

# Charlottesville, VA

Retail Q1 2024

	YoY Chg	12-Mo. Forecast
<b>3.0%</b> Vacancy Rate	▲	▼
<b>(36.8K)</b> Net Absorption, SF	▼	▲
<b>\$22.67</b> Asking Rent, PSF	▲	▲
Overall, Net Asking Rent		

## U.S. ECONOMIC INDICATORS Q1 2024

	YoY Chg	12-Mo. Forecast
<b>3.1%</b> GDP Growth	▲	▲
<b>6.4%</b> Consumer Spending Growth	▼	▲
<b>2.4%</b> Retail Sales Growth	▼	▲

Source: BEA, Census Bureau

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## ECONOMIC OVERVIEW: 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.

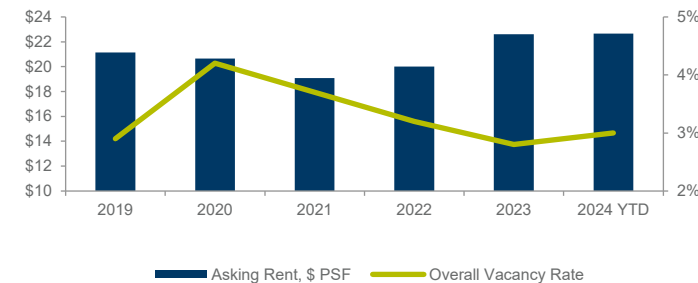
## SUPPLY AND DEMAND: Vacancy Compressed

The first quarter closed with overall vacancy up 30 basis points (bps) quarter-over-quarter (QOQ) and up 10 bps year-over-year (YOY), after hitting a historic low mark of 2.2% in the first quarter of 2023. First quarter leasing activity topped 48,000 square feet (sf), healthy volume given the limited supply of space and a sign of continued retailer interest in the market. Old Trail Village in Crozet, a multifamily complex 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, west of central Charlottesville. A few large blocks remain in second generation centers, and 34.5% of the total vacancy is contained in three centers with more than 10,000 sf of contiguous space available in each.

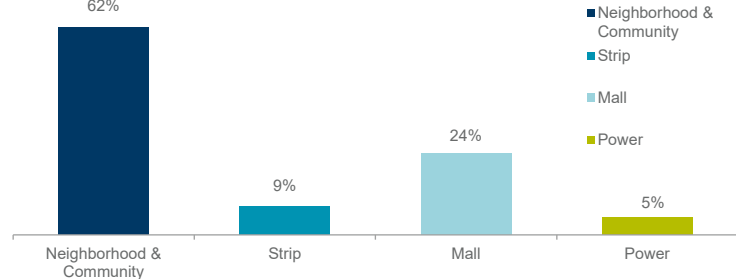
## PRICING: Rent Growth Stabilizes

Overall rates ended the quarter effectively flat YOY, as growth rates have begun to stabilize following an increase of 13.3% since the start of 2020. Rents are forecast to increase through the remainder of the year, given the supply-side limits as well as the sustained interest. Sale activity was limited in the first quarter, and the sale of an 8,320-sf Family Dollar in the southwestern region of the market was the largest transfer of the quarter, closing at \$1 million to a private investor.

## RENT / VACANCY RATE



## AVAILABILITY BY PRODUCT TYPE



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