

# RICHMOND, VA

Retail Q1 2024

**\$87,900**

Median HH Income

YoY  
Chg12-Mo.  
Forecast
**0.5%**

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

Retail Sales Growth



Source: BEA, Census Bureau

## ECONOMIC OVERVIEW: HQ Expansion + Population Growth

Population growth and local expansion led the headlines at the start of 2024 along with new accolades for the Richmond region. Site Selection named Richmond among the top 10 best US cities for headquarters projects as well as among the top 10 US cities for projects per capita, a result of more than 40 new or expanding projects announced in 2023. Genworth's new corporate headquarters location in western Henrico County is scheduled for occupancy early in the second quarter of 2024 and will bring more than 400 employees back to the newly redesigned office. Fueling local expansion, the University of Virginia's Weldon Cooper Center for Public Service, recognized for its applied research services, continues to report population growth in the Richmond region with a significant influx of residents from Northern Virginia and the Washington DC region. Located on the outer edges of the Richmond metro area, New Kent, Goochland, and Louisa counties led the state in population growth between 2020 and 2023 with increases of 11.9%, 7.7% and 7.5%, respectively.

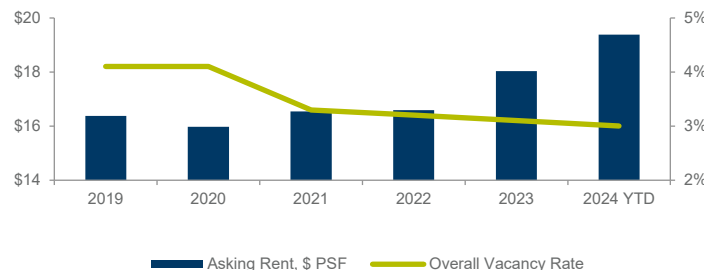
## SUPPLY AND DEMAND: Vacancy Rate Compressed

Retail vacancy remains at historic lows, further compressed to 3.0% overall at the close of the first quarter, down 10 basis points (bps) quarter-over-quarter (QOQ) and down 20 bps year-over-year (YOY). Leasing activity topped 345,000 square feet (sf) for the quarter, healthy activity given the limited inventory and an indicator of the sustained demand for quality product in the market. Construction is underway on a limited number of projects throughout the market, totaling more than 380,000 sf, but as more than 91% of that product preleased, the current pipeline will have little impact on the inventory levels, already in short supply. Development activity is highest along the Hull Street corridor in Chesterfield County, with more than 27% of construction projects located in the Swift Creek submarket. Springline at District 60 as well as the former Genworth campus are active mixed-use redevelopment projects in various stages, which will add desirable infill locations on the sites of former enclosed malls. Prospect activity remains strong, impacted by the compressed vacancy and limited supply of product.

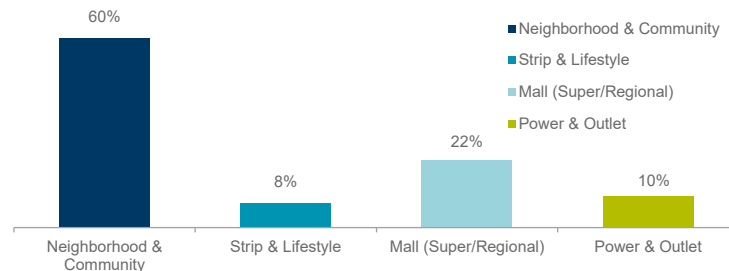
## PRICING: Rate Rise Continues

Lease rates jumped 7.5% QOQ and 17.3% YOY under pressure from supply-side limitations and the continued impact of increased construction prices. Sales volume topped \$81 million for the quarter with sales of five neighborhood centers accounting for 63.1% of that amount. Average sale pricing increased significantly on per-square-foot basis, up over 38% YOY, the result of limited offerings and sustained investor interest in both the market and the product line. The Rebkee Company closed on the purchase of the Innsbrook Shoppes for \$20.5 million, a 74,728-sf center with a diverse tenant mix that was 100% leased at the time of sale. Northpond Partners acquired Parkside Marketplace for \$17.4 million as the first acquisition for a new \$200 investment vehicle focused on retail centers in the Southeast and Sunbelt markets.

