

MARKET FUNDAMENTALS

	YOY Chg	Outlook
<div>\$90,200</div> <div>Median HH Income</div>	▲	▲
<div>1.1%</div> <div>Population Growth</div>	▼	▲
<div>3.0%</div> <div>Unemployment Rate</div>	▼	▲

Source: BLS

ECONOMIC INDICATORS

	YOY Chg	Outlook
<div>2.1%</div> <div>GDP Growth</div>	▼	▲
<div>2.7%</div> <div>Consumer Spending Growth</div>	▬	▲
<div>1.9%</div> <div>Retail Sales Growth</div>	▼	▲

Source: BEA, Census Bureau

ECONOMY: REGIONAL DEVELOPMENT ACTIVE

The Richmond region closed 2024 with an influx of new development projects added to the pipeline. Construction is underway on the new CarMax Park baseball stadium that will sit at the heart of the expansive mixed-use Diamond District. Immediately adjacent, Virginia Commonwealth University (VCU) broke ground on the first phase of its 42-acre Athletic Village, which will include a \$37 million track and field stadium. Henrico County broke records for construction-related activity with a total of more than \$2.1 billion in FY 2023-2024, an increase of 44.8% from the previous year. The Henrico Sports & Events Center celebrated its inaugural year, welcoming more than 375,000 visitors during that time, and with the county’s tourist spending reaching a record high of \$1.9 billion in 2023, that number is likely to continue to rise.

SUPPLY AND DEMAND: VACANCY AT HISTORIC LOW

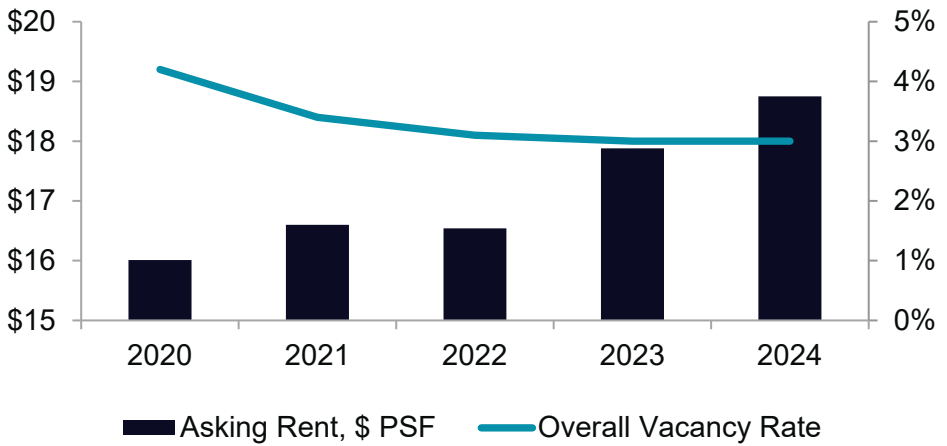
Retail vacancy closed the quarter at 3.0% overall, down 20 basis points (bps) quarter-over-quarter (QOQ) and flat year-over-year (YOY) as supply-side shortages have kept occupancy rates at historic highs. Leasing activity neared 1.74 million square feet (msf) for the year, a drop from prior year totals but robust given the limited inventory. Deliveries totaled just over 216,000 square feet (sf) for the year, with preleasing in 90.7% of the new product. The construction pipeline remains active with more than 293,000 sf currently underway, though with a high level of preleasing in place, the new developments will do little to ease the inventory shortages.

In major market news, Whole Foods announced its first Chesterfield County location as an anchor in the upcoming Midlothian Depot development. Hanover County has multiple grocery-anchored projects in the works, including a recently approved project near the Henrico Sports & Events Center that will total more than 122,000 sf.

