

Fredericksburg, VA

Retail Q4 2023

\$108,000

Median HH Income

YoY
Chg12-Mo.
Forecast**1.6%**

Population Growth

**2.9%**

Unemployment Rate



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

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

ECONOMY: Population Growth Expected

The Fredericksburg region, and Stafford County in particular, continues to benefit from consumer traffic produced by commuters traveling to and from Washington D.C., Northern Virginia, and Quantico Marine Corps Base. Regional unemployment decreased 40 basis points (bps) year-over-year (YOY) to 2.9% in the final quarter of 2023 and remains below the national rate of 3.8%. Regional employment numbers are up 3.4% YOY and are expected to be flat going into the new year. 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 Constant

The vacancy rate remained unchanged since the last quarter at 2.9% overall and dropped 10 bps YOY. The quarter ended with net absorption of -837 square feet (sf) overall, and year-to-date absorption totaled -80,712 sf. Leasing activity was consistent in the fourth quarter. Quarterly sales activity totaled over \$10 million. The largest sales were 4248 Plank Road, a 3,028-sf convenience store in the Ukrop's Shopping Center in Stafford County that sold for \$2.3 million, and 10813 Courthouse Road, a 12,057-sf retail condo in the Shoppes at Courthouse in Spotsylvania County that sold for \$2.2 million. There was one delivery this quarter. The 2,250-sf freestanding restaurant at 10821 Tidewater Trail in Spotsylvania County delivered in December 2023. Construction continued on several buildings: Embrey Mill Town Center in Stafford, Building 16 on Austin Ridge Drive set to deliver in March 2024, Building 6 on Sunflower Drive delivering in October 2024, and Building 14 on 900 Wonder Road aka Courthouse Road which will deliver in January 2024, and total up to 28,236 sf. Construction began on three buildings this quarter. The first is 6,049 sf at Building 15 on Courthouse Road in Embrey Mill Town Center and will deliver in April 2024. The second is 5980 Plank Road, Building 1, a 51,187-sf building in Spotsylvania County, set to deliver in July 2024. The third is a 3,500-sf building located at 24059 Ruther Glen Road in Caroline County, scheduled for delivery in February 2024.

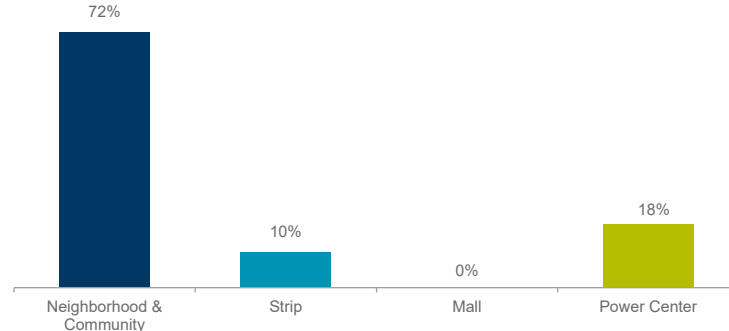
PRICING: Asking Rents Increase

Retail rental rates increased, ending the fourth quarter at \$18.91 per square foot (psf) overall, an increase of 1.3% YOY. As seen throughout the year, once again Stafford County commanded the highest rental rate in the market at \$20.03 psf. Most submarkets experienced rental rate growth during the fourth quarter except for Caroline County which remained at the same rate.

RENT / VACANCY RATE



AVAILABILITY BY PRODUCT TYPE



Fredericksburg, VA

Retail Q4 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	97	737,848	2,190	15,478	2.1%	-10,100	3,500	\$17.53
Fredericksburg City	546	5,497,146	199,701	199,701	3.6%	20,296	0	\$19.17
King George County	117	1,034,606	77,320	77,320	7.5%	-488	0	\$18.50
Spotsylvania County	545	8,117,523	184,385	184,385	2.3%	5,625	51,187	\$18.14
Stafford County	498	5,738,039	195,282	138,033	2.4%	65,379	29,858	\$20.03
FREDERICKSBURG TOTALS	1,803	21,125,162	533,765	614,917	2.9%	80,712	84,545	\$18.91

*Rental rates reflect NNN asking \$PSF/Year

KEY LEASE TRANSACTIONS Q4 2023

PROPERTY	SUBMARKET	TENANT	SF	TYPE
2805 Plank Road	Fredericksburg	Undisclosed	6,818	Direct
7415 Laughlin Boulevard	Spotsylvania	SC	6,350	Direct
2003-2051 Plank Road	Fredericksburg	Panderia Emmanuel Bakery & Restaurant	3,600	Direct
1245-1289 Emancipation Highway	Fredericksburg	Undisclosed	3,500	Direct

