

HAMPTON ROADS

Retail Q1 2024

\$81,000

Median HH Income

YoY
Chg12-Mo.
Forecast**0.4%**

Population Growth

**3.1%**

Unemployment Rate



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

U.S. ECONOMIC INDICATORS Q1 2024

3.1%

GDP Growth

YoY
Chg12-Mo.
Forecast**6.4%**Consumer Spending
Growth**2.4%**

Retail Sales Growth



Source: BEA, Census Bureau

ECONOMIC OVERVIEW: More of the Same

While interest rates and Fed activity continue to capture both the local and national audience, the retail market continues its forward momentum. While Hampton Roads is stabilized by defense spending and income from military personnel as well as our Port which continues to grow and expand capacity. The tragedy of the Baltimore port accident should see increased traffic to our port in both goods and export of coal. The unemployment rate remains low which may be a challenge for employers; however, growth remains active. This healthy and stable economy has retailers searching for quality real estate. Interest rates, exit cap rates, and construction costs have made development challenging it has not brought development to a halt. Retailers want to be a part of this market and have been able to pay higher rental rates to gain a foothold in the market.

MARKET ACTIVITY: Sustained Activity

Despite national economic headwinds, the Hampton Roads retail market continues to expand. First quarter announcements included J. Jill and South Moon Under signing new leases and CPK renewing at Virginia Beach Town Center. Popeyes leased locations in Virginia Beach and Hampton, and Ross and 5 Below also signed new deals. Multiple veterinary groups entered the market with Urgent Vet signing Newport News and Chesapeake locations, City Vet in Virginia Beach, and Vital Veterinary Care in Chesapeake Square. Users – like Dollar Tree – and developers alike have jumped on multiple former Rite Aid locations, as the stores continue to hit the market. Chase continues its push into the market and is under construction in Hampton, while Wawa opened in Virginia Beach and is under construction in Suffolk. Starbucks converted a former double drive thru Chick-fil-a in Virginia Beach, and Dave's Hot Chicken is completing a similar conversion to a former KFC in Chesapeake.

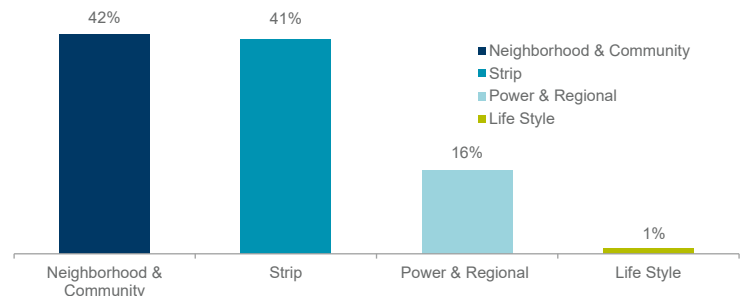
TRENDS: Growth of New Names and Old

Historically grocers have been a driving force in retail development, and today we see a mix of both new traditional grocers as well as new non-traditional retailers entering the market. Publix has opened stores in Williamsburg and Suffolk and has two more locations under construction with more in the pipeline. Chef's Table has signed a lease in Virginia Beach, and Grocery Outlet is actively pursuing multiple sites with a target range of 12,000 to 18,000 square feet (sf). Many of the former Rite Aid locations may provide an opportunity for Grocery Outlet to quickly enter the market. McDonald's, Wal-Mart, and Target have all announced significant growth on a national level and rumors of new local sites have been covered in the press. Sheetz, Dutch Bros, and Academy Sports are all chasing sites in the market while Bob's Discount Furniture, 5 Below, and Crunch Fitness are looking to expand their existing footprints.

RENT / VACANCY RATE



AVAILABILITY BY PRODUCT TYPE



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MARKET STATISTICS

	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (NNN)*
Gloucester	1,943,775	0	113,543	5.9%	17,321	17,321	5,867	\$13.29
Williamsburg	7,585,925	0	451,233	5.9%	-30,662	-30,662	0	\$20.57
York/Poquoson	1,973,896	0	65,162	3.3%	-36,768	-36,768	0	\$15.79
Newport News	8,681,882	0	259,593	3.0%	60,211	60,211	0	\$15.40
Hampton	12,170,454	0	716,130	5.9%	-29,406	-29,406	0	\$13.44
Smithfield/Isle of Wight/Suffolk/Franklin	5,304,630	0	261,651	4.9%	31,621	31,621	26,340	\$15.69
Harbourview/Churchland	5,921,509	0	211,733	2.9%	-36,177	-36,177	10,182	\$18.43
Portsmouth	4,034,681	0	149,858	3.7%	14,114	14,114	7,500	\$14.95
Chesapeake	10,809,706	0	325,105	3.0%	-16,162	-16,162	21,430	\$22.38
Norfolk	15,054,155	12,832	1,047,114	7.0%	-174,595	-174,595	84,151	\$12.91
Virginia Beach	26,929,968	14,743	784,873	3.0%	-33,022	-33,022	295,735	\$18.38
HAMPTON ROADS TOTALS	100,410,581	27,575	4,385,995	4.4%	-233,525	-233,525	451,205	\$15.68

