

Fredericksburg, VA

Retail Q2 2024

\$106,800

Median HH Income

YoY
Chg12-Mo.
Forecast**1.4%**

Population Growth

**3.0%**

Unemployment Rate



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

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

ECONOMY: Strong Employment Base

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 increased 20 basis points (bps) year-over-year (YOY) to 3.0% in the second quarter of 2024 and remains well below the national rate of 4.1%. Population is projected to grow 20% by 2030, and Fredericksburg has been named the fastest growing region in Virginia according to estimates from the Weldon Cooper Center at UVA. The housing market continued its hot streak, and home sales set records in Stafford County with median prices increasing 8.5% YOY.

SUPPLY AND DEMAND: Vacancy Rate Decreases

The vacancy rate closed the quarter at 2.1%, down 40 bps quarter-over-quarter (QOQ) and 60 bps YOY. Leasing activity has topped 260,000 sf since the start of the year with net absorption of 14,136 sf in the second quarter. Quarterly sales activity totaled over \$15.5 million. The largest sales were 1947 Richmond Highway, a 4,650-sf convenience store in Stafford County that sold for \$5.7 million, and 30 Wyche Road, a 5,361-sf freestanding fast food restaurant in Stafford County that sold for \$3.2 million. Two buildings delivered in June 2024 in the Embrey Mill Town Center in Stafford County: 6,049 sf in Building 15 on Courthouse Road, and 6,816 sf store known in Building 11 on 800 Wonder Road. Construction continued on several sites, including a 51,187-sf building at 5980 Plank Road in Spotsylvania County, set to deliver in January 2025, and two additional buildings in the Embrey Mill Town Center in Stafford County. Additional projects set to deliver this year include Building 16 on Austin Ridge Drive (August 2024), and Building 6 on Sunflower Drive (October 2024), for a total of 23,809 sf. Construction began on a 9,000-sf building located in Spotsylvania County, scheduled for delivery in January 2025.

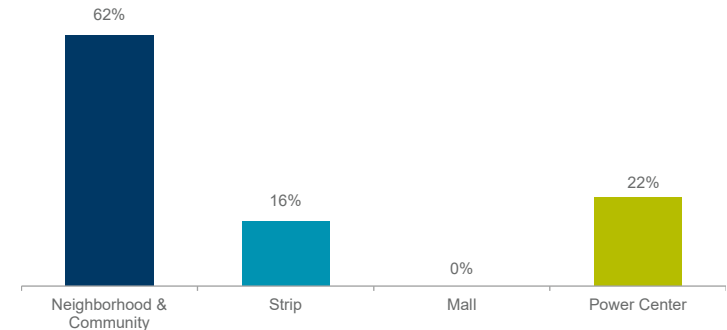
PRICING: Asking Rates Continue to Rise

Quoted rates continue to trend upward, ending the second quarter at \$20.01 per square foot (psf) overall, an increase of 11.0% YOY. Consistent with trends observed through 2023, Stafford County again commanded the highest rental rate in the market at \$21.02 psf. Most submarkets experienced rental rate growth during the first quarter except for the City of Fredericksburg and Caroline County, both of which saw a decline.

RENT / VACANCY RATE



AVAILABILITY BY PRODUCT TYPE



Fredericksburg, VA

Retail Q2 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	101	798,869	1,200	5,325	0.7%	13,653	0	\$14.00
Fredericksburg City	547	5,450,597	74,883	77,336	1.4%	-16,268	0	\$18.12
King George County	124	1,106,105	9,488	71,498	6.5%	6,422	0	\$18.50
Spotsylvania County	550	8,232,414	108,903	155,145	1.9%	-15,262	60,187	\$20.31
Stafford County	501	5,808,196	66,389	148,869	2.6%	23,898	23,809	\$21.02
FREDERICKSBURG TOTALS	1,823	21,396,181	260,863	457,173	2.1%	12,443	83,996	\$20.01

*Rental rates reflect NNN asking \$PSF/Year

KEY LEASE TRANSACTIONS Q2 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
1731 Carl D Silver Parkway	Fredericksburg	Value City Furniture	33,200	Direct
1425-1475 Stafford Market Plaza	Stafford	Planet Fitness	30,903	Direct
3700 Plank Road	Spotsylvania	The Picklr	28,977	Direct
10100 Jefferson Davis Highway	Spotsylvania	Undisclosed	14,654	Sublet

