

MARKET FUNDAMENTALS

	YOY Chg	Outlook
<div>\$90,000</div> <div>Median HH Income</div>	<div>▲</div>	<div>▲</div>
<div>0.9%</div> <div>Population Growth</div>	<div>▬</div>	<div>▲</div>
<div>3.1%</div> <div>Unemployment Rate</div>	<div>▲</div>	<div>▲</div>

Source: BLS

ECONOMIC INDICATORS

	YOY Chg	Outlook
<div>2.4%</div> <div>GDP Growth</div>	<div>▼</div>	<div>▲</div>
<div>3.0%</div> <div>Consumer Spending Growth</div>	<div>▲</div>	<div>▲</div>
<div>3.2%</div> <div>Retail Sales Growth</div>	<div>▲</div>	<div>▬</div>

Source: BEA, Census Bureau

ECONOMY: REGIONAL DEVELOPMENT ACTIVE

The Richmond region continues to rack up accolades, most recently being named among the Top 25 North American Tech Hubs by Site Selection Magazine. Topsoe’s \$400 million investment in Chesterfield’s Meadowville Technology Park was named as the 2024 Impact Award winner for STEM by Business Facilities, and International pharmaceutical manufacturer Haleon announced plans to upgrade its Richmond facility, investing more than \$54 million in part to take advantage of the region’s growing workforce. The region’s housing market also showed signs of stabilization with costs now almost 17.0% more affordable than the national average.

SUPPLY AND DEMAND: HISTORIC LOW VACANCY

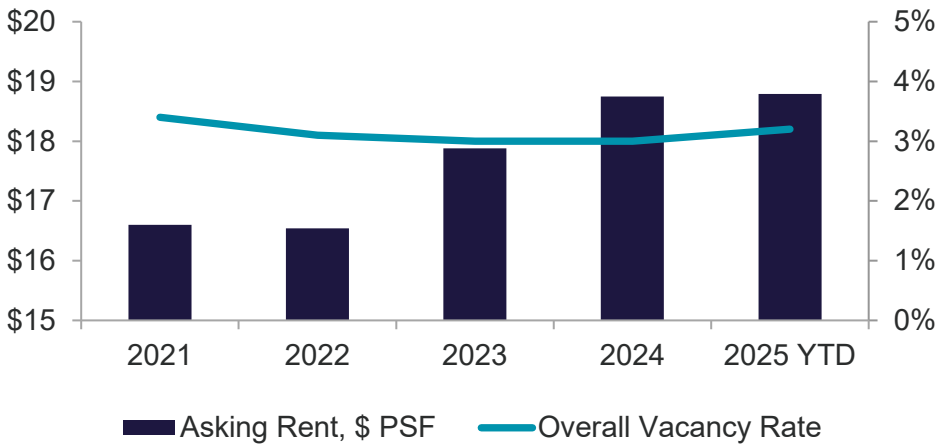
Retail vacancy closed the quarter at 3.2% overall, up 20 basis points (bps) quarter-over-quarter (QOQ) and 20 bps year-over-year (YOY) as supply-side shortages have kept occupancy rates at historic highs. Year-to-date (YTD) leasing activity topped 262,000 square feet (sf), a slight drop from the same time period last year but within striking range of historical first quarter averages and robust given the limited inventory.

YTD deliveries totaled just over 91,000 sf, and with preleasing in place in 79.6% of the newly built product. The construction pipeline remains active with more than 262,000 sf currently underway, though with a high level of preleasing in place, the new developments will do little to ease the inventory shortages. More than 2.9 million square feet (msf) has been delivered since the start of 2020, expanding the inventory by a slim 3.6% with newly built product accounting for only 6.6% of the current overall vacancy.

