

RICHMOND, VA

Retail Q2 2024

\$88,700

Median HH Income

YoY
Chg12-Mo.
Forecast
0.5%

Population Growth


2.9%

Unemployment Rate



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

U.S. ECONOMIC INDICATORS Q2 2024

YoY
Chg12-Mo.
Forecast
2.9%

GDP Growth


6.9%
Consumer Spending
Growth
3.1%

Retail Sales Growth

Source: BEA, Census Bureau

ECONOMIC OVERVIEW: Regional Rankings Dominate

Employment numbers continued to rise through the first half of the year as the region racked up additional accolades and awards both for its business climate and lifestyle. The Wall Street Journal ranked Richmond as the 11th hottest job market nationwide, and a study from USA Today named Richmond as the most climate-resilient city in the nation. Located on the eastern boundary of the metro area, New Kent County's population growth made headlines as the 10th fastest-growing region in the nation according to the U.S. Census Bureau. Richmond was selected as America's best town to visit by CNN Travel and was included in the top 50 best places to live by Money. On the state level, Virginia ranked first in the nation for customized workforce training by Business Facilities, a nod to the Virginia Talent Accelerator Program that expedites new facility startups through customized recruiting and training services. CNBC also ranked Virginia as America's Top State for Business, its third win in the last five years.

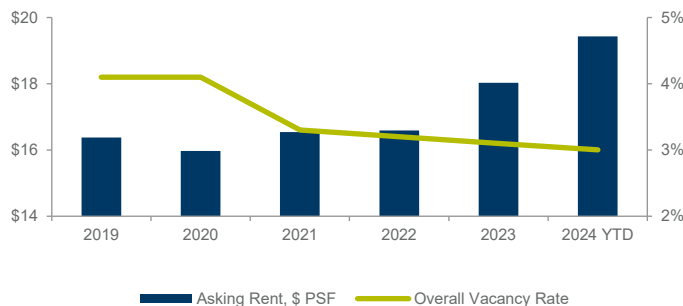
SUPPLY AND DEMAND: Vacancy Remains Compressed

Retail vacancy remains at a historic low, unchanged since the start of the year at 3.0% overall and down 20 basis points (bps) year-over-year (YOY). Year-to-date (YTD) leasing activity topped 774,000 square feet (sf) with deal volume down slightly compared to 2023 numbers, but healthy activity given the supply-side limitations and an indicator of the sustained interest in the market. The construction pipeline stands to add almost 315,000 sf to the inventory, with preleasing in place for almost 75% of that product. YTD deliveries have topped 156,000 sf including the 50,000-sf West Village development in Short Pump, anchored by Fink's Jewelers and Fleming's. Development activity is split between the Mechanicsville area in the northeast quadrant, the Short Pump area in the northwest, and the Swift Creek and Midlothian areas in the southwest. Mixed-use redevelopment projects remains a focus of interest to developers with multiple former enclosed malls in various stages of conversion throughout the market. Prospect activity remains strong with quality infill sites in high demand.

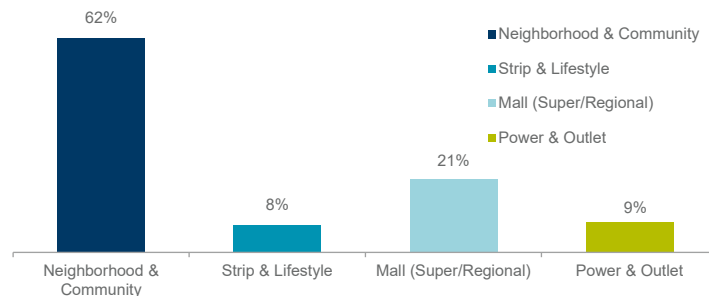
PRICING: Rate Rise Continues

Quoted lease rates continue to trend upward, jumping 15.6% YOY with pressure from sustained demand and limited available product. The submarkets with the highest quoted rates – Midlothian Village, Regency, Short Pump, and Swift Creek – have seen pricing increases of 15% YOY and up for three of those four areas with Swift Creek leading the charge. YTD sales volume topped \$167 million with more than \$71 million in sales closed during the second quarter. Shadow-anchored by Kroger, the Gayton Crossing shopping center in Henrico's West End transferred from ShopCore Properties to Continental Realty Corporation for \$22 million. The center includes more than 160,000 sf with an active mix of restaurants and services and is the first Richmond market acquisition for Continental Realty, whose primary focus is on open-air complexes.

