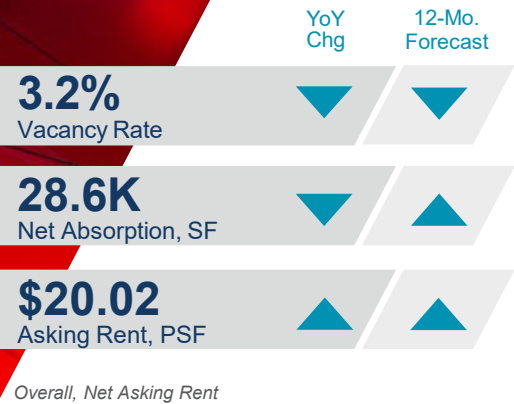
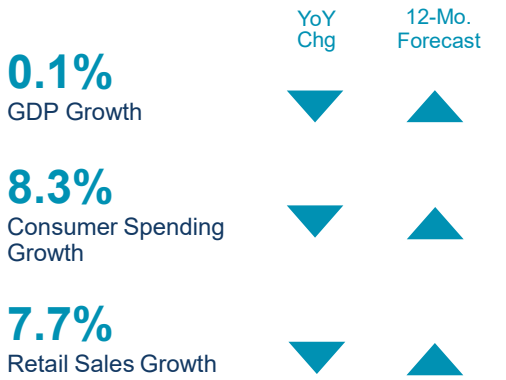


Charlottesville, VA

Retail Q4 2022



U.S. ECONOMIC INDICATORS Q4 2022



Source: BEA, Census Bureau

LIZ GREVING
Research Manager
+1 804 697 3560 / liz.greving@thalhimer.com
thalhimer.com

ECONOMIC OVERVIEW: Employment Recovery Nears 100%

Employment numbers ended the year within striking range of pre-pandemic levels. Still well below the national average, Charlottesville unemployment has dropped to 2.8%, a decrease of 20 basis points (bps) from the prior quarter and down 30 bps since the start of the year. Hospitality occupancy is up 220 bps year-over-year (YOY), and lodging rates have increased 17% in the same timeframe. Always a popular area for walkers and bikers, SmartAsset has listed Charlottesville as #6 in the nation for fitness-friendly lifestyles.

SUPPLY AND DEMAND: Vacancy Remains Tight

The year closed with vacancy hitting a 36-month low of 3.2% overall, a decrease of 20 bps from the first quarter of 2020. Leasing activity and net absorption numbers are down year-over-year (YOY), but with only 10,000 square feet (sf) currently under construction and limited product in the development pipeline, the decrease is more likely attributed to a shortage of newer product than to a lack of retailer interest. The inventory has grown just 1.5% since the start of 2020, and vacancy in product built since 2015 is limited to just over 20,000 sf. The fourth quarter saw deals close to a broad tenant mix, including medtail space leased to MinuteClinic adjacent to Barracks Road Shopping Center and a smaller format footprint store lease to Rite Aid in the Scottsville Shopping Center. J. Crew Mercantile was the largest lease of the quarter, taking 9,000 sf in the Barracks Road Shopping Center.

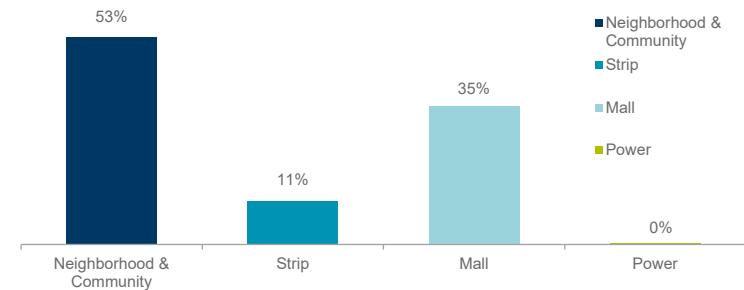
PRICING: Trending Upward

Retail sales volume ended the year at a historic high of more than \$138 million, an increase of 63% YOY. Top deals included the sale of Hollymead Town Center in the second quarter as part of a large portfolio acquired by Blackstone, and the major leasehold transfer at Charlottesville Fashion Square to Home Depot. Upward trends in lease rates reflected the sustained interest in the market as well as the limited supply of space. Overall rates have increased 8.5% YOY with rates for newer product built since 2015 trending almost 57% above the baseline average.

RENT / VACANCY RATE



AVAILABILITY BY PRODUCT TYPE



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