*Renewals included in leasing statistics

KEY SALES TRANSACTIONS Q4 2023

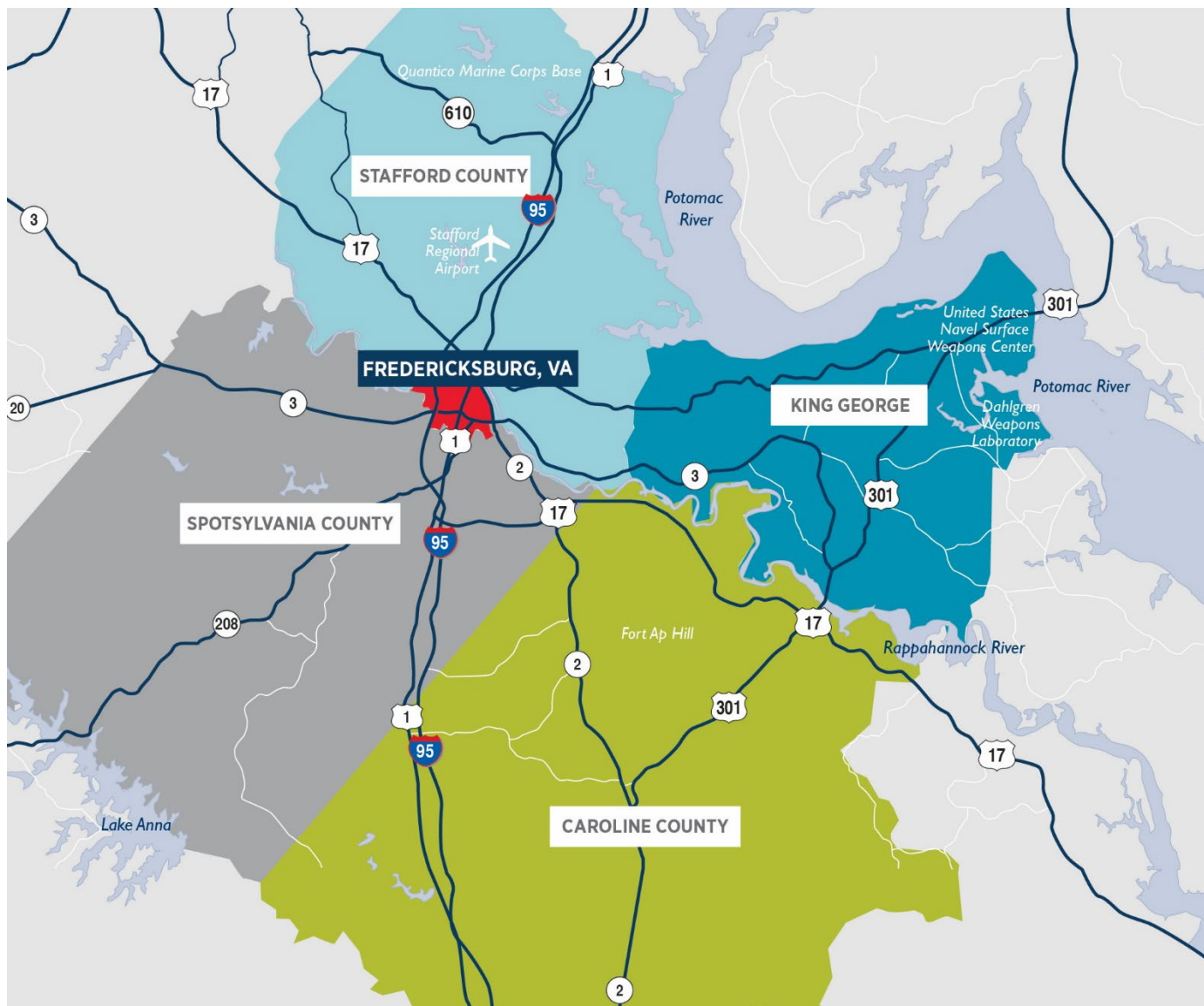
PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
10813 Courthouse Road	Spotsylvania	Courthouse Self Storage, LLC / Highline Properties, LLC	12,057	\$2.2M / \$178.32
5320 James Madison Parkway – Burger King	King George	Michael A. Giubino / James Madison Parkway, LLC	3,383	\$1.6M / \$458.17
4248 Plank Road	Spotsylvania	Justin Holdings / Dream One, Inc.	3,028	\$2.3M / \$786.00
25 Banks For Parkway	Stafford	George & Maria Petrovich / Farina II, LLC	2,782	\$1.4M / \$503.24

KEY CONSTRUCTION COMPLETIONS 2023

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER / DEVELOPER
Sunflower Drive – Building 2 Embrey Mill Town Center	Stafford	Undisclosed	9,628	B.M. Smith Associates, Inc. / Ed Peete, Co.
Sunflower Drive – Building 3 Embrey Mill Town Center	Stafford	Undisclosed	9,486	B.M. Smith Associates, Inc. / Ed Peete, Co.
Sunflower Drive – Building 8 Embrey Mill Town Center	Stafford	Undisclosed	2,703	B.M. Smith Associates, Inc. / Ed Peete, Co.
10821 Tidewater Trail	Spotsylvania	Starbucks	2,250	William & Young Moon Huang / Trail Investments, LLC

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