

**5.2%**

Vacancy Rate

YoY  
Chg12-Mo.  
Forecast**73.2K**

Net Absorption, SF

**\$30.07**

Asking Rent, PSF



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

\*Vacancy Rate Excludes Large Block Sublease Space

## ECONOMIC INDICATORS Q1 2024

**125.5k**Charlottesville MSA  
EmploymentYoY  
Chg12-Mo.  
Forecast**2.6%**Charlottesville MSA  
Unemployment Rate**3.8%**U.S.  
Unemployment Rate

Source: BLS, Moody's Analytics

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## ECONOMY: Primed for Growth

The Charlottesville region continued to post positive gains through the first quarter, with employment numbers and population on the rise. Louisa County's population alone has grown 7.5% since 2020, making it the third highest growth rate in the state. In addition to the University of Virginia (UVA)'s new \$350 million biotechnology institute, Virginia has announced a \$90 million investment to create a research triangle between UVA, Virginia Tech, and Virginia Commonwealth University (VCU) with a focus on biotech, life sciences, and pharma manufacturing. The 562-acre North Fork, a UVA Discovery Park, has positioned itself as one of only a few developments in the state with tier 4 "shovel-ready" status, making the region primed for additional growth.

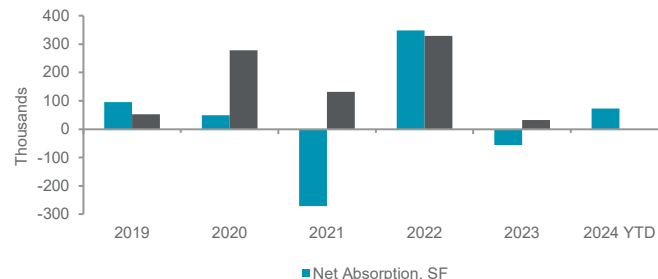
## SUPPLY AND DEMAND: Sustained Leasing Activity

Office leasing activity maintained momentum through the first quarter, and overall vacancy dropped 30 basis points (bps) quarter-over-quarter (QOQ). 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. Positive first quarter net absorption effectively nullified the negative numbers of the prior three quarters, and vacancy is forecast to continue to decline. While several regional projects like the mixed-use complex at Brookhill Town Center are projected to add office product, no large projects have broken ground yet. As a result, the active development pipeline remains limited, and supply-side shortages are likely to continue.

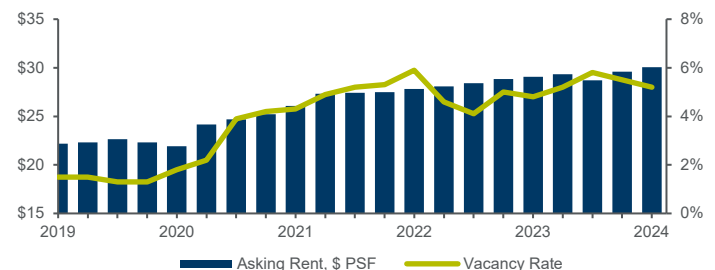
## PRICING: Trending Upward

Lease rents continue to rise, closing the year up 3.4% year-over-year (YOY) and up 36.9% since the start of 2020. First quarter sales were limited, topping \$6 million since the start of the year, likely attributable to the capital challenges and the lack of available product than to a lack of market interest. The largest deal of the quarter was the 22,782-sf mixed-use building in Downtown Charlottesville that traded from Monterey Coast Realty to Charlottesville Redevelopment & Housing Authority for \$2.7 million and included a mix of office, ground-floor retail, and apartments.

## SPACE DEMAND / DELIVERIES



## OVERALL VACANCY & ASKING RENT



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