportunity and quality of life.

SUPPLY AND DEMAND: Positive Absorption Continues

The resiliency of Richmond's retail market has been the story at the close of another steady quarter. Vacancy in the market dropped 30 bps, absorption was net positive for the fourth quarter in a row, and rents have remained in the top quartile of ten-year averages. The bankruptcy and subsequent closure of four area Stein Mart stores saw the market take on more than 150,000 square feet (sf) of new vacant space, but notable deals by national retailer TJX have indicated a continued commitment to the Richmond market by big box retail. Home Goods, signed a deal for more than 25,000 sf at 13201 Hull St. and Marshall's took over nearly 20,000 sf at 9041 Staples Mill Rd.

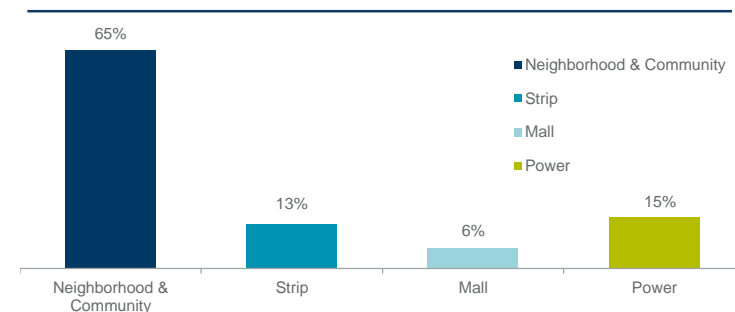
PRICING: Outside Investing

The third quarter of retail property sales in Richmond was marked by an active period of above average deals and continued interest in the market from outside investors. Low levels of vacancy and higher than average rents made for an attractive marketplace and sales prices per square foot (psf) reached record highs of \$155 psf in the third quarter. Richmond also continues to be a market of interest for outside investment; New York based Wafra made its first foray into the Richmond market with the \$47 million purchase of Short Pump Station. In total, 66% of all sales of more than 10,000 sf were attributed to buyers in outside markets.

RENT / VACANCY RATE



AVAILABILITY BY PRODUCT TYPE



RICHMOND, VA

Retail Q3 2021

	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		4,862,289	3.60%	-7,003	15,666	0	0	\$17.68
Colonial Heights	222	3,291,794	5.80%	57,035	25,928	0	0	\$16.20
Downtown	454	3,156,519	2.90%	38,942	71,374	0	0	\$17.72
East End	510	4,535,794	4.10%	20,686	61,056	39,000	6,875	\$16.99
Far West End North	33	346,584	2.80%	5,129	528	0	0	\$31.29
Far West End South	86	1,313,269	3.50%	27,521	34,478	2,150	0	\$15.00
Goochland	67	475,459	0.50%	-2,500	-2,500	0	39,946	\$12.00
Hopewell	169	1,292,918	10.30%	-37,601	-23,732	0	0	\$10.40
I-95 Ashland/NW	214	2,060,278	2.60%	16,478	6,362	0	4,050	\$14.69
I-95 Chamberlayne/NE	114	1,158,254	2.00%	3,686	33,688	36,000	0	\$16.49
Jeff Davis Corridor	524	3,086,799	6.70%	7,686	23,374	0	16,786	\$13.21
Laburnum/Rte 360	463	2,886,268	6.70%	-10,111	-19,059	0	9,180	\$12.63
Louisa County	84	910,943	2.10%	-	3,990	0	4,650	\$15.98
Mechanicsville	221	2,874,270	4.20%	5,655	-1,350	0	0	\$9.86
Midlothian E/Hull St	577	7,025,030	6.20%	53,136	61,504	0	3,000	\$11.96
Midlothian Village	135	1,802,432	4.30%	11,191	34,431	25,870	84,417	\$24.42
Midlothian West	301	6,896,818	4.50%	47,408	35,415	0	3,270	\$16.11
Near West End	667	3,833,892	3.00%	24,331	-1,221	13,533	40,000	\$19.24
New Kent County	63	591,802	0.00%	5,500	10,950	0	0	\$18.10
Petersburg	406	3,100,724	6.20%	9,995	-15,566	0	0	\$11.41
Powhatan	84	801,661	0.30%	6,988	7,818	0	0	\$18.04
Prince George	70	1,054,259	4.00%	-4,680	1,542	0	0	\$8.49
Regency	120	2,754,107	10.80%	-5,286	-11,776	0	0	\$22.32
Short Pump	145	4,771,767	6.60%	3,145	-1,683	0	0	\$20.56
South Chesterfield	349	4,066,114	3.70%	11,263	117,502	71,422	0	\$15.11
Staples Mill / Parham	357	5,354,139	6.60%	24,243	-13,732	15,035	1,432	\$19.14
Swift Creek	187	3,822,164	4.70%	14,444	-30,319	8,000	3,000	\$21.89
Willow Lawn	303	3,076,307	1.90%	22,206	39,545	5,550	35,339	\$26.15
RICHMOND, VA TOTALS	7,198	81,202,654	4.31%	349,487	464,213	216,560	251,945	\$16.90

*Rental rates reflect NNN asking \$psf/year.

KEY LEASE TRANSACTIONS Q3 2021

PROPERTY	SUBMARKET	TENANT	SF	TYPE
13201 Hull Street	Swift Creek	Home Goods	25,162	New
9041 Staples Mill Rd	Staples Mill/Parham	Marshall's	18,017	New
Robious Hall	Midlothian West	HotPot 757	16,000	New

KEY SALES TRANSACTIONS Q3 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$PSF
Towne Crossing	Midlothian West	ShopCore Properties / Garner Group	99,582	\$13.6M / \$137
Short Pump Commons	Short Pump	Colony Lake LLC / Advanced Properties Ltd.	62,657	\$8.3M / \$133
Short Pump Station	Short Pump	AmCap, Inc / Wafra, Inc	47,760	\$46.8 / \$512

CAMERON WILLIAMS

Research Manager

+1 804 697 3560 / cameron.williams@thalhimer.com

thalhimer.com

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