

Fredericksburg, VA

Retail Q2 2023

\$97,400

Median HH Income

YoY
Chg12-Mo.
Forecast**1.4%**

Population Growth

**3.2%**

Unemployment Rate



Source: BLS (Economic Indicators are representative of specific county or MSA.)

U.S. ECONOMIC INDICATORS Q2 2023

2.1%

GDP Growth

YoY
Chg12-Mo.
Forecast**7.8%**Consumer Spending
Growth**1.3%**

Retail Sales Growth



Source: BEA, Census Bureau

ECONOMY: A Region in Growth Mode

The Fredericksburg region and Stafford County in particular continue to benefit from consumer traffic produced by commuters traveling to and from Washington D.C., Northern Virginia, and Quantico Marine Corps Base. Regional unemployment increased 10 basis points (bps) year-over-year (YOY) to 3.2% in the second quarter of 2023 but remains below the national rate of 3.6%. Regional employment numbers are up 3.8% YOY and are expected to increase through the coming quarters. Population is projected to grow 20% by 2030, and Fredericksburg has been the fastest growing region statewide for five consecutive years.

SUPPLY AND DEMAND: Vacancy Rate Increases

The vacancy rate increased 40 bps since last quarter to 3.3% and was up only 10 bps YOY. The quarter ended with negative net absorption of 68,389 square feet (sf) overall. Leasing activity was consistent in the second quarter. One of the largest leases was the 10,741-sf space at 106 Banks Ford Parkway located in Stafford's Celebrate Virginia. Quarterly sales activity totaled over \$18.2 million. The largest sales were 1351 Central Park Boulevard – Central Park Funland, a 38,133-sf freestanding retail building in Fredericksburg City that sold for \$12.0 million, and 10000 Southpoint Parkway, a 3,776-sf freestanding property in Spotsylvania County that sold for \$2.7 million. There was one delivery this quarter. The 4,950-sf car wash inside Stafford County's Patriots Crossing Strip, formally 799 Garrisonville Road, now listed as 110 Patriots Crossing Drive delivered in May 2023. Construction continued at the four buildings inside Stafford's Embrey Mill Town Center totaling 41,817-sf, three of which are set to deliver in August 2023, while the latest will not be completed until October 2023.

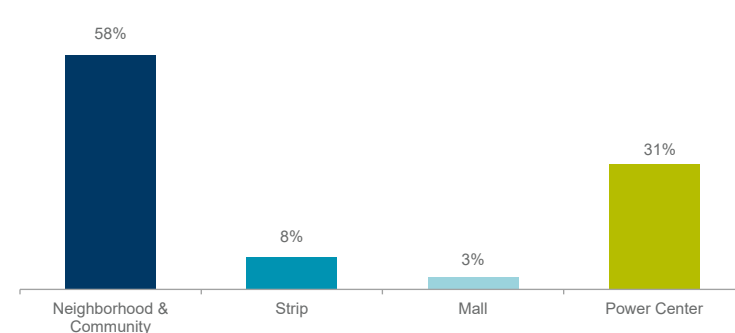
PRICING: Asking Rents Decrease

Retail rental rates decreased, ending the second quarter at \$18.02 per square foot (psf) overall, a decrease of less than 1% YOY. Even with a slight decrease in rates, once again Stafford County commanded the highest rental rate in the market at \$19.77 psf. While most submarkets saw a decrease, King George County was the only one that experienced rental rate growth during the quarter.

RENT / VACANCY RATE



AVAILABILITY BY PRODUCT TYPE



Fredericksburg, VA

Retail Q2 2023

MARKET STATISTICS

SUBMARKET	INVENTORY	INVENTORY (SF)	YTD LEASING ACTIVITY	OVERALL AVAILABLE VACANT SPACE (SF)	OVERALL VACANCY RATE	YTD NET OVERALL ABSORPTION	UNDER CONSTRUCTION	OVERALL AVERAGE ASKING RENT*
Caroline County	95	703,366	1,000	15,478	2.2%	-10,100	0	\$17.53
Fredericksburg City	543	5,465,936	71,170	290,678	5.3%	-78,681	0	\$17.20
King George County	115	1,032,267	0	70,838	6.9%	5,994	0	\$17.22
Spotsylvania County	534	8,074,910	77,458	183,208	2.3%	2,263	0	\$19.23
Stafford County	478	5,490,997	42,523	121,892	2.2%	12,135	41,817	\$19.84
FREDERICKSBURG TOTALS	1,765	20,767,476	192,151	682,094	3.3%	-68,389	41,817	\$18.69

*Rental rates reflect NNN asking \$PSF/Year

KEY LEASE TRANSACTIONS Q2 2023

PROPERTY	SUBMARKET	TENANT	SF	TYPE
106 Banks Ford Parkway	Stafford	Stafford Handbell Society	10,741	Direct
1245 – 1289 Emancipation Highway	Fredericksburg	Undisclosed	10,000	Direct
100 Forbes Street	Stafford	Undisclosed	5,518	Direct
901 – 909 Garrisonville Road	Stafford	Undisclosed	4,000	Direct

