

# Fredericksburg, VA

Retail Q1 2024



**\$106,300**

Median HH Income

YoY Chg



12-Mo. Forecast



**1.4%**

Population Growth



**3.2%**

Unemployment Rate



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

## U.S. ECONOMIC INDICATORS Q1 2024

**3.1%**

GDP Growth

YoY Chg



12-Mo. Forecast



**6.4%**

Consumer Spending Growth



**2.4%**

Retail Sales Growth



Source: BEA, Census Bureau

## ECONOMY: Population Growth Forecast

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 20 basis points (bps) year-over-year (YOY) to 3.2% in the first quarter of 2024 and remains below the national rate of 3.8%. Regional employment numbers are up 2.6% YOY and are expected to increase going in the coming quarters. Population is projected to grow 20% by 2030, and Fredericksburg has been the fastest growing region statewide for five consecutive years.

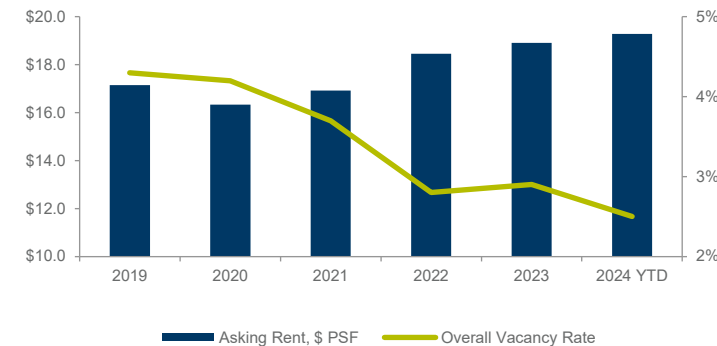
## SUPPLY AND DEMAND: Vacancy Rate Decreases

The vacancy rate closed the quarter at 2.5%, down 20 bps quarter-over-quarter and 20 bps YOY. The quarter ended with net absorption of -1,293 square feet (sf) overall. Leasing activity was strong in the first quarter. Quarterly sales activity totaled over \$10.1 million. The largest sales were 5621 Plank Road, a 5,592-sf fast food establishment in Spotsylvania County that sold for \$4.4 million, and 10821 Tidewater Trail, a 2,250-sf freestanding restaurant in Spotsylvania County that sold for \$2.8 million. The 3,500-sf building at 24059 Ruther Glen Road in Caroline County delivered in February 2024, as well as 4,427 sf in Building 14 at 900 Wonder Road in Embrey Mill Town Center, which delivered in January 2024. Construction continued on several sites, including a 51,187-sf building at 5980 Plank Road in Spotsylvania County, set to deliver in July 2024, and three buildings in the Embrey Mill Town Center in Stafford County. Additional projects set to deliver this year include Building 16 on Austin Ridge Drive (May 2024), Building 6 on Sunflower Drive (October 2024), and Building 15 on Courthouse Road (June 2024), for a total of 29,858 sf. Construction began on a 6,816-sf building located in Stafford County, scheduled for delivery in July 2024.

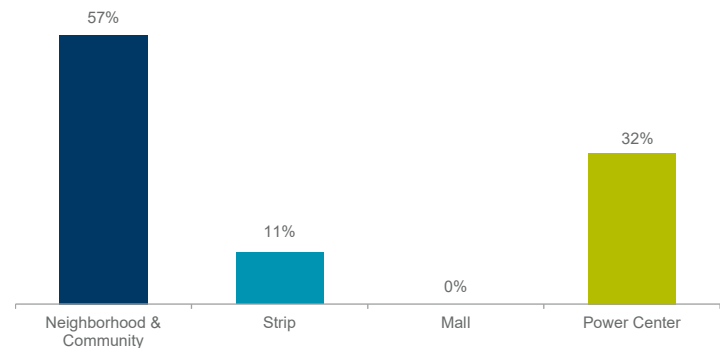
## PRICING: Asking Rents On the Rise

Retail rental rates continue to rise, ending the first quarter at \$19.28 per square foot (psf) overall, an increase of 3.3% YOY. Consistent with trends observed through 2023, Stafford County again commanded the highest rental rate in the market at \$21.04 psf. Most submarkets experienced rental rate growth during the first quarter except for the City of Fredericksburg and King George County, both of which remained at the same rate.

## RENT / VACANCY RATE



## AVAILABILITY BY PRODUCT TYPE



# Fredericksburg, VA

Retail Q1 2024



## 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	100	789,109	0	4,725	0.6%	14,253	0	\$17.64
Fredericksburg City	547	5,455,575	35,437	113,797	2.1%	-16,661	0	\$19.15
King George County	122	1,053,688	3,662	80,924	7.7%	-3,604	0	\$17.93
Spotsylvania County	549	8,238,086	22,859	166,235	2.0%	-8,936	51,187	\$18.40
Stafford County	501	5,784,805	12,001	159,325	2.8%	13,655	33,674	\$21.04
<b>FREDERICKSBURG TOTALS</b>	<b>1,819</b>	<b>21,321,263</b>	<b>73,959</b>	<b>525,006</b>	<b>2.5%</b>	<b>-1,293</b>	<b>84,861</b>	<b>\$19.28</b>

\*Rental rates reflect NNN asking \$PSF/Year

## KEY LEASE TRANSACTIONS Q1 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
1370 Carl D. Silver Parkway	Fredericksburg	Sketchers	8,993	Direct
3563-3631 Plank Road	Spotsylvania	Honey Pig BBQ	6,000	Direct
1485-1487 Carl D. Silver Parkway	Fredericksburg	Undisclosed	5,000	Direct
1650-1668 Carl D. Silver Parkway	Fredericksburg	Affordable Dentures and Implants	4,600	Direct

