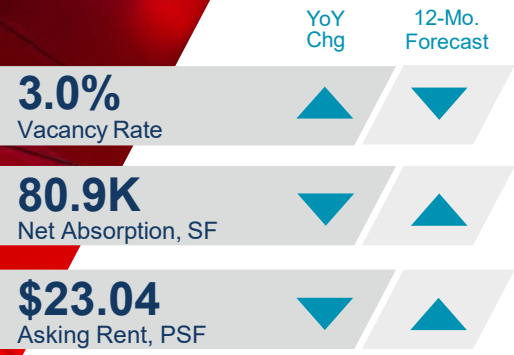


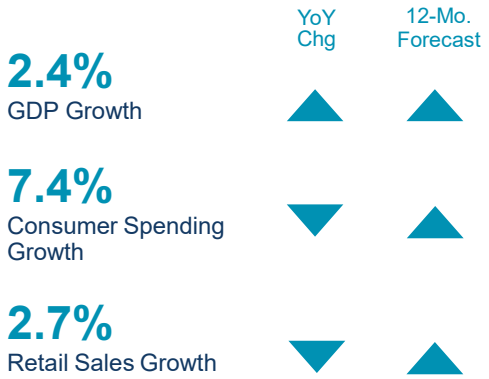
Charlottesville, VA

Retail Q3 2023



Overall, Net Asking Rent

U.S. ECONOMIC INDICATORS Q3 2023



Source: BEA, Census Bureau

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ECONOMIC OVERVIEW: A Region in Growth Mode

Charlottesville's regional employment numbers continue to rise, closing the quarter up 7.9% year-over-year (YOY). The University of Virginia (UVA) topped the U.S. News & World Report rankings once again, landing at the #5 spot among Top Public Schools and at #24 among National Universities. Construction is underway at the Ridge at North Pointe, a \$77.8 million community across from the UVA Research Park, and is scheduled for completion in the second quarter of 2024. The complex will add 279 units to the multifamily inventory that has grown 16% already since the start of 2020.

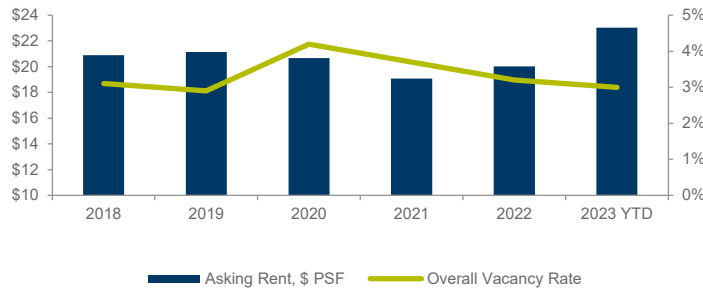
SUPPLY AND DEMAND: Vacancy Remains Compressed

Overall vacancy closed the third quarter down 60 basis points (bps) quarter-over-quarter (QOQ) and down 30 bps year-over-year (YOY). Leasing activity has topped 132,000 square feet (sf) since the start of the year, more than double the deal volume compared to the same period last year. Pure Barre, Clean Juice, and My Salon Suite all signed leases in the Shops at Stonefield, a neighborhood center shadow anchored by Costco and located to the north and west of downtown. Limited construction activity continues to contribute to the compressed vacancy with new deliveries in the last decade accounting for only 11.2% of the total inventory.

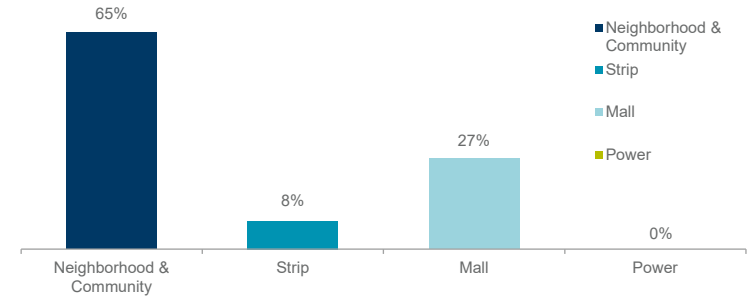
PRICING: Rents on the Rise

Overall rates jumped 6.6% QOQ and increased 21.4% YOY, and with sustained demand, rents are forecast to continue to grow. Sales volume slowed in the third quarter with activity limited to smaller portfolio sales of smaller freestanding buildings and centers in outlying locations, but despite the combination of limited offerings and a challenging lending environment, YTD volume has topped \$66.5 million.

RENT / VACANCY RATE



AVAILABILITY BY PRODUCT TYPE



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