*Renewals included in leasing statistics

KEY SALES TRANSACTIONS Q2 2023

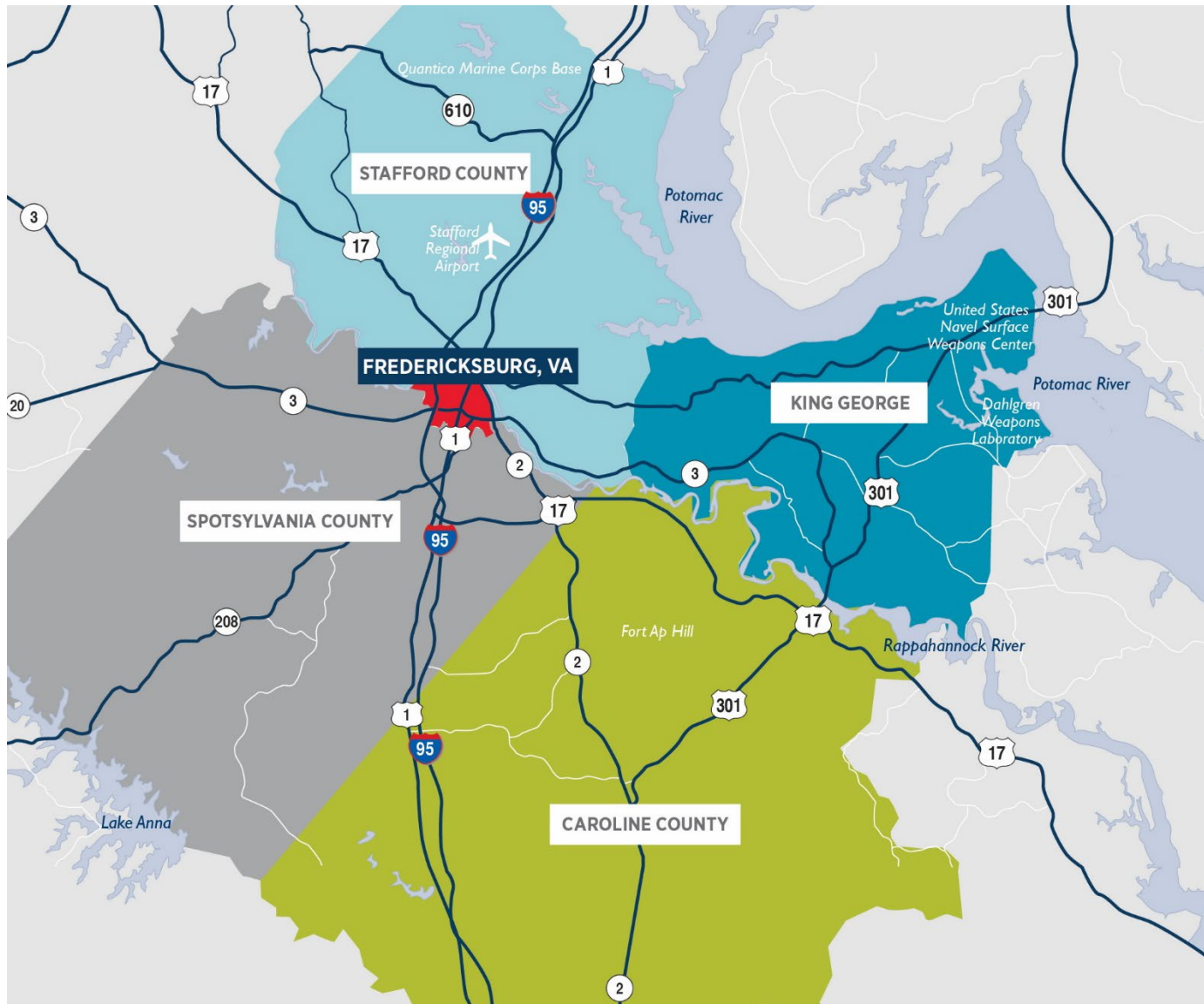
PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
1351 Central Park Boulevard – Central Park Funland	Fredericksburg	Player One Amusement Group / EPRT Tennessee Props, LLC	38,133	\$12.0M / \$314.69
10000 Southpoint Parkway	Spotsylvania	Clearview Investments Group, LLC / Jay Kirti, Inc.	3,776	\$2.7M / \$724.31
766 Warrenton Road - McDonalds	Stafford	JPE Realty, LLC / KD Property Consulting, LLC	2,376	\$310K / \$99.36
400 Howison Avenue	Fredericksburg	Eagle Real Estate, LLC / Half Shell, LLC	1,702	\$1.3M / \$763.81

KEY CONSTRUCTION COMPLETIONS YTD 2023

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER / DEVELOPER
799 Garrisonville Road – Patriot Car Wash – Patriot Crossing	Stafford	Patriot Car Wash		Patriot Car Wash, LLC / Patriot Car Wash, LLC

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