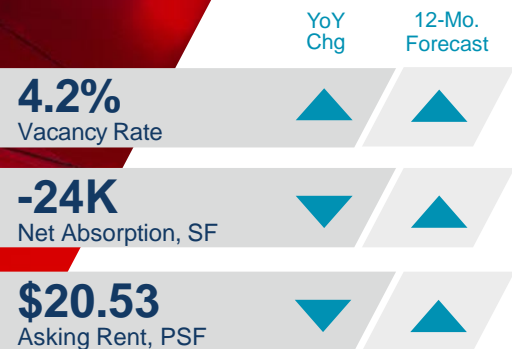
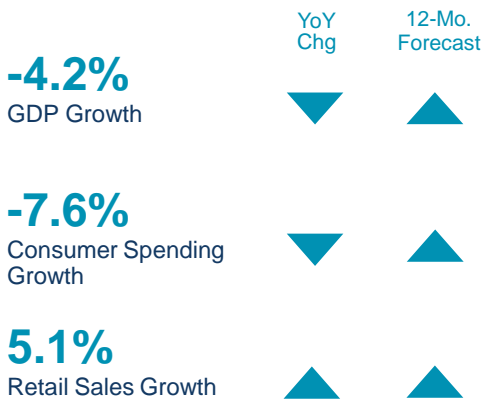


Charlottesville, VA

Retail Q3 2020



U.S. ECONOMIC INDICATORS Q3 2020



Source: BEA, Census Bureau

ECONOMIC OVERVIEW: Uncertain Recovery

Unemployment fell 210 basis points (bps) from the second quarter peak to 7.4% in Charlottesville, below the national rate of 8.8%. Many businesses were able to reopen, re-hire, and return to the workplace following pandemic forced closures. The economic recovery is in its early stages as the federal government debates additional stimulus funding and the long-term impacts unfold.

Upon the arrival of COVID-19 in the U.S., the economy entered a recession in March 2020, recording the worst decline in post-war history in Q2 2020. Mounting evidence indicates that the recovery began in May or June with Q3 2020 data likely reflecting that. But, until there is a public health resolution to the pandemic, the recovery is likely to remain uncertain and gradual. Only then can households and businesses become more confident. Access the most recent research on CRE and the state of economy [here](#).

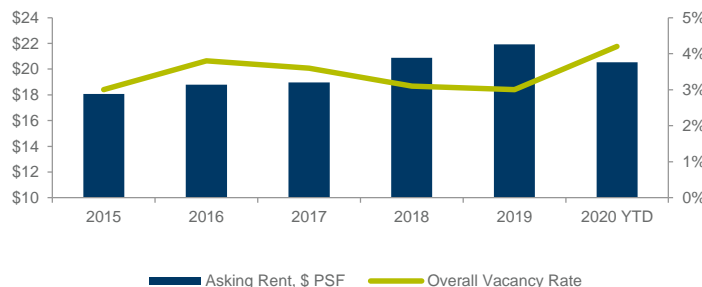
SUPPLY AND DEMAND: Pandemic Disruption

Retailers are continuing to deal with the impact of COVID-19. Consumer spending across the nation is down 7.6% from this time last year. While retailers have been able to adjust their operating procedures to reopen amidst the pandemic, overall foot traffic has not resumed to pre-pandemic levels. The University of Virginia welcomed students back to grounds under social distancing guidelines, providing some optimism for local retailers, but the impact to national retailers is playing out locally as JCPenney announced it will close its location in Fashion Square Mall. The pandemic has delayed the opening of Dairy Market, but anticipation continues to grow as the region's first food hall announced two new additions to its tenant mix: Moo Thru and The Milkman's Bar.

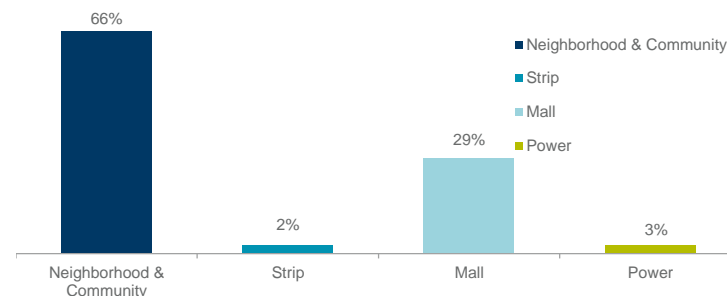
PRICING: Rents Begin to Soften

Retail rents have fluctuated with the influx of new space available from shuttered retailers. While the overall market rents are beginning to show signs of softening, falling approximately 6.8% year-over-year, high-quality retail space continues to command premium rents in an otherwise desirable retail market. Landlords are expected to become increasingly aggressive on deal terms if vacancies do not rebound, which may present favorable opportunities for tenants that are able to expand during the early stages of economic recovery.

RENT / VACANCY RATE



AVAILABILITY BY PRODUCT TYPE



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