\*Renewals included in leasing statistics

## KEY SALES TRANSACTIONS Q1 2024

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
5621 Plank Road – Chipotle & McAlister's Deli	Spotsylvania	Api Plank Road, LLC / Plank Rd 1, LLC	5,592	\$4.4M / \$788.42
10821 Tidewater Trail	Spotsylvania	T-Trail Investment, LLC / William & Young Moon Hwang	2,250	\$2.8M / \$1,250.00
1319 Princess Anne Street	Fredericksburg	Sale Family Limited Liability / International Auto, LLC	7,423	\$825K / \$111.14
105 Cambridge Street	Stafford	I Garage, LLC / Vision Auto Graphics, LLC	5,410	\$650K / \$120.15

## KEY CONSTRUCTION COMPLETIONS 2024

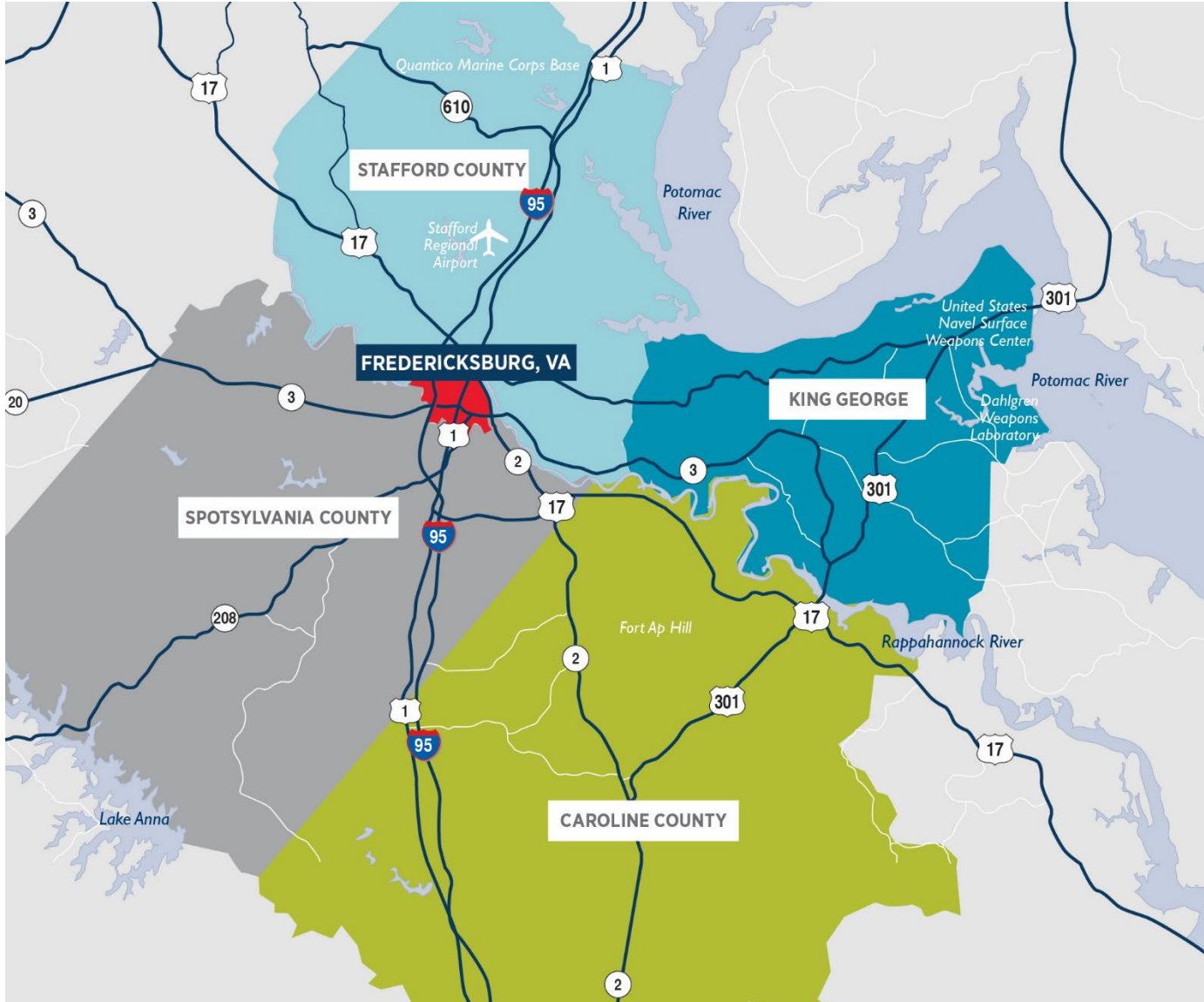
PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER / DEVELOPER
24059 Ruther Glen Road	Caroline	Carmel Church Fire Department	3,500	Undisclosed
900 Wonder Road – Building 14 Embrey Mill Town Center	Stafford	Undisclosed	4,427	B.M. Smith Associates, Inc.

# Fredericksburg, VA

Retail Q1  
2024 North



## RETAIL SUBMARKETS



### VIRGIL NELSON, CCIM

Senior Vice President  
Tel: +1 540 322 4150  
[virgil.nelson@thalhimer.com](mailto:virgil.nelson@thalhimer.com)

### SHARON SCHMIDT

Senior Associate  
Tel: +1 540 322 4155  
[sharon.schmidt@thalhimer.com](mailto:sharon.schmidt@thalhimer.com)

### A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2023, the firm reported revenue of \$9.5 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), sustainability and more. For additional information, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com).

*©2024 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.*

[thalhimer.com](http://thalhimer.com)

*Independently Owned and Operated / A Member of the Cushman & Wakefield Alliance*