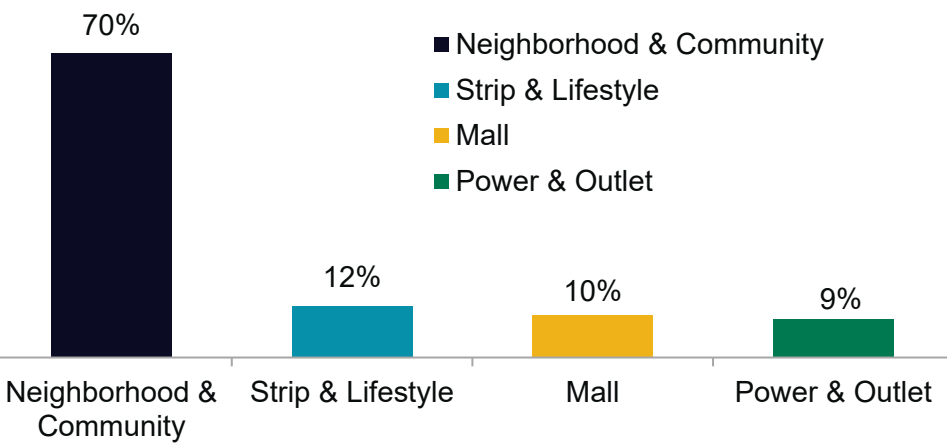
PRICING: ACTIVE INVESTMENT MARKET

Sales volume topped \$479 million for the year with more than \$322 million closed in the second half of the year. The sale of White Oak Village in eastern Henrico topped the year’s deals, selling for \$63.5 million in the third quarter. The sale of the Wegmans-anchored Stonehenge Village took the top spot in the fourth quarter, trading for \$62.1 million to InvenTrust Properties.

OVERALL VACANCY & ASKING RENT



AVAILABILITY BY PRODUCT TYPE



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET 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	4,860,616	149,910	0	3.1%	-1,102	-40,297	-	\$21.59
Colonial Heights	3,376,393	87,853	0	2.6%	-34,778	-18,362	3,500	\$22.75
Dinwiddie	527,956	19,109	0	3.6%	6,879	779	-	-
Downtown	2,908,307	67,472	0	2.3%	7,471	-8,634	-	\$18.28
East End	4,635,429	108,095	0	2.3%	-43,364	-13,948	11,449	\$24.92
Far West End North	329,129	1,600	0	0.5%	-	5,950	-	-
Far West End South	1,334,444	34,086	0	2.6%	-4,421	-4,263	-	\$15.82
Goochland	504,052	22,050	0	4.4%	-2,460	-1,300	6,352	\$13.00
Hopewell	1,359,285	116,649	0	8.6%	3,221	19,186	-	\$11.82
I-95 Ashland/NW	2,252,818	46,770	3,134	2.2%	-41,888	-53,866	2,000	\$20.11
I-95 Chamberlayne/NE	1,206,085	13,925	0	1.2%	4,309	8,450	93,648	\$17.20
Jeff Davis Corridor	3,105,539	38,624	0	1.2%	5,634	-18,621	-	\$15.10
Laburnum/Route 360	2,926,149	121,706	0	4.2%	900	33,021	-	\$16.03
Louisa County	986,841	29,792	0	3.0%	-	-	-	\$9.28
Mechanicsville	3,000,453	28,779	0	1.0%	9,717	54,032	6,500	\$12.47
Midlothian E/Hull St	6,805,404	307,593	13,789	4.7%	-54,413	-48,922	-	\$17.78
Midlothian Village	2,003,713	92,355	0	4.6%	29,435	72,540	44,247	\$34.07
Midlothian West	7,017,995	360,159	1,560	5.2%	199,473	129,847	531	\$18.18
Near West End	3,770,249	112,849	30,982	3.8%	13,496	-6,284	40,000	\$20.81
New Kent County	592,500	4,029	0	0.7%	-	2,500	-	-
Petersburg	3,066,782	93,211	0	3.0%	26,152	33,115	-	\$12.64
Powhatan	922,599	15,132	0	1.6%	3,518	-1,882	4,000	\$22.80
Prince George	1,179,046	14,923	0	1.3%	2,324	10,457	-	\$16.00
Regency	2,854,677	73,034	0	2.6%	-1,451	26,266	-	\$29.70
Short Pump	4,831,750	74,771	2,263	1.6%	2,758	27,043	31,000	\$34.00
South Chesterfield	4,178,183	71,652	41,117	2.7%	-3,712	354	6,500	\$16.22
Staples Mill/Parham	4,336,686	89,607	2,755	2.1%	7,297	-1,682	-	\$22.71
Swift Creek	4,075,313	52,039	0	1.3%	5,600	52,115	38,900	\$24.07
Willow Lawn	3,061,164	96,899	0	3.2%	10,938	-27,720	4,700	\$19.97
RICHMOND TOTALS	82,009,557	2,344,673	95,600	3.0%	151,533	229,874	293,327	\$18.75