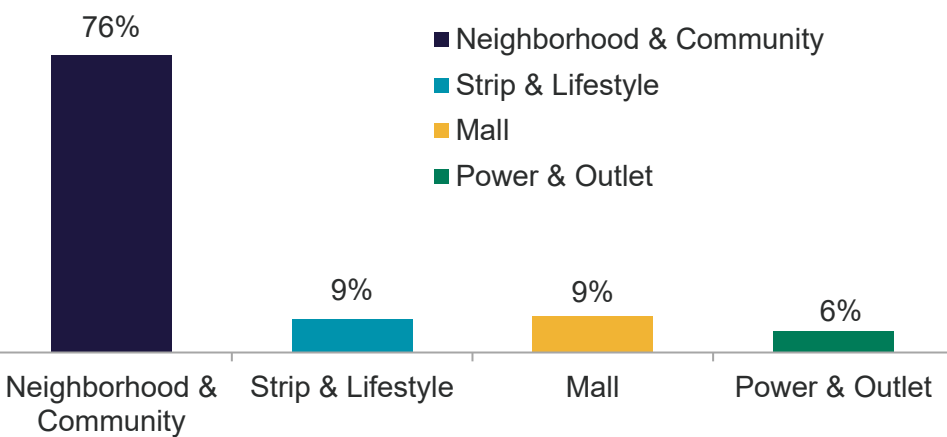
PRICING: ACTIVE INVESTMENT MARKET

Sales volume topped \$68.2 million in the first quarter, down from the same time period last year. The sale of the 53,530 sf Irongate Village Shopping Center in South Chesterfield topped the deals for the quarter, trading for \$8.5 million. The 60,064 sf former Colonial Shooting Academy building at 6020 West Broad Street transferred for \$6.5 million to a new ownership planning to renovate and reopen with a similar use.

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	4,836,593	204,422	0	4.2%	-17,431	-17,431	5,000	\$21.59
Colonial Heights	3,557,088	96,688	0	2.7%	-7,835	-7,835	3,500	\$16.68
Dinwiddie	524,188	19,109	0	3.6%	8,450	8,450	-	-
Downtown	2,897,973	58,592	0	2.0%	10,665	10,665	-	\$18.49
East End	4,426,017	111,347	0	2.5%	-2,719	-2,719	11,449	\$25.33
Far West End North	316,257	2,028	0	0.6%	-2,028	-2,028	-	-
Far West End South	1,333,346	64,223	0	4.8%	-29,033	-29,033	-	\$15.78
Goochland	520,341	8,600	0	1.7%	13,450	13,450	6,352	\$13.00
Hopewell	1,375,559	118,899	0	8.6%	-2,250	-2,250	-	\$11.90
I-95 Ashland/NW	2,256,360	83,188	3,134	3.8%	5,358	5,358	7,000	\$19.74
I-95 Chamberlayne/NE	1,220,213	25,364	0	2.1%	974	974	80,000	\$14.62
Jeff Davis Corridor	3,101,076	39,894	0	1.3%	-4,270	-4,270	-	\$15.33
Laburnum/Route 360	2,931,926	146,055	0	5.0%	-30,511	-30,511	-	\$15.02
Louisa County	986,841	29,792	0	3.0%	0	0	-	\$9.28
Mechanicsville	3,000,506	34,372	0	1.1%	-7,670	-7,670	6,500	\$14.51
Midlothian E/Hull St	6,831,937	340,776	13,789	5.2%	-71,658	-71,658	-	\$17.75
Midlothian Village	2,003,343	95,645	0	4.8%	-290	-290	44,247	\$34.28
Midlothian West	6,977,560	331,487	1,560	4.8%	36,352	36,352	10,531	\$18.61
Near West End	3,752,998	143,792	3,020	3.9%	-51	-51	40,000	\$21.22
New Kent County	599,927	6,529	0	1.1%	-2,500	-2,500	-	-
Petersburg	3,028,567	82,847	0	2.7%	2,010	2,010	-	\$12.64
Powhatan	923,452	18,832	0	2.0%	-3,700	-3,700	4,000	\$23.40
Prince George	1,188,872	14,923	0	1.3%	0	0	-	\$16.00
Regency	2,854,677	77,887	0	2.7%	-6,837	-6,837	-	\$27.61
Short Pump	4,869,729	83,984	2,263	1.8%	21,787	21,787	9,000	\$34.00
South Chesterfield	4,178,234	68,723	41,117	2.6%	3,147	3,147	12,415	\$16.22
Staples Mill/Parham	4,350,017	104,598	2,755	2.5%	-23,370	-23,370	-	\$23.32
Swift Creek	4,086,145	60,499	0	1.5%	16,248	16,248	22,500	\$21.64
Willow Lawn	3,070,784	44,268	0	1.4%	43,914	43,914	-	\$24.65
RICHMOND TOTALS	82,000,526	2,517,363	67,638	3.2%	-49,798	-49,798	262,494	\$18.79

