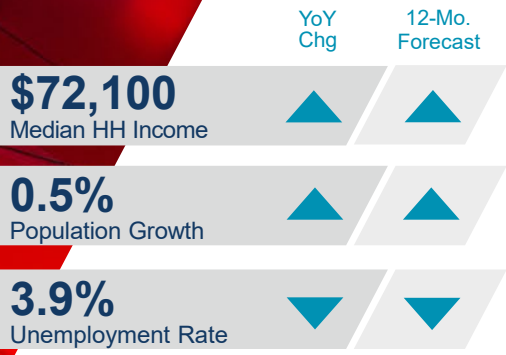


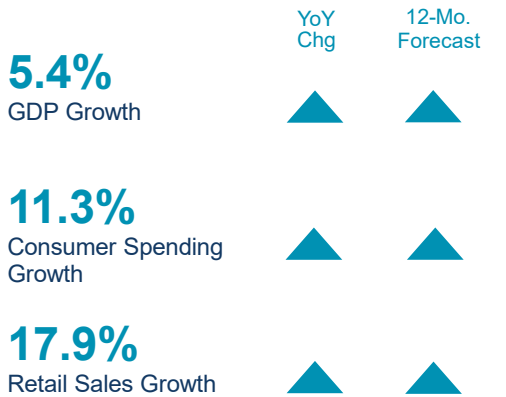
RICHMOND, VA

Retail Q4 2021



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

U.S. ECONOMIC INDICATORS Q4 2021



Source: BEA, Census Bureau

ECONOMIC OVERVIEW: Full Swing Recovery

Despite the largest spike in inflation since 1982 and the emergence of the COVID-19 variant Omicron, the Richmond Metro Area's economy continued the positive trends experienced throughout 2021. The unemployment rate of 3.9% in the fourth quarter was down 40 basis points (bps) from the previous quarter and 2.4% less than Q4 2020. This past year Richmond led the entire country in wage growth at 13% and the median income increased over \$3,000 year-over-year. Virginia was ranked by CNBC as the best state for business the second year in a row, and several major companies and institutions are bullish on the state capital's growth for good reason. Richmond added two more locally head quartered companies to the Fortune 1,000 in 2021 and major area employers including Carvana, Amazon, CoStar, and VCU made announcements to add more than 5,000 new jobs in addition to planning more than \$1B in new real estate development.

SUPPLY AND DEMAND: Record Setting Year

Retail space in Richmond has largely been able to stay the course amidst pandemic uncertainty and has even outperformed several historical performance metrics. An easing of restrictions throughout 2021 paired with a 15% increase in consumer spending nation wide year-over-year (YOY) led to a record low in available vacant space of just 3.4% and the second highest average rents on record. Absorption of Richmond retail space was a full 15x higher than 2020 and leasing activity was highly active; 2021 had the third largest number of deals take place and second largest amount of square footage leased. Notable deals from Q4 included Gabe's taking over nearly 59,000 square feet (sf) at Brook Run Shopping Center and the 58,000 sf of anchor space leasing at The Corner at Short Pump.

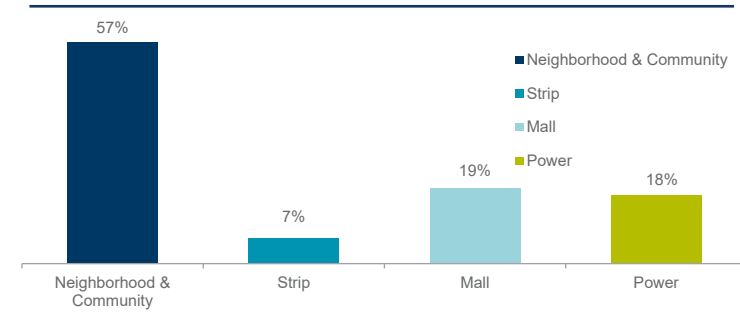
SUPPLY AND DEMAND: Record Setting Year

With historically low vacancy and record setting rent per square foot averages it was no surprise that 2021 also had record setting investment numbers. Confidence in the market propelled an annual sales volume of \$617M, more than an 82% increase from 2020 and nearly double the ten-year average. It was an active fourth quarter with four of the years largest deals taking place including Singapore based United Hampshire US REIT purchasing the Colonial Square shopping center for \$26M and the \$15M sale of the Eastgate Town Center.

