

Charlottesville, VA

Retail Q1 2023



	YoY Chg	12-Mo. Forecast
2.5% Vacancy Rate	▼	▼
44.9K Net Absorption, SF	▲	▲
\$22.32 Asking Rent, PSF	▲	▲

Overall, Net Asking Rent

U.S. ECONOMIC INDICATORS Q1 2023

	YoY Chg	12-Mo. Forecast
1.9% GDP Growth	▼	▲
9.4% Consumer Spending Growth	▼	▲
5.3% Retail Sales Growth	▼	▲

Source: BEA, Census Bureau

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ECONOMIC OVERVIEW: Major Life Sciences Investments

The first quarter closed with employment numbers up 6% year-over-year (YOY) and with regional population forecast to continue to rise, increasing 37.7% between 2010 and 2040. The University of Virginia announced plans to build a \$300 million biotechnology institute, which will include a biomanufacturing facility approximately four times the size of the university's current center. UVA life sciences start-up, PS-Fertility Inc., also announced plans to establish a headquarters location in Charlottesville, investing \$1.4 million and creating 31 new jobs. Charlottesville-based start-up Conraline has also announced plans to expand their area operations.

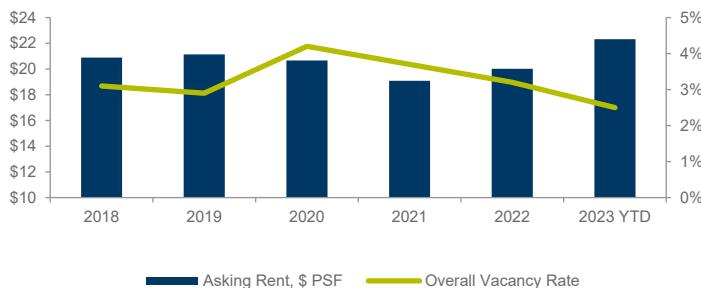
SUPPLY AND DEMAND: Vacancy Nears 10-Year Low

Vacancy dropped 70 basis points (bps) since the end of 2022 to close the quarter at the lowest level in almost a decade. Leasing activity is up 181% compared to the same time period last year, and market interest remains active despite the limited inventory. Vacancy in lifestyle and strip center has become even more compressed and closed the quarter down 120 bps from the end of 2022 at 1.7%. Two projects are under construction currently, but with 49.6% of those sites preleased, additions to the available inventory will be nominal. Larger deals for the quarter included the 3,500-square-foot (sf) lease to Devil's Backbone Brewing Company as part of the student housing complex at the Lark on Main, and the 4,076-sf lease to Pinemaples Thai Kitchen in Riverside Village.

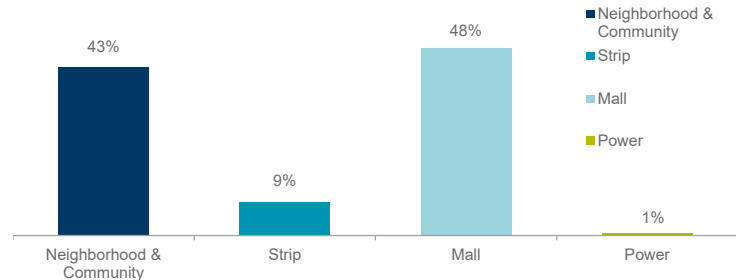
PRICING: Rents on the Rise

Rates have steadily increased since the start of 2021 and closed the quarter above the pre-pandemic highs hit in 2019. Overall rates have increased 11.5% since the end of 2022, a spike attributed in part to the limited supply, and rates are up 17.2% year-over-year (YOY). Sales volume topped \$17 million in the first quarter, including the transfer of the Kohl's in Hollymead Town Center to Realty Income Corporation as part of a large multi-state portfolio.

RENT / VACANCY RATE



AVAILABILITY BY PRODUCT TYPE



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