

Charlottesville, VA

Retail Q3 2022



	YoY Chg	12-Mo. Forecast
3.2% Vacancy Rate	▼	▼
-210K Net Absorption, SF	▼	▲
\$18.98 Asking Rent, PSF	▼	▲

Overall, Net Asking Rent

U.S. ECONOMIC INDICATORS Q3 2022

	YoY Chg	12-Mo. Forecast
1.5% GDP Growth	▼	▲
7.9% Consumer Spending Growth	▼	▲
8.9% Retail Sales Growth	▼	▲

Source: BEA, Census Bureau

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ECONOMIC OVERVIEW: Positive Gains

Still well below the national average, Charlottesville unemployment has dropped to 3.0%, down 50 basis points (bps) year-over-year (YOY) and down 370 bps from two years ago. Employment in leisure and hospitality saw the biggest gains with an increase of more than 10% YOY. The region's talent base is only expected to grow as recent projections from the University of Virginia predict the metropolitan area's population will increase 25% between 2030 and 2050.

SUPPLY AND DEMAND: Vacancy Remains Tight

Despite the absorption numbers for the quarter, Charlottesville retail continues to maintain vacancy levels down 50 basis points (bps) since the start of the year and down 90 bps year-over-year (YOY). With only 10,000 square feet (sf) currently under construction and limited product in the development pipeline, the overall vacancy rate is projected to remain low. More than 52% of the current vacancy is confined to seven existing retail centers, all of which were built prior to 1990 and two of which were renovated within the last decade. The remaining vacancy is a mix of smaller spaces under 7,000 sf. The quarter closed with moderate leasing activity, including several notable new leases to Raising Cane's and Starbucks as well as store openings for Lilly Pulitzer and LensCrafters.

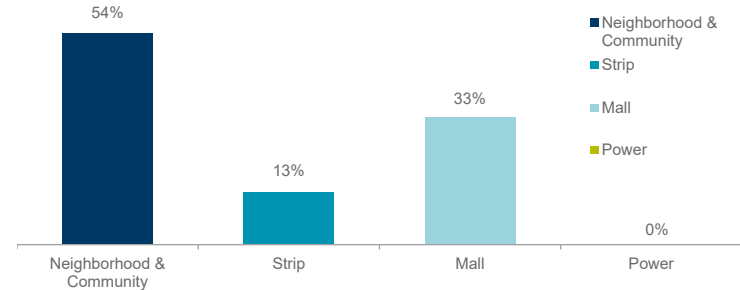
PRICING: Active Investment Market

Sale transaction volume has topped \$131 million since the start of the year with cap rates trending the in the upper 6% range with the total market asset value estimated at \$2.3 billion. The Home Depot purchased the leasehold interest in a 362,332-sf portion of the Charlottesville Fashion Square Mall for \$20 million with plans to redevelop the former Sears parcel as a Home Depot retail store.

RENT / VACANCY RATE



AVAILABILITY BY PRODUCT TYPE



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