RENT / VACANCY RATE



AVAILABILITY BY PRODUCT TYPE



RICHMOND, VA

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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	4,816,880	2.7%	-75,100	-30,570	88,297	0	\$19.95
Colonial Heights	237	3,372,192	1.7%	-12,518	13,784	48,004	3,500	\$21.59
Dinwiddie	85	511,808	5.4%	2,350	-6,100	0	6,879	-
Downtown	438	2,884,582	3.0%	-560	-23,048	26,256	0	\$17.70
East End	517	4,425,712	2.3%	-12,244	-25,716	39,296	11,449	\$21.51
Far West End North	33	328,945	1.7%	-1,600	1,850	3,450	0	-
Far West End South	92	1,349,954	1.9%	6,992	6,406	5,850	0	\$15.93
Goochland	79	496,080	3.9%	1,500	1,500	1,500	0	\$13.00
Hopewell	177	1,353,199	9.5%	6,235	7,786	3,575	0	\$12.11
I-95 Ashland/NW	228	2,260,241	1.6%	-4,552	-1,452	6,700	0	\$18.64
I-95 Chamberlayne/NE	121	1,194,942	1.1%	2,480	200	5,544	103,175	\$18.98
Jeff Davis Corridor	522	3,111,585	0.9%	17,752	-6,730	67,004	0	\$15.51
Laburnum/Route 360	463	2,845,763	4.7%	2,317	7,352	20,528	14,929	\$17.25
Louisa County	95	966,001	3.1%	0	0	0	0	\$9.28
Mechanicsville	230	2,958,501	1.2%	41,296	34,577	21,099	12,500	\$9.41
Midlothian E/Hull St	586	6,818,767	3.6%	-394	19,040	51,908	0	\$18.63
Midlothian Village	147	2,001,846	6.4%	109	2,326	19,630	56,422	\$32.50
Midlothian West	309	6,945,573	7.2%	7,323	-10,672	38,898	8,000	\$17.88
Near West End	653	3,737,708	3.9%	-21,353	-12,916	48,418	0	\$22.11
New Kent County	72	592,500	1.2%	-3,200	-700	0	0	-
Petersburg	413	3,086,094	3.9%	9,915	4,813	33,416	0	\$12.64
Powhatan	98	912,721	1.3%	4,600	1,800	3,000	0	\$22.71
Prince George	87	1,168,409	1.3%	-257	10,088	12,694	0	\$16.00
Regency	122	2,859,988	2.5%	21,749	27,482	37,846	0	\$29.70
Short Pump	147	4,841,905	1.4%	72,212	68,881	39,098	38,589	\$30.13
South Chesterfield	360	4,129,592	2.4%	3,264	14,974	26,020	5,000	\$16.22
Staples Mill/Parham	364	4,332,496	2.0%	9,473	10,454	41,264	0	\$19.89
Swift Creek	201	4,063,917	1.3%	3,507	39,103	62,122	54,200	\$31.81
Willow Lawn	299	3,056,390	1.6%	364	14,532	23,618	0	\$25.16
RICHMOND, VA TOTALS	7,446	81,424,291	3.0%	81,660	169,044	775,035	314,643	\$19.44

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

KEY LEASE TRANSACTIONS Q2 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Meadowdale Plaza (3950-4126 Meadowdale Blvd)	Jeff Davis Corridor	Planet Fitness	21,057	New
Westland Shopping Center (8045-8099 W Broad St)	Broad St Corridor	Artee Fabrics & Homes	20,562	New
Quioccasin Station (8910-9000 Quioccasin Rd)	Regency	Where Ya Bin	19,904	New
White Oak Village (4531 Laburnum Ave)	East End	Burlington	18,016	New

KEY SALES TRANSACTIONS Q2 2024

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$PSF
Gayton Crossing (1300-1354 Gaskins Rd)	Far West End South	ShopCore Properties / Continental Realty Corporation	160,830	\$22M / \$137
4750 Brad McNeer Pky	Swift Creek	Mac Real Estate Holdings LLC / Mama's Cubs Swift Creek RE LLC	12,500	\$4M / \$320
1315-1371 Huguenot Rd (4-Building Portfolio)	Midlothian West	Midlothian Huguenot AT LLC / Midlothian Pads LLC	13,385	\$11.1M / \$827

