

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
2.6%	▼	▼
Vacancy Rate		
10.9K	▼	▼
Net Absorption, SF		
\$23.49	▲	▲
Asking Rent, PSF		
Overall, Net Asking Rent		

U.S. ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
2.4%	▼	▲
GDP Growth		
7.0%	—	▲
Consumer Spending Growth		
1.7%	▼	▲
Retail Sales Growth		

Source: BEA, Census Bureau

ECONOMY: A REGION IN GROWTH MODE

Charlottesville is leading Virginia’s year-over-year job growth with an impressive 4.4% increase in employment. Regional unemployment closed the quarter at 3.2%, well below the U.S. average. Mediterranean restaurant Cava recently opened a new \$35 million production and packaging facility in Augusta’s Mill Place Commerce Park. Construction is also underway at University of Virginia’s (UVA) \$168 million Virginia Guesthouse hotel and conference center, which will total 224,000 square feet (sf), a nod to the expanding tourism industry that saw visitor spending top \$956 million in Charlottesville and Albemarle County in 2023. UVA continues to play a crucial role in the regional and statewide economy, with one in every seventy-six jobs statewide held by a UVA employee or is supported by UVA’s presence.

SUPPLY AND DEMAND: SUPPLY-SIDE SHORTAGES

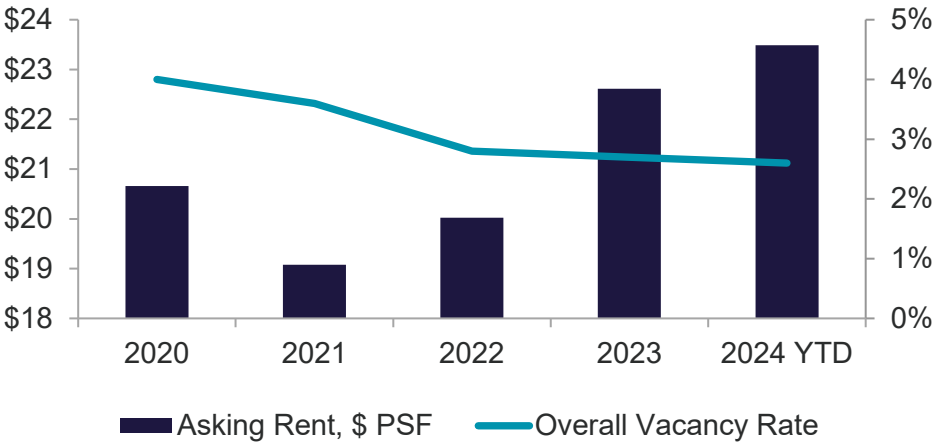
The third quarter closed with overall vacancy dropping 20 basis points (bps) quarter-over-quarter (QOQ) and 40 bps year-over-year (YOY) as the already-tight retail market grows tighter. Consistent market interest has held vacancy rates at or below 3.0% since the mid-year mark of 2023.

Year-to-date (YTD) leasing activity has reached almost 180,000 square feet (sf), a jump of 12.5% compared to the same period last year and a sign of continued interest in the market despite the supply-side limitations. Vacancy in lifestyle and strip malls has dropped 60 bps YOY to a slim 1.3% with YTD leasing activity in that segment topping 17,000 sf.

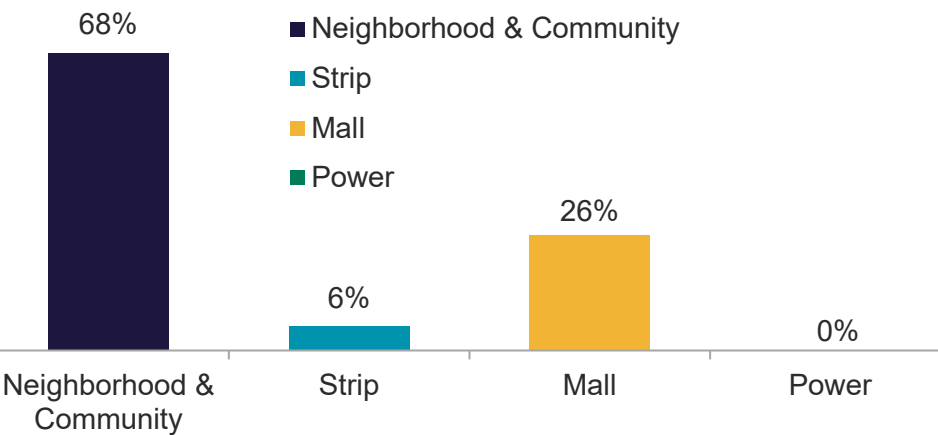
PRICING: UPWARD PRESSURE

Overall asking rates closed the quarter up 3.9% since the start of the year, and rents are forecast to increase through the fourth quarter, given the supply-side constraints and sustained interest. YTD sale volume neared \$22 million through the third quarter with the sale of 1113 5th St SW, a 3,000-sf former bank building, topping the list at a price of \$1.3 million.

