

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
<div>\$89,500</div> <div>Median HH Income</div>	<div>▲</div>	<div>▲</div>
<div>1.2%</div> <div>Population Growth</div>	<div>▼</div>	<div>▲</div>
<div>2.9%</div> <div>Unemployment Rate</div>	<div>▬</div>	<div>▲</div>

Source: BLS

U.S. ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
<div>2.4%</div> <div>GDP Growth</div>	<div>▼</div>	<div>▲</div>
<div>7.0%</div> <div>Consumer Spending Growth</div>	<div>▬</div>	<div>▲</div>
<div>1.7%</div> <div>Retail Sales Growth</div>	<div>▼</div>	<div>▲</div>

Source: BEA, Census Bureau

ECONOMY: REGIONAL RANKINGS DOMINATE

Employment has stabilized through the third quarter with overall unemployment unchanged year-over-year (YOY). Greater Richmond’s cost of living index hit 93.4 at the mid-year mark, making it almost 7% more affordable than the national average. On a state level, Virginia has been named America’s Top State for Business by MSNBC, an award won by the state six times since the list’s inception. Virginia also ranked first in the nation for its education system, third for infrastructure, and fifth for business friendliness. Business Facilities named Greater Richmond among the Best Metros for Tech Talent for the third consecutive year with AI jobs surging locally to 21.5 new positions per 100,000 residents, almost twice the U.S. average.

SUPPLY AND DEMAND: VACANCY RATES COMPRESSED

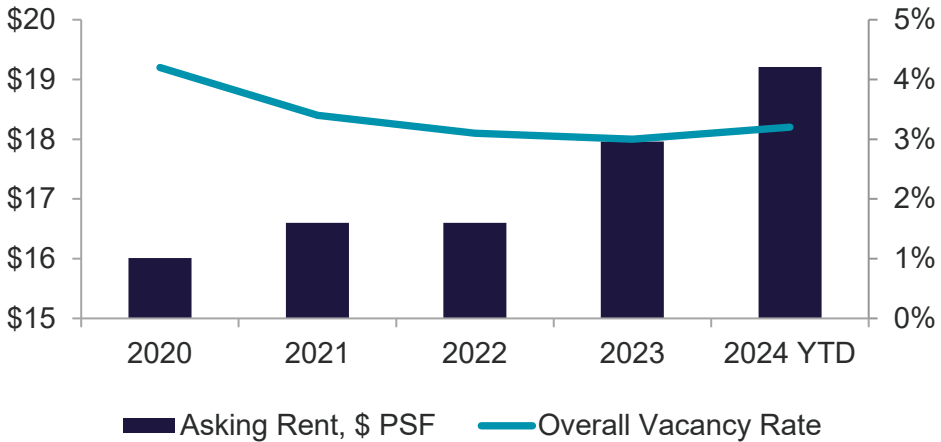
Overall vacancy closed the third quarter up 20 basis points (bps) quarter-over-quarter (QOQ) and flat YOY as supply-side shortages remain at near historic levels. Year-to-date (YTD) leasing activity is nearing 1.2 million square feet (msf), down from the same timeframe in prior years and a direct result of the lack of leasable product. Retailer interest in the market remains strong across categories with quality infill sites remaining in high demand, tempered only by the limited offerings and the resulting upward pressure on pricing.

YTD deliveries have topped 173,000 square feet (sf) with an additional 294,000 sf underway in the active construction pipeline and preleasing in almost 75.0% of the product currently in development.

