

Charlottesville, VA

Retail Q4 2023

2.8%

Vacancy Rate

YoY
Chg12-Mo.
Forecast**63.1K**

Net Absorption, SF

**\$22.61**

Asking Rent, PSF



Overall, Net Asking Rent

U.S. ECONOMIC INDICATORS Q4 2023

2.6%

GDP Growth

YoY
Chg12-Mo.
Forecast**6.7%**Consumer Spending
Growth**3.8%**

Retail Sales Growth



Source: BEA, Census Bureau

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ECONOMIC OVERVIEW: 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.

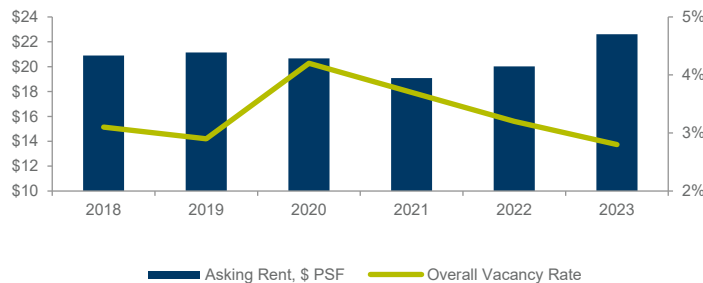
SUPPLY AND DEMAND: Vacancy Near Historic Lows

Overall vacancy closed the year down 10 basis points (bps) quarter-over-quarter (QOQ) and down 20 bps year-over-year (YOY), after hitting a historic low mark of 2.4% in the first quarter of 2023. Year-end leasing activity topped 178,000 square feet (sf), an increase of 39.8% over prior year numbers. Old Trail Village in Crozet, a multifamily complex in Crozet with ground floor space suited to retail or office uses, is nearing completion and will add some much-needed leasable square footage to the Crozet submarket. The active pipeline remains limited with only 14,000 sf currently under construction, and with strong prospect interest, vacancy is forecast to remain compressed for the near term.

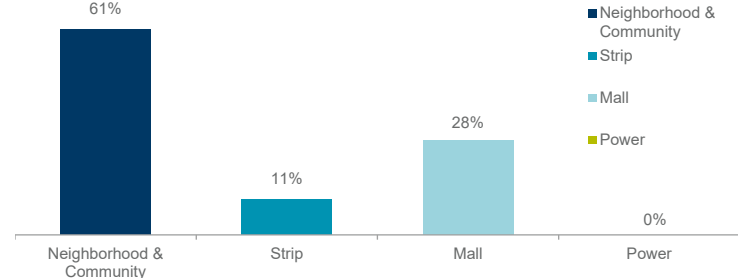
PRICING: Rent Rise Continues

Overall rates ended the year up 12.9% YOY, and with sustained demand, rents are forecast to continue to grow. Sales volume topped \$94 million for the year, a slight decrease from 2022 numbers that can be attributed as much to limited inventory as well as to the challenges in the lending environment. The Kohl's location at Hollymead Town Center sold for \$15.2 million as part of a large portfolio trade to Realty Income Corporation, closing in the first quarter of 2023 and standing out as one of the year's significant deals.

RENT / VACANCY RATE



AVAILABILITY BY PRODUCT TYPE



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