*Renewals included in leasing statistics

KEY SALES TRANSACTIONS Q2 2024

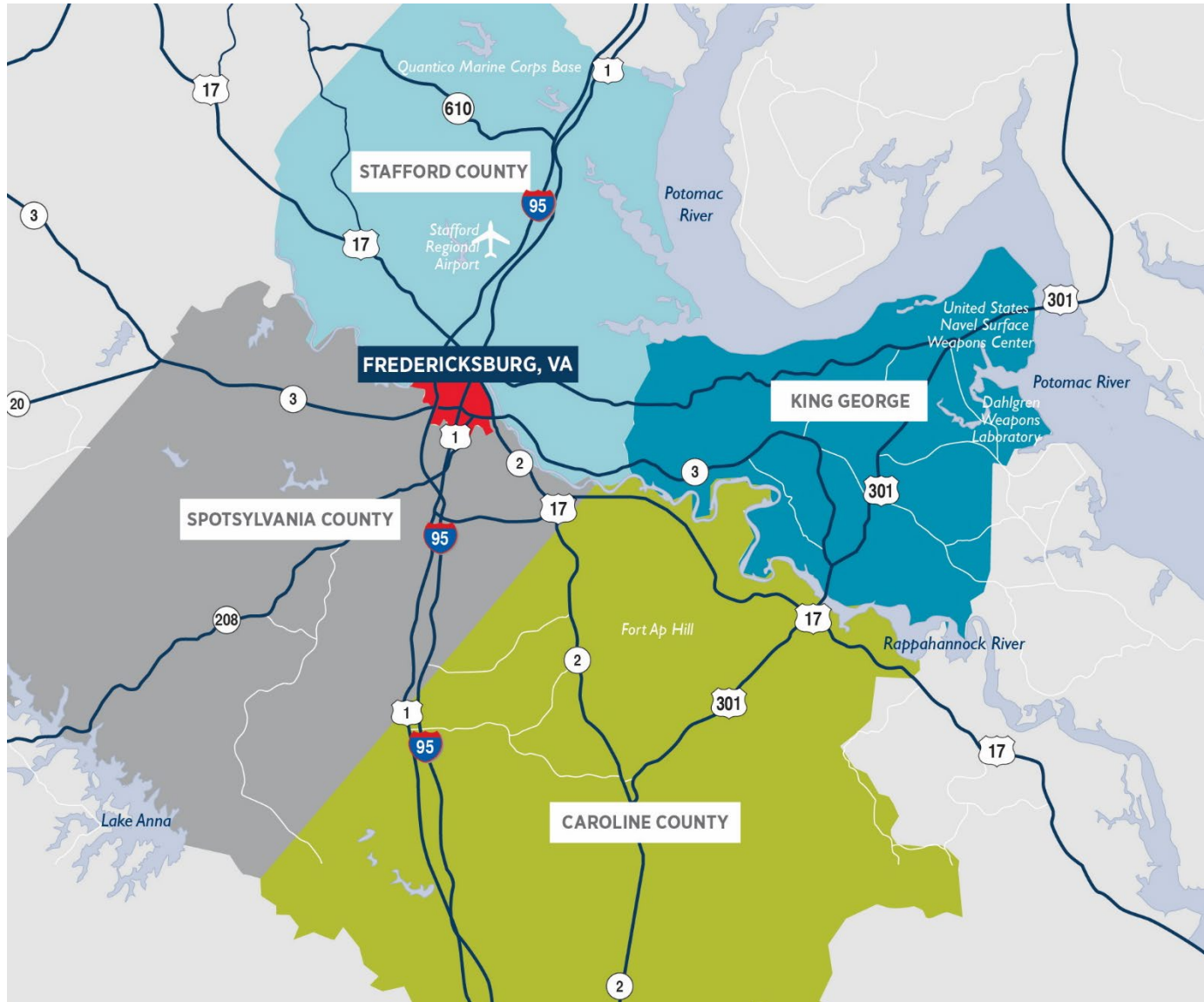
PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
1947 Richmond Highway	Stafford	VRE Stafford, LLC / Shree Mata 2, LLC	4,650	\$5.7M / \$1,234
30 Wyche Road	Stafford	Burns Family Limited / Undisclosed	5,361	\$3.2M / \$588
10901-11905 Tidewater Trail	Spotsylvania	Bwa, LLC / Tiger Fuel Company	10,560	\$2.1M / \$201
302 Hanson Avenue	Fredericksburg	JRN, Inc. / Triton Pacific Capital	3,282	\$1.2M / \$373

KEY CONSTRUCTION COMPLETIONS 2024

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER / DEVELOPER
800 Wonder Road – Building 11 (Embrey Mill Town Center)	Stafford	AutoZone	6,816	B.M. Smith Associates, Inc. / Ed Peete Company
Courthouse Road – Building 15 (Embrey Mill Town Center)	Stafford	Wawa	6,049	B.M. Smith Associates, Inc. / Ed Peete Company

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