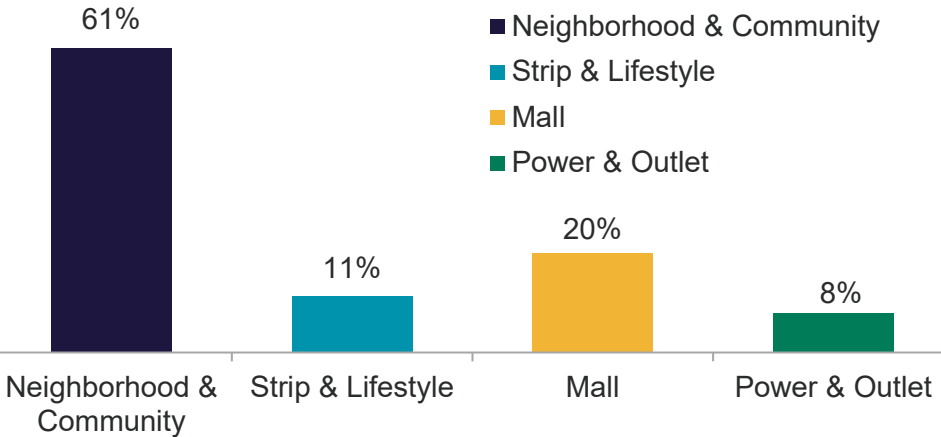
PRICING: TENANT INVESTMENT DOMINANT

YTD sales volume has topped \$343 million with more than \$174 million closed in the third quarter alone. Sales to anchor tenants topped the transaction list as some major retailers are moving toward owning more of the real estate they occupy. Publix Super Markets acquired the 123,000-sf center at Harbour Pointe Village in Chesterfield for \$35.8 million, a multi-tenant center that was 96.0% occupied at the time of sale. Walmart also purchased an existing Walmart Neighborhood Center location in Hanover County for \$9.1 million.

OVERALL VACANCY & ASKING RENT



AVAILABILITY BY PRODUCT TYPE



MARKET STATISTICS

SUBMARKET	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)*
Broad St Corridor	4,821,050	0	144,133	3.0%	-7,650	-38,220	0	\$19.39
Colonial Heights	3,373,785	1,750	52,325	1.6%	2,632	16,416	3,500	\$21.73
Dinwiddie	511,808	0	27,559	5.4%	0	-6,100	6,879	-
Downtown	2,899,329	0	76,648	2.6%	6,293	-16,755	0	\$17.56
East End	4,425,692	0	58,951	1.3%	54,332	28,616	11,449	\$21.57
Far West End North	328,945	0	1,600	0.5%	4,100	5,950	0	-
Far West End South	1,318,496	0	30,134	2.3%	-2,953	3,453	0	\$15.82
Goochland	496,080	0	19,590	3.9%	-340	1,160	0	\$13.00
Hopewell	1,357,226	0	121,870	9.0%	6,179	13,965	0	\$11.83
I-95 Ashland/NW	2,262,664	0	47,792	2.1%	-10,526	-11,978	2,000	\$19.47
I-95 Chamberlayne/NE	1,200,008	0	12,800	1.1%	9,375	9,575	93,800	\$17.20
Jeff Davis Corridor	3,126,157	0	49,389	1.6%	-20,685	-27,415	0	\$15.15
Laburnum/Route 360	2,920,678	0	117,606	4.0%	23,888	31,240	15,000	\$16.58
Louisa County	979,217	0	29,792	3.0%	0	0	0	\$9.28
Mechanicsville	2,973,018	0	26,447	0.9%	3,838	38,415	12,500	\$12.20
Midlothian E/Hull St	6,852,996	8,450	256,135	3.9%	-13,549	5,491	0	\$20.38
Midlothian Village	2,026,016	0	113,922	5.6%	14,296	41,627	47,783	\$33.19
Midlothian West	7,008,438	1,560	552,107	7.9%	-75,337	-85,694	0	\$17.00
Near West End	3,768,569	29,482	132,699	4.3%	-6,508	-19,424	0	\$21.44
New Kent County	592,500	0	4,029	0.7%	3,200	2,500	0	-
Petersburg	3,088,106	0	111,476	3.6%	1,470	7,363	0	\$12.64
Powhatan	912,722	0	18,650	2.0%	-7,200	-5,400	4,000	\$22.80
Prince George	1,168,409	0	17,247	1.5%	-1,955	8,133	0	\$16.00
Regency	2,861,373	0	70,618	2.5%	1,200	28,682	0	\$29.70
Short Pump	4,824,161	2,263	77,529	1.7%	-9,685	16,696	38,589	\$28.79
South Chesterfield	4,177,960	41,117	71,640	2.7%	-7,925	7,049	0	\$17.12
Staples Mill/Parham	4,319,636	0	107,659	2.5%	-21,197	-10,743	0	\$21.07
Swift Creek	4,074,845	0	53,039	1.3%	4,012	43,115	53,900	\$30.85
Willow Lawn	3,064,040	0	103,668	3.4%	-56,286	-41,754	4,700	\$19.97
RICHMOND TOTALS	81,733,924	84,622	2,507,054	3.2%	-106,981	45,963	294,100	\$19.21

