

Charlottesville, VA

Retail Q3 2021



	YoY Chg	12-Mo. Forecast
4.6% Vacancy Rate	▲	▲
-40K Net Absorption, SF	▼	▲
\$19.98 Asking Rent, PSF	▼	▲

U.S. ECONOMIC INDICATORS Q1 2021

	YoY Chg	12-Mo. Forecast
5.6% GDP Growth	▼	▲
11% Consumer Spending Growth	▲	▲
14.1% Retail Sales Growth	▲	▲

Source: BEA, Census Bureau

ECONOMIC OVERVIEW: Steady Recovery

The Charlottesville economy continues to recover at a steady pace. Regional unemployment rates remain below the national average and continue to fall. At 3.5% unemployment, there has been a 50% drop since Q3 2020. With less than 8% of Charlottesville area workers in Leisure and Hospitality, compared to nearly 12% nationally, the area was poised for a quick comeback. A cultural and educational hub for the region, Charlottesville was recently ranked by ChamberofCommerce.org as the 7th best small city in America to start a business.

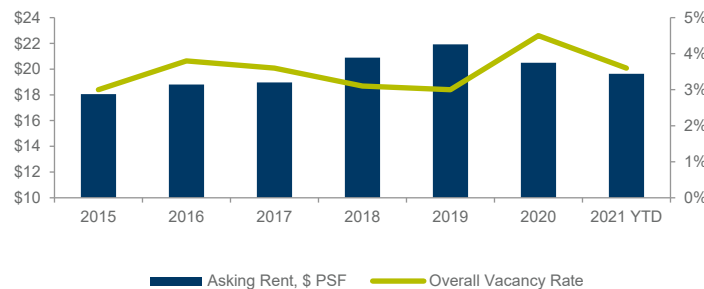
SUPPLY AND DEMAND:

The Charlottesville retail market had one of its most active quarters on record and space is in high demand. While absorption numbers were down, the market had more than 73,000 square feet (sf) come under lease in 15 separate deals. Both figures were larger than ten-year averages by 60% and 40% respectively. Q3 saw 58,288 sf delivered, the third largest amount of any quarter since 2017. The pipeline for new development is also the most robust it has been in the last five years with nearly 220,000 under construction.

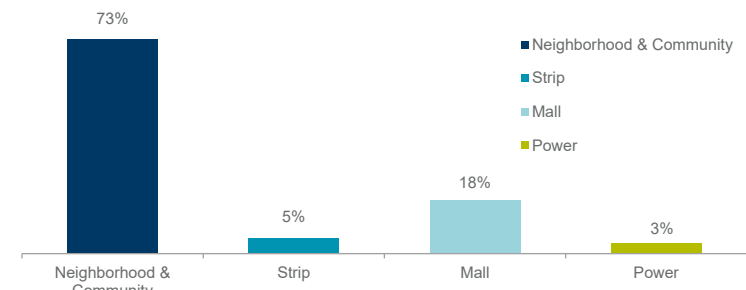
PRICING:

Vacancy for retail space rose in the third quarter and rents have dipped somewhat compared to 2020, but sales and rentals for Charlottesville market retail properties are as active as ever. At \$19.98 per square foot (psf) rents are down from historic highs set in 2019 but still are 60 basis points (bps) higher than historic averages. Sales volume in the Q3 2021 was 66% over the ten-year average and six of the seven largest deals from the past 12-months, all happened in the third quarter. Sale price per square foot on sales also set a record at \$195.

RENT / VACANCY RATE



AVAILABILITY BY PRODUCT TYPE



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