

**5.5%**

Vacancy Rate

YoY  
Chg12-Mo.  
Forecast**(15.3K)**

Net Absorption, SF

**\$29.75**

Asking Rent, PSF



(Overall, All Property Classes, Min 10,000 SF RBA)

\*Vacancy Rate Excludes Large Block Sublease Space

## ECONOMIC INDICATORS Q4 2023

**126.9k**Charlottesville MSA  
EmploymentYoY  
Chg12-Mo.  
Forecast**2.6%**Charlottesville MSA  
Unemployment Rate**3.7%**U.S.  
Unemployment Rate

Source: BLS, Moody's Analytics

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## ECONOMY: Biotech Institute Breaks Ground

The fourth quarter closed with Charlottesville's regional employment numbers up once again, ending the year up 9.1% year-over-year (YOY). The University of Virginia (UVA) broke ground on a 350,000-square-foot (sf) \$350 million biotechnology institute that will bring research, development, and manufacturing together. Scheduled for completion and occupancy in 2026, the institute will focus on medical research and will further enhance the estimated \$5.9 billion in economic impact generated by UVA annually for the state. The region received global recognition as Wine Enthusiast's Wine Region of the Year and was also named one of the top 15 happiest towns in America by Outside Magazine.

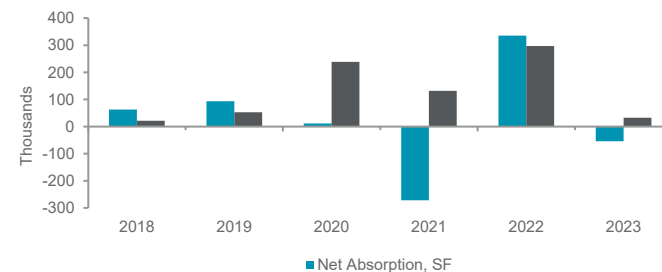
## SUPPLY AND DEMAND: Vacancy Rate Compressed

Overall office vacancy closed the year down 30 basis points (bps) quarter-over-quarter (QOQ) and up 50 bps YOY. For reporting purposes, the 281,000-square-foot (sf) class B sublease space in the former State Farm building has been excluded from the vacancy numbers. Leasing activity slowed slightly in 2023, down 24.6% in terms of square footage but only 14.1% lower in terms of the number of deals. Constraints remain on the supply side with no large projects under construction at present. While CFA Institute's downsizing did open up some blocks of downtown space, large block vacancies in the market remain scarce. With the limited offerings and sustained prospective interest, vacancy is forecast to continue to decline.

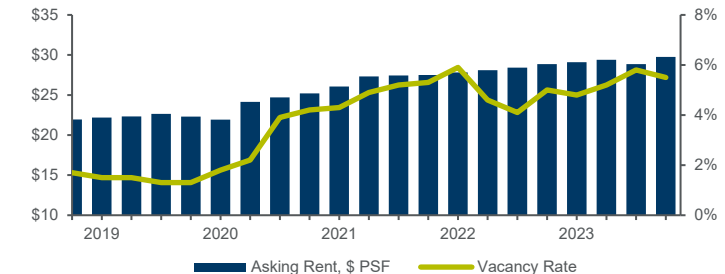
## PRICING: Trending Upward

Office rents continue to rise, closing the year up 3.1% YOY and up 35.5% since the start of 2020. Sales volume topped \$33 million for the year, a jump from 2022 numbers despite of the current lending environment. Average sale pricing on a per square foot basis was essentially flat YOY. The year's largest sale was the transfer of the 2-building complex at 915 High Street from CFA Institute, who will leaseback a portion of the facility for its ongoing operations.

## SPACE DEMAND / DELIVERIES



## OVERALL VACANCY & ASKING RENT



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