

Charlottesville, VA

Retail Q4 2021



3.7%
Vacancy Rate



125K
Net Absorption, SF



\$19.98
Asking Rent, PSF



U.S. ECONOMIC INDICATORS Q4 2021

5.4%
GDP Growth



11.3%
Consumer Spending Growth



17.9%
Retail Sales Growth



Source: BEA, Census Bureau

ECONOMIC OVERVIEW: Steady Recovery

The Charlottesville economy posted yet another quarter with positive trends signaling a near full recovery from pandemic highs. After experiencing its highest unemployment rate on record of 10.2% in April 2020, Charlottesville employment has rebounded to pre-pandemic levels and carries one of the lowest unemployment figures in the state now at just 2.2%. While continuing COVID-19 variants and outbreaks prevent the area's normally robust tourism and hospitality market from reaching full strength, there have been several bright spots. Hotel occupancy reached a 20-month high in the fourth quarter of 2021 and the Dairy Market, a 10th & Page area food hall that had its first full year of operation, was ranked the number one attraction in the state by the Virginia Restaurant Lodging and Travel Association.

SUPPLY AND DEMAND:

After a difficult 2020 Charlottesville retail saw net positive gains in every major statistical category. Absorption was negative for retail space in 2020 for the first time in thirteen years but saw a sharp rebound in 2021 finishing the year with more than 120,000 square feet (sf) of positive gains. Rents also dipped in 2020 after a sharp rise in 2019 but finished the year with what would be the second highest average on record and growing 2% annually. Vacancy is also down more than 50 basis points (bps) from a pandemic high of 4.3%.

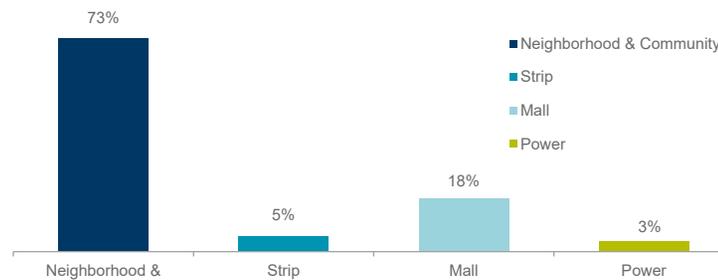
PRICING:

With positively trending performance metrics and consumer confidence bouncing back sharply throughout 2021, investment activity for retail space in Charlottesville was prolific over the past year. A record setting \$84M in sales took place which is more than \$12M the next best year and beat the ten-year average four-fold. Sales prices per square foot were also record setting, breaking \$200 for the first time and posting 7% growth year-over-year. Such bullish investment attitudes have resulted in abundant new development and more than 200,000 sf of new retail space under construction; the largest pipeline the area has seen since 2015.

RENT / VACANCY RATE



AVAILABILITY BY PRODUCT TYPE



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