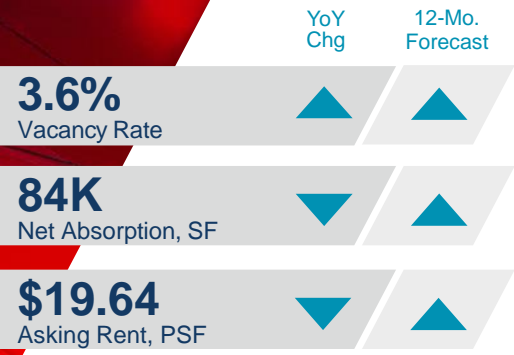
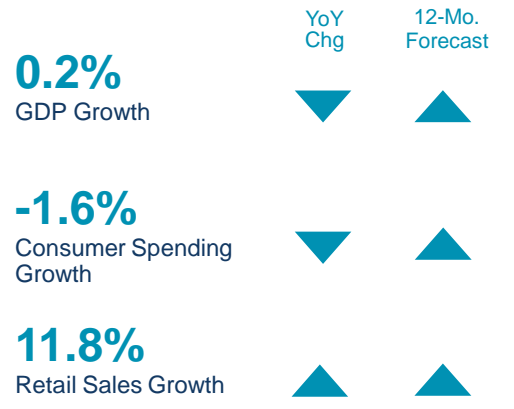


# Charlottesville, VA

Retail Q1 2021



**U.S. ECONOMIC INDICATORS Q1 2021**



Source: BEA, Census Bureau

**ECONOMIC OVERVIEW: Uncertain Recovery**

The regional unemployment rate remains above its pre-pandemic level but has lowered to 4.5% after reaching 10.2% in April 2020. Charlottesville has added an estimated 1,700 jobs since the beginning of the year, representing a 1.6% increase in total employment over that period. Employment remains down 11,900 jobs from its previous peak, but optimism remains for a strong economic rebound for the remainder of the year following the governor’s announcement that all Virginians will be eligible for the COVID-19 vaccine in April.

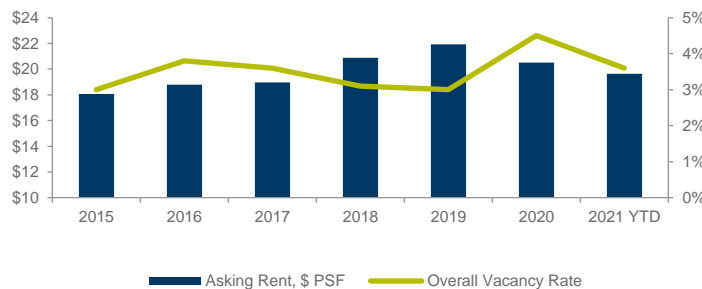
**SUPPLY AND DEMAND: Pent Up Consumer Demand**

Fueled by stimulus payments and increased levels of saving, retail sales increased 11.8% year-over-year nationwide. The increase in sales may finally be the light at the end of the tunnel for retailers. In Charlottesville, foot traffic on the downtown mall has returned. Data from Placer.ai shows over 30,000 weekly visits in March to one of the area’s most popular destinations, the highest totals since last fall and approaching pre-pandemic levels. South and Central Grill will soon be open in Dairy Market; the area’s first food hall continues to introduce new vendors as COVID-19 restrictions ease to allow more customers in the space. In Barracks Road shopping center, Chick-fil-A is moving along with construction on a new drive-thru location after demolition of the former Burger King outparcel on Emmett Street. Confidence in the retail sector is evidenced by increased leasing activity and absorption. The first quarter saw over 120,000 square feet (sf) of retail leasing activity, a new quarterly record according to Costar, and net absorption totaled nearly 85,000 sf, the largest quarterly total since Q3 2017.

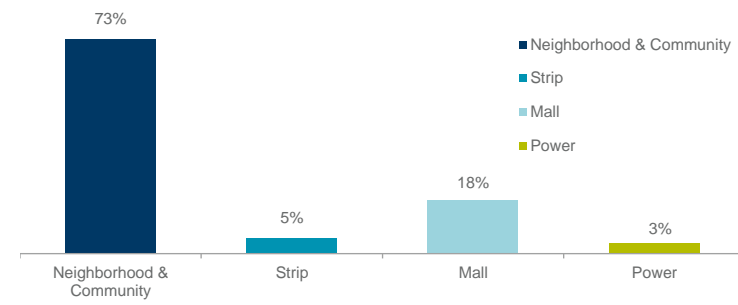
**PRICING: Impact from Covid-19**

While high-quality retail space continues to command premium rents, the overall rental rate remains subdued due to the pandemic. Opportunities exist for tenants to occupy recently vacated space at a discount, as landlords have increased concessions in order to attract tenants. With many students from the University of Virginia electing to stay home for the semester, rental rate growth is expected to return in the second half of the year as the economy continues to reopen and the student population returns in the fall semester.

**RENT / VACANCY RATE**



**AVAILABILITY BY PRODUCT TYPE**



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