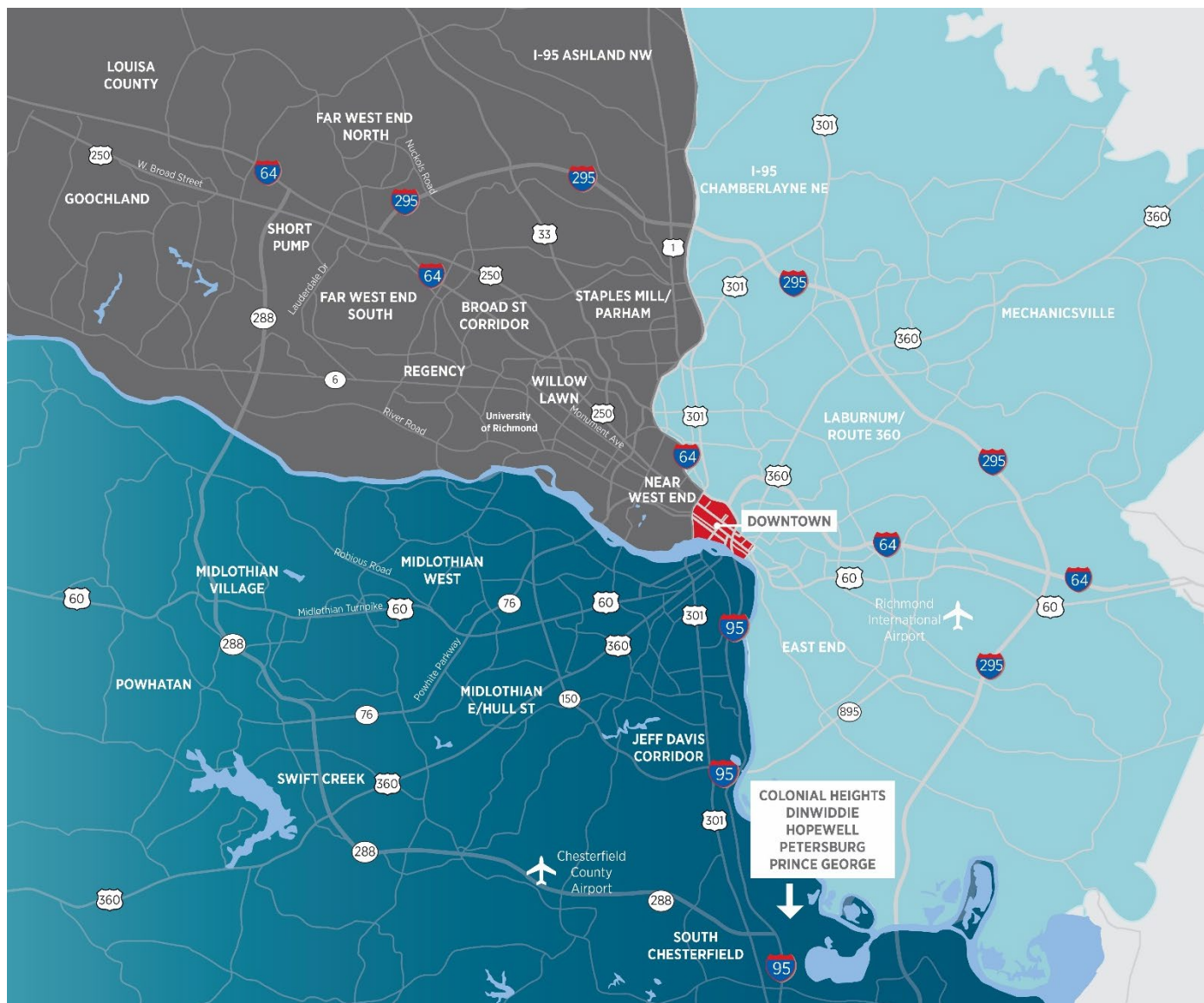
MARKETBEAT

RICHMOND, VA

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RETAIL SUBMARKETS



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