

Charlottesville, VA

Retail Q2 2024

2.8%

Vacancy Rate

YoY
Chg12-Mo.
Forecast**28.5K**

Net Absorption, SF

\$22.37

Asking Rent, PSF

Overall, Net Asking Rent

U.S. ECONOMIC INDICATORS Q2 2024

2.9%

GDP Growth

YoY
Chg12-Mo.
Forecast**6.9%**Consumer Spending
Growth**3.1%**

Retail Sales Growth

Source: BEA, Census Bureau

LIZ GREVING

Research Manager

+1 804 697 3560 / liz.greving@thalhimer.comthalhimer.com

ECONOMIC OVERVIEW: 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: Vacancy Further Compressed

The second quarter closed with overall vacancy down 20 basis points (bps) quarter-over-quarter (QOQ) and down 60 bps year-over-year (YOY). Sustained market demand has held vacancy rates at or below 4.0% for the last decade, with only the fourth quarter of 2020 closing above that level at 4.1%. Year-to-date (YTD) leasing activity has neared 160,000 square feet (sf), a jump of 23.0% compared to the same period last year and a sign of continued retailer interest in the market. Vacancy in neighborhood and community centers has dropped 150 bps YOY with YTD leasing activity in that segment topping 132,000 sf, accounting for 82.5% of the YTD total.

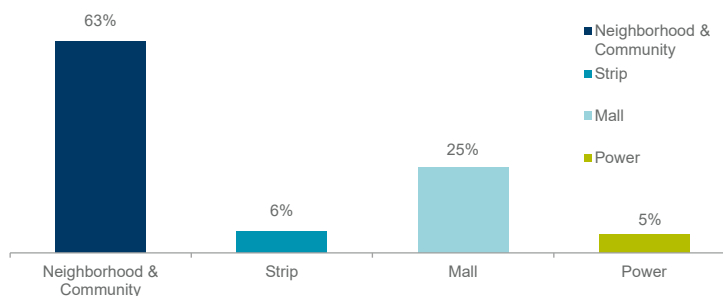
PRICING: Rent Growth Stabilizes

Overall asking rates ended the quarter up 3.5% YOY, and rents are forecast to increase through the remainder of the year, given the supply-side limitations and sustained interest. YTD sale volume neared \$24 million at midyear with the sale of the 20,000-sf Piedmont Place in Crozet topping the list of second quarter deals at a price of \$5.2 million.

RENT / VACANCY RATE



AVAILABILITY BY PRODUCT TYPE



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