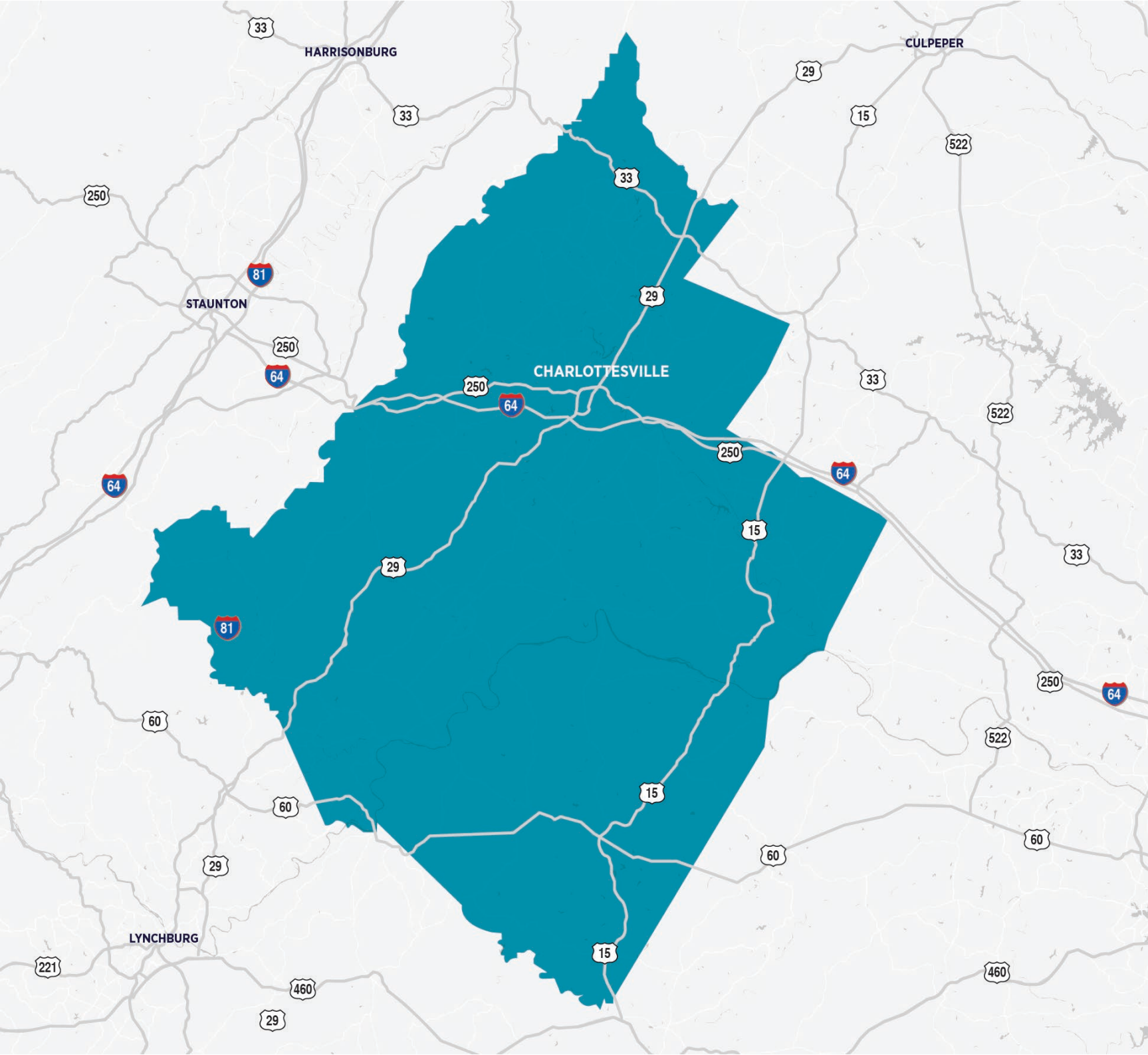
OVERALL VACANCY & ASKING RENT



AVAILABILITY BY PRODUCT TYPE



RETAIL SUBMARKETS



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