Rental rates reflect triple net asking \$PSF/year

KEY LEASE TRANSACTIONS Q1 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
103 Marketplace Drive	Hampton	Burlington	80,000	Renewal
100-124 Newmarket Square	Hampton	Fun City	45,000	New
12132 Jefferson Avenue	Newport News	Bob's Discount Furniture	41,929	New
4001 Virginia Beach Boulevard	Virginia Beach	US Foods Chef's Store	40,000	New

KEY SALES TRANSACTIONS Q1 2024

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$PSF
Norview Shopping Center	Norfolk	Harbor Group International, LLC / N/A	92,553	\$6.2M / \$67
Triangle Shopping Center	Portsmouth	Su Yoo S / Triangle Partners Group, LLC	84,437	\$3.6M / \$43
4035 East Ocean View Avenue	Norfolk	Tern Commercial, LLC / Shore Crossing, LLC	12,136	\$2.5M / \$206

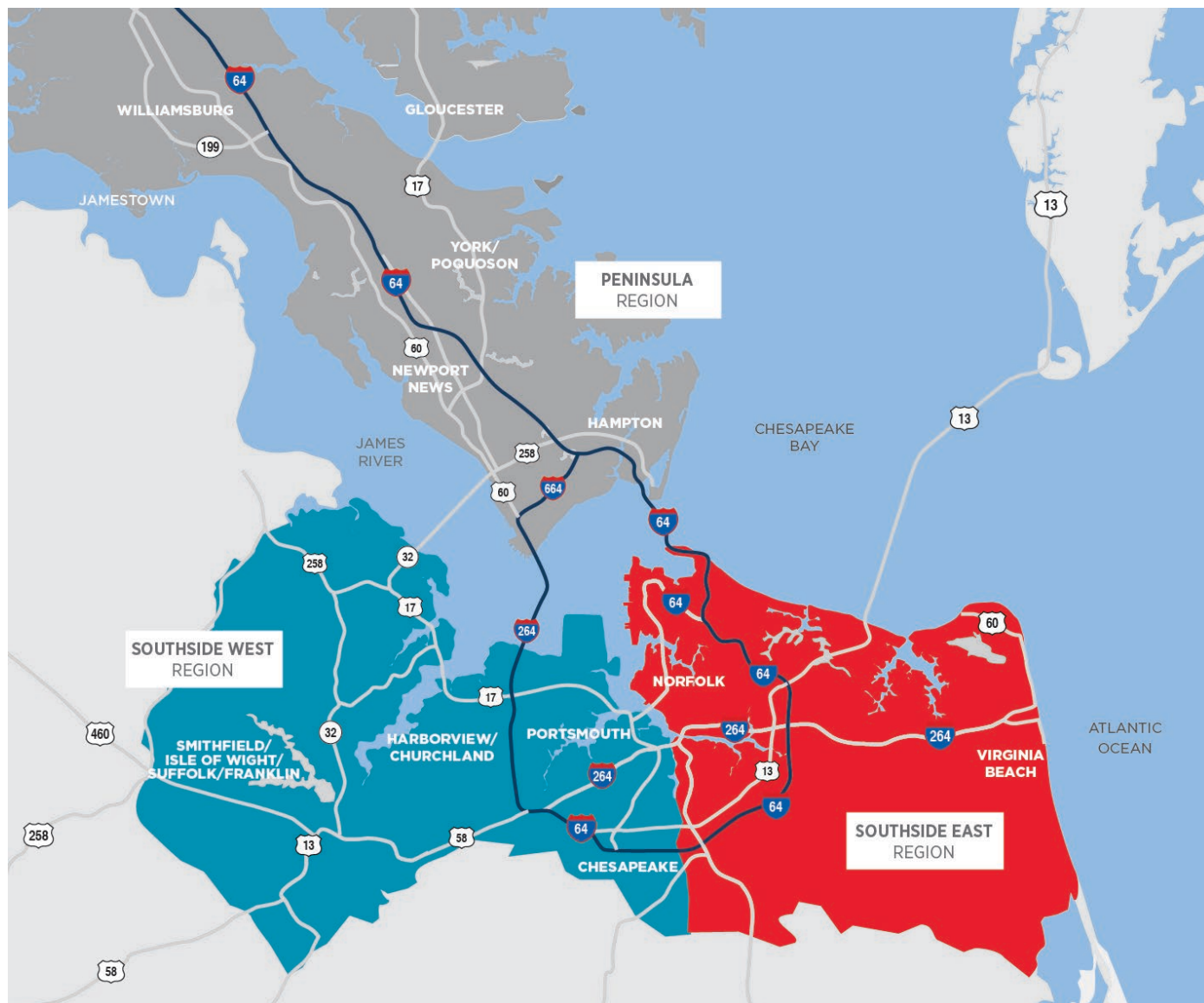
MARKETBEAT

HAMPTON ROADS

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