

## HAMPTON ROADS

Retail Q2 2024

\$81,700

Median HH Income

YoY  
Chg12-Mo.  
Forecast

0.4%

Population Growth



2.9%

Unemployment Rate



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

### U.S. ECONOMIC INDICATORS Q1 2024

2.9%

GDP Growth

YoY  
Chg12-Mo.  
Forecast

6.9%

Consumer Spending  
Growth

3.1%

Retail Sales Growth



Source: BEA, Census Bureau

### ECONOMIC OVERVIEW: Steady As She Goes

The Hampton Roads economy maintained a similar trajectory as the national economy through the second quarter of 2024. As inflation continues to decelerate, consumer sentiment is expected to gradually increase, which will translate to an uptick in sales for the retail sector. Higher interest rates continue to reduce housing demand, but housing supply is even more limited, so median housing prices are expected to continue to increase. Local employment remains at historically low levels and well below the national average. The geopolitical unrest continues to boost already strong defense sector spending in the region's heavily anchored military community. The Port of Virginia's position continues to grow stronger as the expanded shipping channel is now open, allowing two-way passage for ultra-large container vessels and reducing port stay for ships by up to 15%.

### MARKET ACTIVITY: Sustained Activity

Openings and new lease executions continue to outpace the closings in the region. Notable big box openings for the quarter include Burlington at Harborview East in Suffolk, Bob's Discount Furniture and Raising Cane's in the Greenbrier section of Chesapeake, and One Life Fitness in Hampton. Other fast casual/QSR openings include Zaxby's, Del Taco, Cava, District Taco, and Starbucks. Wawa opened their first Outer Banks location in May. Habit Burger, a new entrant to the market, has signed a deal at Collins Square in Virginia Beach. ChefStore, a big box wholesale food and restaurant supplier, plans to open stores in Hampton and Virginia Beach. Red Lobster announced multiple closures in the region with all six locations anticipated to be shuttered eventually. As these sites are all generally well-located real estate, interest from numerous users is expected to quickly backfill or redevelop the closed restaurants. Other closures for the quarter included Mooyah (2), Rue 21 (4), Golden Corral, and EVO Entertainment at Hampton's Peninsula Town Center.

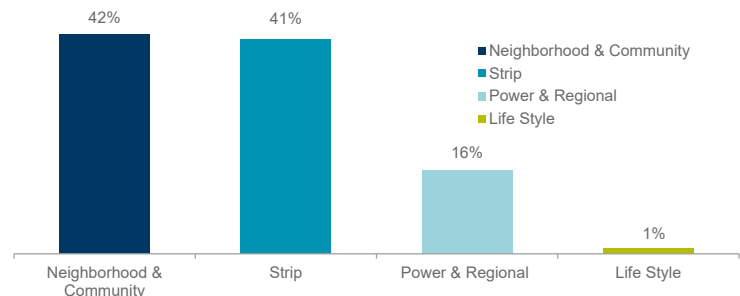
### TRENDS: Growth of Names New and Old

In years past mass closure announcements from users such as Rite Aid, Red Lobster, and Walgreens raised concerns about the market being flooded with too much inventory. However, given the lack of new construction and historically low vacancy rates hovering at 4%, these shuttered locations create opportunities for retailers and the development community. End users backfilling the closed drug stores include auto parts stores, dollar stores, small format grocery stores, and Goodwill. Developers are also subdividing the vacant boxes into smaller units and leasing the newly subdivided spaces to numerous smaller footprint retailers. Finally, given the strong corner locations, some users such as car washes, fast food restaurants, and convenience stores are scraping and redeveloping the vacant boxes.

### RENT / VACANCY RATE



### AVAILABILITY BY PRODUCT TYPE



## HAMPTON ROADS

Retail Q2 2024

## 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	89,310	4.6%	12,969	30,290	5,867	\$12.89
Williamsburg	7,592,109	0	401,263	5.3%	32,579	1,917	0	\$21.01
York/Poquoson	1,979,292	0	73,662	3.7%	-8,500	-45,268	0	\$15.79
Newport News	8,642,630	0	250,207	2.9%	-7,242	52,969	0	\$12.38
Hampton	12,129,116	0	725,390	6.0%	-1,058	-30,464	0	\$14.65
Smithfield/Isle of Wight/Suffolk/Franklin	5,288,917	0	233,463	4.4%	32,328	63,949	26,340	\$15.69
Harbourview/Churchland	3,173,160	0	87,391	2.9%	-2,243	-36,293	10,182	\$18.02
Portsmouth	4,036,094	0	179,696	4.5%	-42,074	-27,960	7,500	\$12.47
Chesapeake	10,835,570	1,099	296,158	2.7%	33,081	21,559	21,430	\$22.99
Norfolk	15,086,800	12,832	990,273	6.6%	133,544	-41,051	84,151	\$12.83
Virginia Beach	26,255,387	14,743	762,710	3.0%	61,767	28,790	295,735	\$19.41
<b>HAMPTON ROADS TOTALS</b>	<b>96,962,850</b>	<b>28,674</b>	<b>4,089,523</b>	<b>4.2%</b>	<b>245,151</b>	<b>18,438</b>	<b>451,205</b>	<b>\$15.61</b>

