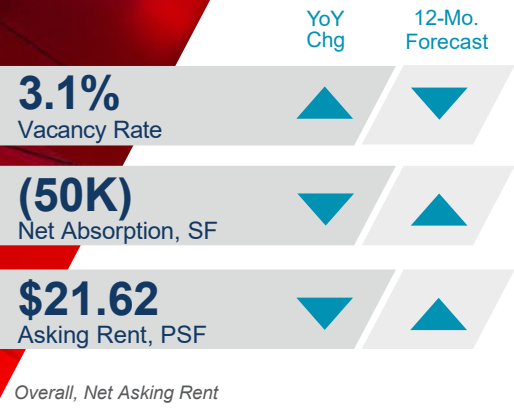
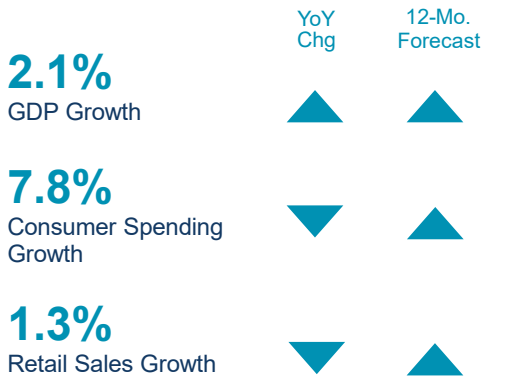


# Charlottesville, VA

Retail Q2 2023



## U.S. ECONOMIC INDICATORS Q2 2023



Source: BEA, Census Bureau

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## ECONOMIC OVERVIEW: Defense Industry Focus

Charlottesville's regional employment numbers continue to rise, and the second quarter closed with unemployment 110 basis points (bps) below the national average. Defense industry growth has become a focus for the area as Albemarle County announced plans to purchase 462 acres near Rivanna Station with plans to develop a 200-acre portion as the Intelligence Community Acceleration Campus. The U.S. Department of Defense also announced plans to expand in its Rivanna Station presence with a total investment of \$200 million, \$90 million of which will be used to expand the National Ground Intelligence Center. Regional impact from defense spending totaled \$1.2 billion in 2021, making it the second largest industry behind higher education.

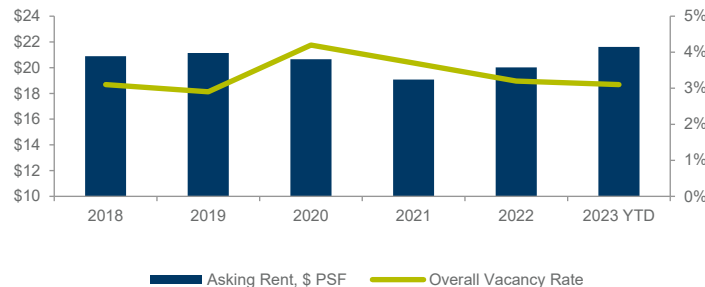
## SUPPLY AND DEMAND: Vacancy Remains Compressed

At the mid year mark, vacancy crept up 60 basis points (bps) quarter-over-quarter but remained effectively flat since the start of the year with the addition of two junior anchor positions in Seminole Square Shopping Center to the available inventory. Leasing activity is up 52% compared to the same time period last year with new leases to Starbucks, Victoria's Secret, and Hallmark inked during the second quarter, among others. The construction pipeline remains limited with two active projects underway, both of which are retail components of larger mixed-use developments.

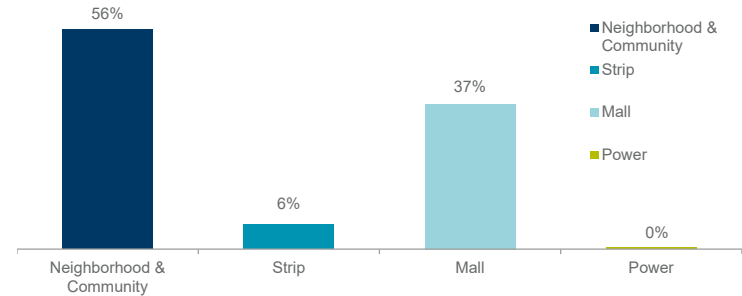
## PRICING: Rents on the Rise

Overall rates dipped slightly, down 3.1% QOQ, but continue to trend upward with an increase of 12.3% year-over-year (YOY). Rents are forecast to continue to grow at rates more in line with historical averages. Sales volume topped \$42.7 million for the quarter, including the \$29.5 million automotive portfolio sale to Flow Companies, which included both the real estate and franchises, and total volume is over \$60 million for the year.

## RENT / VACANCY RATE



## AVAILABILITY BY PRODUCT TYPE



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