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

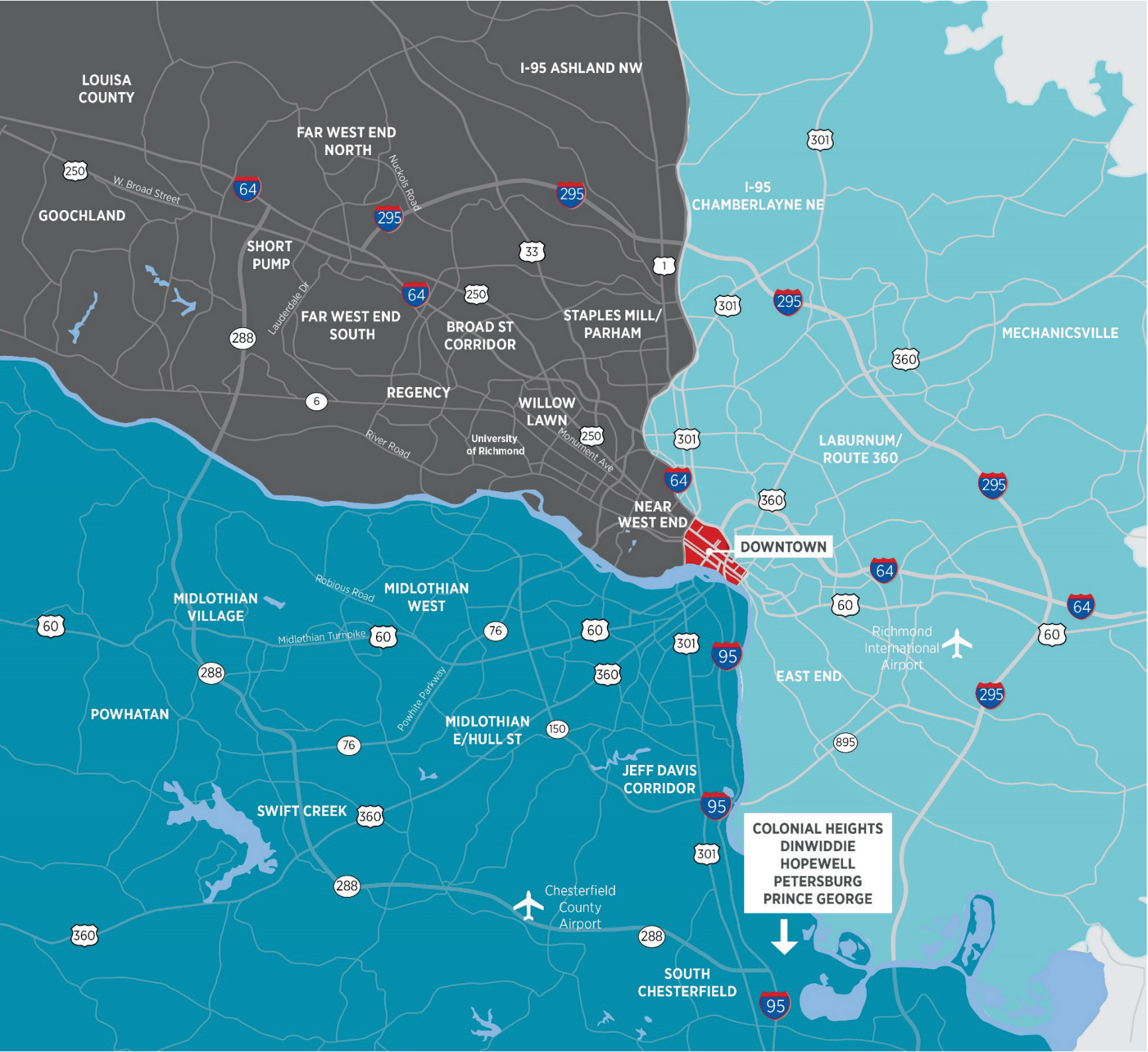
KEY LEASE TRANSACTIONS Q4 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Ashland Junction (101-169 Junction Dr)	I-95 Ashland/NW	Harbor Freight	36,254	Sublease
200 N Otterdale Rd	Midlothian Village	Costen Floors	30,360	New
4000-4018 Glenside Dr	Staples Mill/Parham	Colonial Downs	23,652	New

KEY SALES TRANSACTIONS Q4 2024

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
Stonehenge Village	Midlothian West	Stonehenge Village Center Owner LLC / IVT Stonehenge Midlothian LLC	214,207	\$62.1M / \$275
401 International Center Dr	East End	NNN REIT LP / Airport Holdings LLC	141,588	\$9.0M / \$64

RETAIL SUBMARKETS



LIZ GREVING
Associate Director, Research
Tel: +1 804 697 3560
liz.greving@thalhimer.com

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