Rental rates reflect triple net asking \$PSF/year

## KEY LEASE TRANSACTIONS Q2 2024

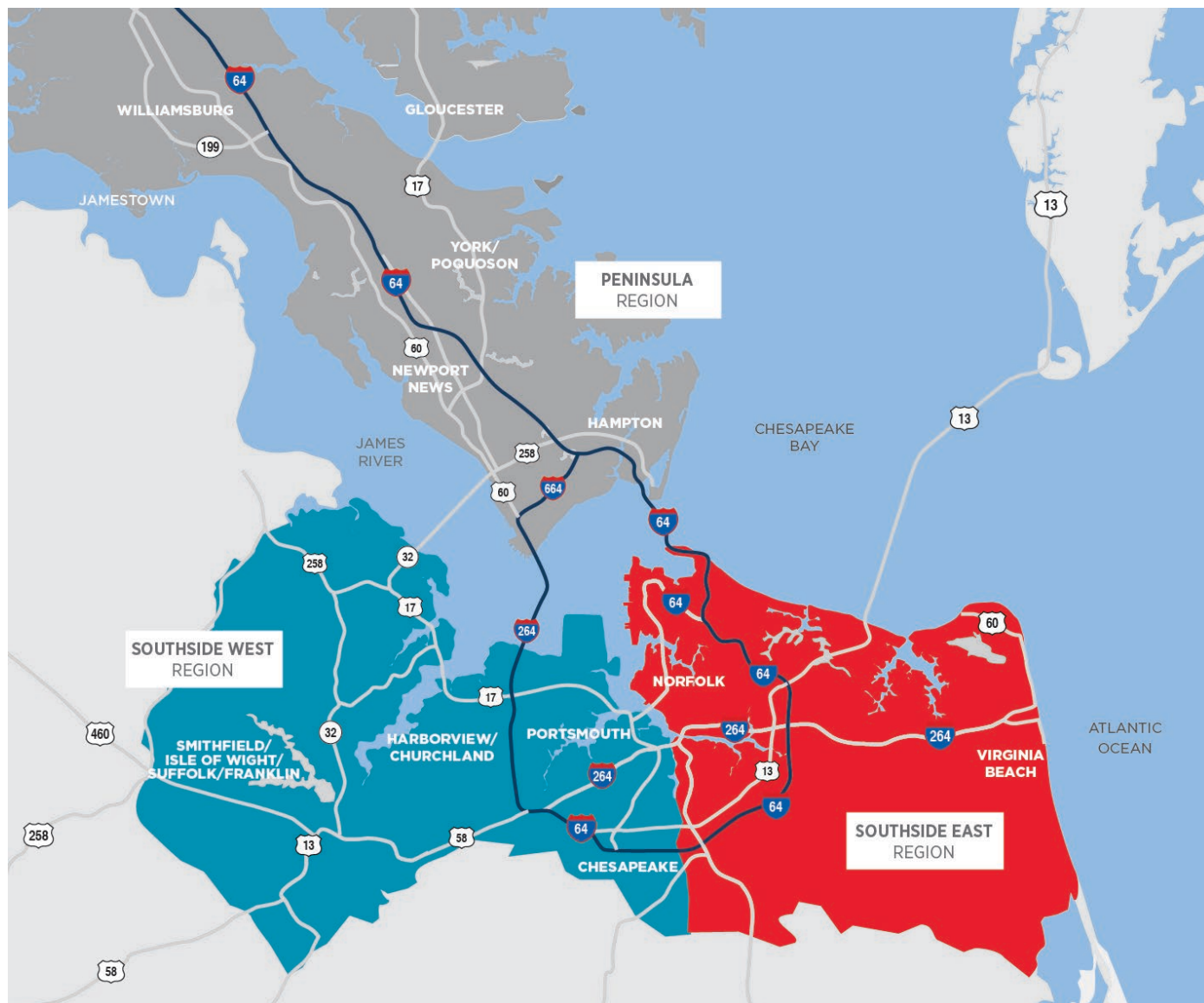
PROPERTY	SUBMARKET	TENANT	SF	TYPE
4399 John Tyler Highway	Williamsburg	Space Shop	99,930	New
2058 S. Independence Boulevard	Virginia Beach	N/A	59,643	New
416 Denbigh Boulevard	Newport News	Falling Prices	30,000	New
4020 Victory Boulevard	Portsmouth	Five Below	12,000	New

## KEY SALES TRANSACTIONS Q2 2024

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$PSF
Various Addresses	Newport News	Mishorim Investments USA / The Moyal Group, Inc.	275,332	\$20.21M / \$73
4300 Portsmouth Boulevard	Chesapeake	Chesapeake Center, LLC / RCC Chesapeake Center, LLC	184,618	\$18.85M / \$102
12629 Jefferson Avenue	Newport News	Winner's Properties, LLC / Newport AVA RE, LLC	40,173	\$9.23M / \$230

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