## RENT / VACANCY RATE



## AVAILABILITY BY PRODUCT TYPE



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	TOTAL BUILDINGS	INVENTORY (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CONSTR (SF)	OVERALL AVG ASKING RENT
Broad St Corridor	271	4,808,358	1.3%	44,530	44,530	47,180	0	\$22.49
Colonial Heights	236	3,368,359	1.1%	26,302	26,302	2,965	3,500	\$21.59
Dinwiddie	85	511,988	5.9%	-8,450	-8,450	0	0	-
Downtown	443	2,935,223	2.9%	-22,488	-22,488	6,000	0	\$17.29
East End	516	4,441,228	2.4%	-13,472	-13,472	13,980	0	\$21.53
Far West End North	33	328,945	1.2%	3,450	3,450	3,450	0	\$33.66
Far West End South	91	1,350,206	2.4%	-586	-586	4,565	1,000	\$15.16
Goochland	79	497,598	4.2%	0	0	0	0	\$13.00
Hopewell	177	1,353,199	9.9%	1,551	1,551	700	0	\$12.01
I-95 Ashland/NW	227	2,213,819	1.5%	6,800	6,800	0	0	\$21.16
I-95 Chamberlayne/NE	121	1,194,942	1.3%	-2,280	-2,280	0	9,375	\$18.98
Jeff Davis Corridor	523	3,120,526	1.1%	-24,482	-24,482	18,097	0	\$19.24
Laburnum/Route 360	465	2,876,628	4.7%	5,035	5,035	10,596	14,929	\$17.27
Louisa County	94	954,329	3.1%	0	0	0	0	\$9.28
Mechanicsville	230	2,945,261	2.3%	-6,719	-6,719	14,365	6,000	\$9.28
Midlothian E/Hull St	587	6,809,947	3.7%	19,434	19,434	14,923	0	\$17.10
Midlothian Village	147	1,953,021	6.8%	2,217	2,217	7,147	55,605	\$31.93
Midlothian West	310	7,017,905	7.2%	-17,995	-17,995	15,199	8,000	\$17.89
Near West End	656	3,786,389	3.3%	8,437	8,437	21,793	73,423	\$23.61
New Kent County	70	586,106	0.7%	2,500	2,500	0	0	-
Petersburg	409	3,059,965	3.6%	-5,102	-5,102	14,092	0	\$14.33
Powhatan	94	873,770	1.7%	-2,900	-2,900	0	0	\$22.71
Prince George	84	1,140,317	0.7%	10,345	10,345	11,485	0	\$15.18
Regency	123	2,619,336	3.6%	5,733	5,733	5,925	0	\$29.70
Short Pump	146	4,793,594	1.6%	-3,331	-3,331	30,600	88,589	\$30.13
South Chesterfield	360	4,126,042	2.4%	11,710	11,710	14,848	5,000	\$16.46
Staples Mill/Parham	364	4,332,256	2.3%	981	981	21,449	12,000	\$19.93
Swift Creek	199	4,047,220	1.4%	30,596	30,596	44,918	103,757	\$21.73
Willow Lawn	300	3,058,991	1.6%	14,168	14,168	20,875	0	\$37.07
<b>RICHMOND, VA TOTALS</b>	<b>7,440</b>	<b>81,105,468</b>	<b>3.0%</b>	<b>85,984</b>	<b>85,984</b>	<b>345,152</b>	<b>381,178</b>	<b>\$19.38</b>

*\*Rental rates reflect NNN asking \$PSF/year.*

## KEY LEASE TRANSACTIONS Q1 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
10050 West Broad St	Broad St Corridor	Urban Air Trampoline Park	40,105	New
Hanover Village (7003-7045 Mechanicsville Tpke)	Mechanicsville	Dollar Tree	10,802	New
Westchester Commons (15757 Wc Main St)	Midlothian Village	Five Below	8,347	New
814 W Grace St	New West End	Ninja Ramen	6,535	New

## KEY SALES TRANSACTIONS Q1 2024

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$PSF
Innsbrook Shoppes (4024-4040 Cox Rd)	Broad St Corridor	Atack-Lakepoint LC / Rebkee Company	74,728	\$20.5M / \$274
Hanover Square North (7230 Bell Creek Rd)	Mechanicsville	Medalist Diversified REIT Inc. / Prudent Growth Partners LLC	73,440	\$13M / \$177
Parkside Marketplace (10801-10841 W Broad St)	Broad St Corridor	Stavins & Axelrod Properties Inc. / Northpond Partners	52,948	\$17.4M / \$328