KEY LEASE TRANSACTIONS Q3 2024

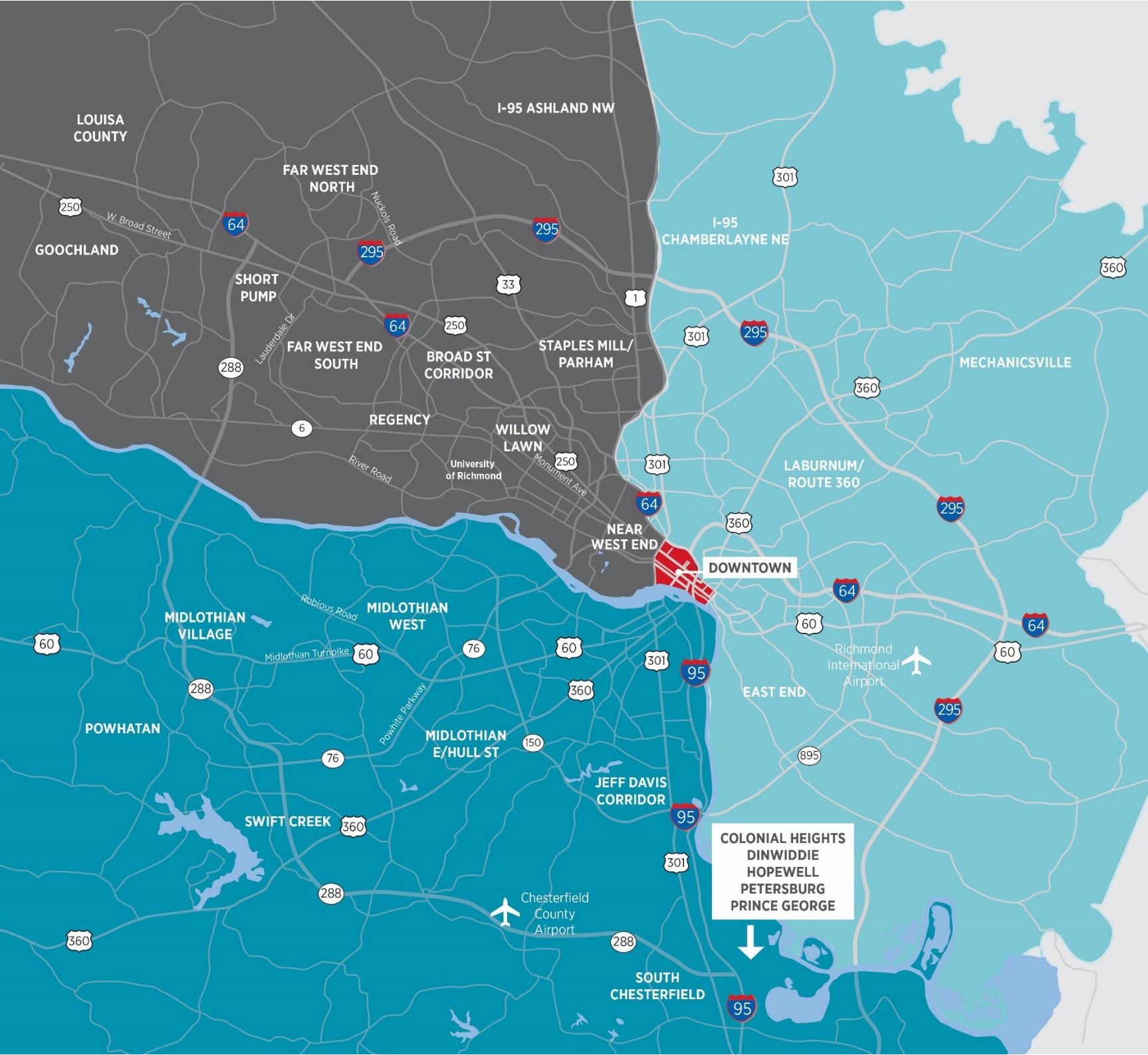
*Rental rates reflect Triple Net asking \$PSF/Year

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Pocono Crossing Shopping Center	Midlothian West	Undisclosed	29,971	New
Pocono Crossing Shopping Center	Midlothian West	Undisclosed	24,733	New
1281 Carmia Way	Midlothian West	Where Ya Bin	17,408	New

KEY SALES TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
White Oak Village Center	East End	BRE DDR BR White Oak VA LLC / Triple BAR White Oak LLC	397,605	\$63.5M / \$160
Harbour Pointe Village	Swift Creek	GRI Harbour Pointe LLC / PSM North Carolina Holdings LLC	123,772	\$35.8M / \$289
9714 Sliding Hill Rd	I-95 Chamberlayne/NE	VA-Evburt LLC / Wal-Mart Real Estate Business Trust	41,117	\$9.1M / \$220

RETAIL SUBMARKETS



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