

**5.5%**

Vacancy Rate

YoY  
Chg12-Mo.  
Forecast**(66.5K)**

Net Absorption, SF

**\$30.37**

Asking Rent, PSF



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

\*Vacancy Rate Excludes Large Block Sublease Space

## ECONOMIC INDICATORS Q2 2024

**125.4k**Charlottesville MSA  
EmploymentYoY  
Chg12-Mo.  
Forecast**3.1%**Charlottesville MSA  
Unemployment Rate**4.1%**U.S.  
Unemployment Rate

Source: BLS, Moody's Analytics

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## ECONOMY: Hotbed for Innovation

Charlottesville's highly educated workforce and accessibility continued to draw attention to the region through the first half of the year. AI company DataShapes announced plans to relocate its headquarters from Silicon Valley to the University of Virginia's North Fork Research Park. The company noted the region's strategic location as a key factor in their decision both to better serve its government and defense industry clients and to access the vibrant tech community and its talent pool. The North Fork park spans more than 500 acres and is home to a myriad of science and technology firms, government agencies, academic institutions, start-ups, and nonprofits. Waynesboro has also positioned development sites in the city-owned Nature's Crossing Technology Center, offering rail-served parcels available in the 170-acre park.

## SUPPLY AND DEMAND: Leasing Activity Moderates

Office leasing activity dipped slightly during the second quarter following an active start to the year, and year-to-date (YTD) deal volume has topped 96,000 square feet (sf), an increase of 23.2% compared to the same period last year. Vacancy has increased 30 basis points (bps) quarter-over-quarter (QOQ) with the addition of large blocks of space in the Water Street Shops in the historic downtown area. 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. The active development pipeline remains limited with no projects currently under construction.

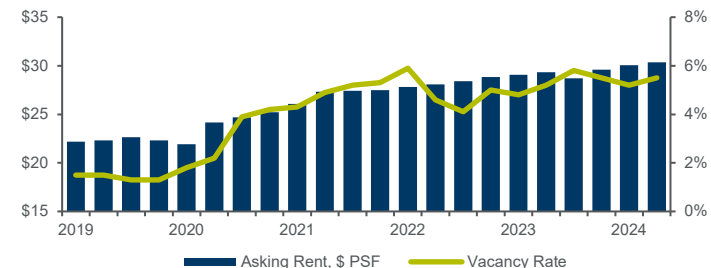
## PRICING: Trending Upward

Lease rents continued to rise, closing the quarter up 3.5% year-over-year (YOY) and up 38.3% since the start of 2020. Second quarter sales were limited, with sale volume totaling almost \$6.2 million since the start of the year, lower compared to prior quarters and likely the result of supply-side shortages and capital constraints. Regional sales volume has topped \$124 million since the start of 2021, and average pricing continues to trend upward on a per-square-foot basis.

## SPACE DEMAND / DELIVERIES



## OVERALL VACANCY & ASKING RENT



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