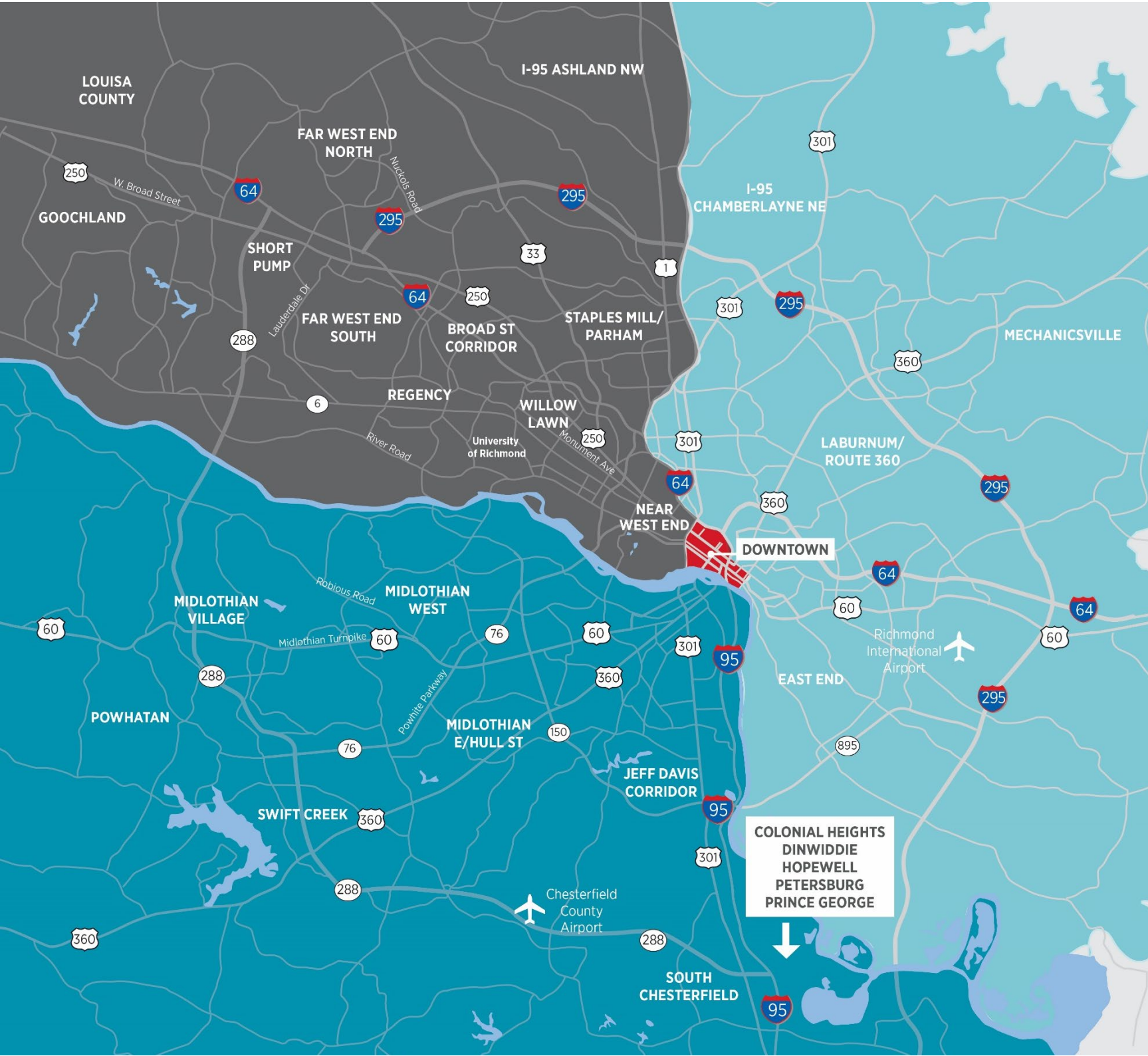
\*Rental rates reflect Triple Net asking \$PSF/Year

KEY LEASE TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
1217 Boulevard	Colonial Heights	South Park Carpet	24,600	New
The Creeks (9820-9992 Brook Rd)	Staples Mill/Parham	Undisclosed	23,050	New
4901 Libbie Mill East Blvd	Willow Lawn	D.A. Davidson & Co	10,857	New
Circle Shopping Center (441-525 E Belt Blvd)	Midlothian E/Hull St	The Hair Palace	10,580	New
Regency (1400 N Parham Rd)	Regency	Monster Mini Golf	10,355	New
The Creeks (9820-9992 Brook Rd)	Staples Mill/Parham	Barnes & Noble	9,490	New
Gleneagles Shopping Center (10426 Ridgfield Pkwy)	Far West End South	BrecoTea	8,712	New



RETAIL SUBMARKETS



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