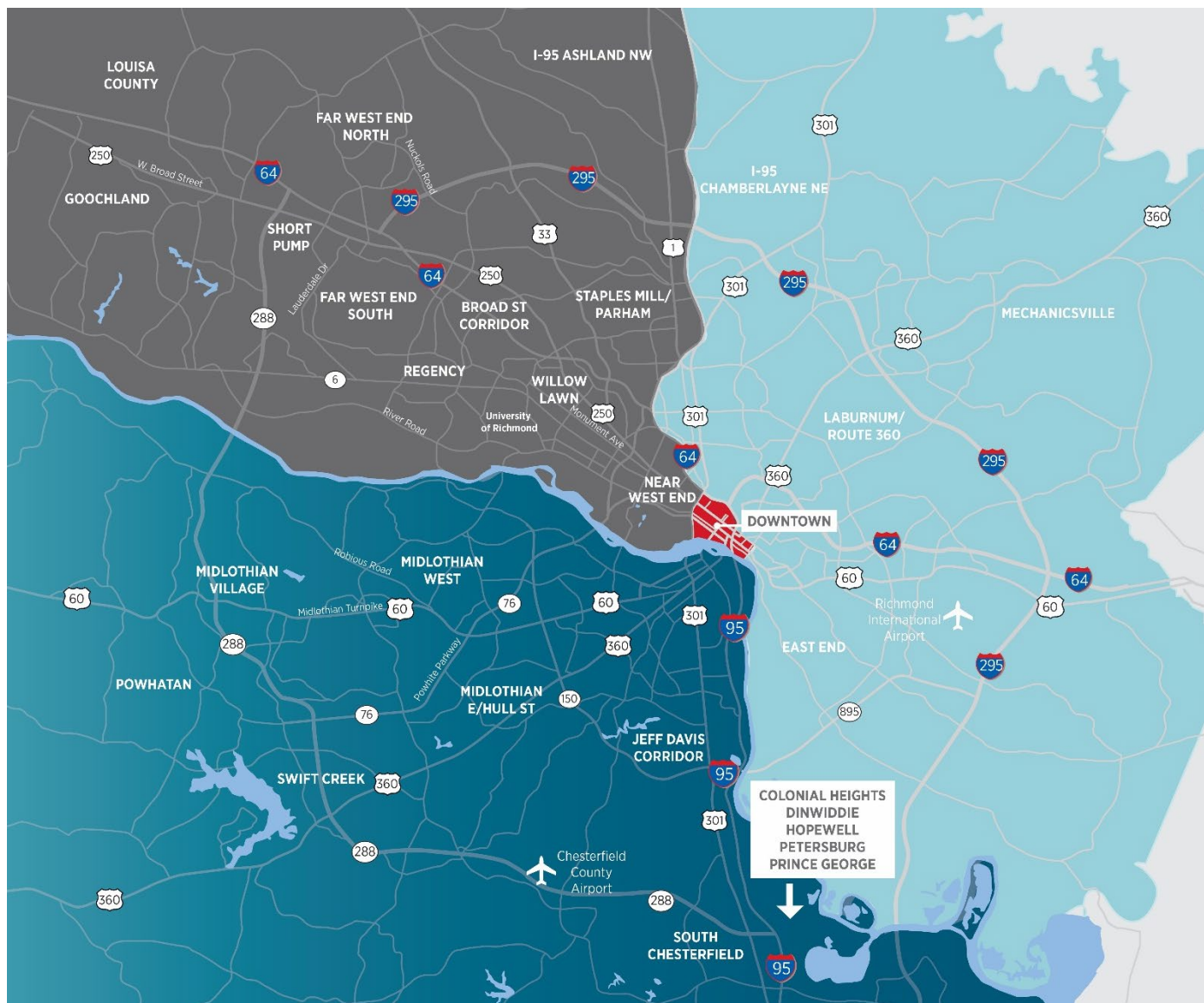
MARKETBEAT

# RICHMOND, VA

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## RETAIL SUBMARKETS



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