RENT / VACANCY RATE



AVAILABILITY BY PRODUCT TYPE



RICHMOND, VA

Retail Q4 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	272	4,856,003	3.00%	21,295	36,961	0	0	\$17.57
Colonial Heights	223	3,291,345	5.20%	20,739	46,667	0	0	\$17.29
Downtown	452	3,124,541	1.90%	24,186	98,360	0	0	\$18.20
East End	511	4,552,606	1.30%	-1,486	44,270	28175	26800	\$16.87
Far West End North	32	327,979	1.40%	5,039	5,567	0	0	\$31.78
Far West End South	86	1,306,753	2.60%	8,203	42,681	2150	0	\$14.76
Goochland	66	470,179	-	2,500	-5,280	0	39946	\$12.00
Hopewell	170	1,296,890	9.80%	3,138	-20,594	0	0	\$11.79
I-95 Ashland/NW	215	2,064,008	1.00%	36,424	42,786	4050	0	\$15.24
I-95 Chamberlayne/NE	113	1,147,379	1.90%	1,490	35,178	36000	3000	\$15.47
Jeff Davis Corridor	525	3,088,187	1.70%	-21,842	-1,193	0	16786	\$16.14
Laburnum/Rte 360	461	2,843,578	6.10%	3,861	-26,023	0	15180	\$13.05
Louisa County	85	921,877	2.10%	-	3,990	0	4650	\$15.98
Mechanicsville	222	2,880,294	3.20%	26,633	25,283	4840	0	\$10.86
Midlothian E/Hull St	579	7,033,485	4.40%	-34,578	26,926	2088	0	\$11.86
Midlothian Village	136	1,825,114	4.40%	18,386	52,817	48140	71247	\$28.15
Midlothian West	300	6,883,715	3.60%	27,353	62,768	0	3270	\$15.41
Near West End	671	3,864,337	3.00%	-4,908	-6,129	13533	40000	\$19.49
New Kent County	63	591,802	-	-	10,950	0	0	\$18.10
Petersburg	406	3,102,629	5.00%	7,708	-7,858	0	0	\$11.35
Powhatan	85	804,301	0.30%	-	7,818	0	0	\$18.24
Prince George	70	1,054,259	3.40%	5,935	7,477	0	0	\$8.49
Regency	121	2,786,347	3.80%	87,707	60,299	0	0	\$21.47
Short Pump	143	4,714,288	2.40%	-3,729	-5,412	0	0	\$20.56
South Chesterfield	349	4,061,834	3.90%	-6,320	111,182	71422	0	\$14.75
Staples Mill / Parham	361	5,376,676	3.50%	48,086	34,354	26035	0	\$19.09
Swift Creek	187	3,826,714	3.80%	-2,070	-32,389	8000	0	\$21.05
Willow Lawn	303	3,083,366	1.70%	21,348	60,893	23538	0	\$26.00
RICHMOND, VA TOTALS	7,207	81,180,486	3.25%	295,098	712,349	267,971	220,879	\$17.18

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

KEY LEASE TRANSACTIONS Q4 2021

PROPERTY	SUBMARKET	TENANT	SF	TYPE
5760 Hopkins Rd	Jeff Davis	Undisclosed	63,462	New
5760 Brook Rd	Staples Mill/Parham	Gabe's	58,473	New
357 Perimeter	Midlothian Village	Petco	17,000	Renewal

KEY SALES TRANSACTIONS Q4 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$PSF
Colonial Square	Colonial Heights	Berman Kappler Properties / United Hampshire US REIT	166,726	\$26M/\$156
Meadowbrook	Jeff Davis	Premier Mgmt Services, inc / United Growth, LLC	113,895	\$10M/\$89
Eastgate Town Center	East End	Eastgate Town Center LLC / Eastgate Town, LLC	111,773	\$15M/\$135

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