

MARKET FUNDAMENTALS

	YOY Chg	Outlook
2.7% Vacancy Rate	▲	▼
-45.6K Net Absorption, SF	▼	▲
\$23.58 Asking Rent, PSF <i>Overall, Net Asking Rent</i>	▲	▲

ECONOMIC INDICATORS

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

Source: BEA, Census Bureau

ECONOMY: RISING ECONOMY

Charlottesville continues to demonstrate strong economic and community performance, closing the quarter with an unemployment rate of 2.9%, well below the national average. UVA Health was ranked the “#1 Hospital in Virginia” on Newsweek’s 2025 Best-in-State Hospitals list. Commercial investment in the city reached over \$41.3 million in 2024. CvilleBioHub received a \$4.3 million award from the state and is partnering with the University of Virginia (UVA) to create the region’s first laboratory accelerator at North Fork, a UVA Discovery Park. Additionally, Luna Labs LLC announced a \$200,000 investment to expand their Charlottesville operations, which will create 20 new jobs.

SUPPLY & DEMAND: HISTORICALLY LOW VACANCY

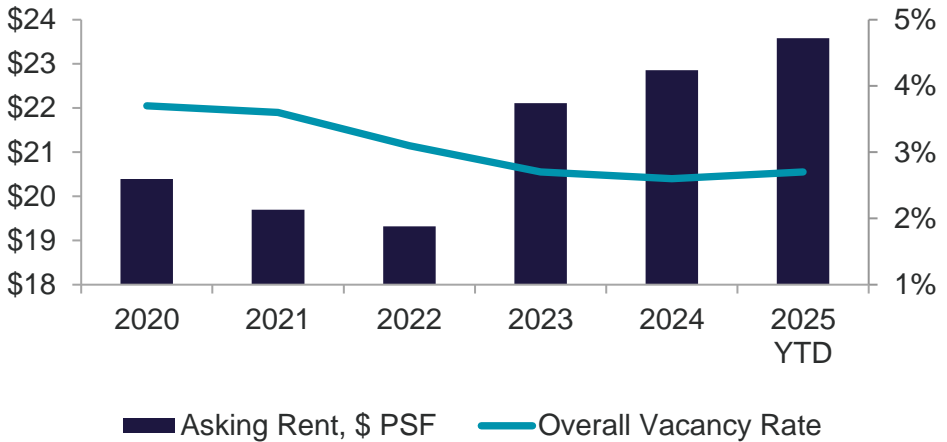
Vacancy increased 20 basis points (bps) quarter-over-quarter (QOQ) and decreased 10 bps year-over-year (YOY). Vacancy rates have held at or below 3.0% since 2023 with deliveries limited to just over 25,000 square feet (sf) in the same time frame. While deliveries have been limited, the construction of The Villages at Terrace Greene are under way. This mixed-use development will total up to 200,000 square feet (sf) of retail, office, and medical space.

Leasing activity topped 73,600 sf for the quarter, an increase of well over 100% compared to the previous quarter and healthy given the supply side shortages. Vacancy in all product types has decreased 10 bps QOQ, except for malls and outlet centers, which remained flat. Topping the lease transactions for the quarter was Planet Fitness with a lease of 20,000 sf of space at Rio Hill Shopping Center.

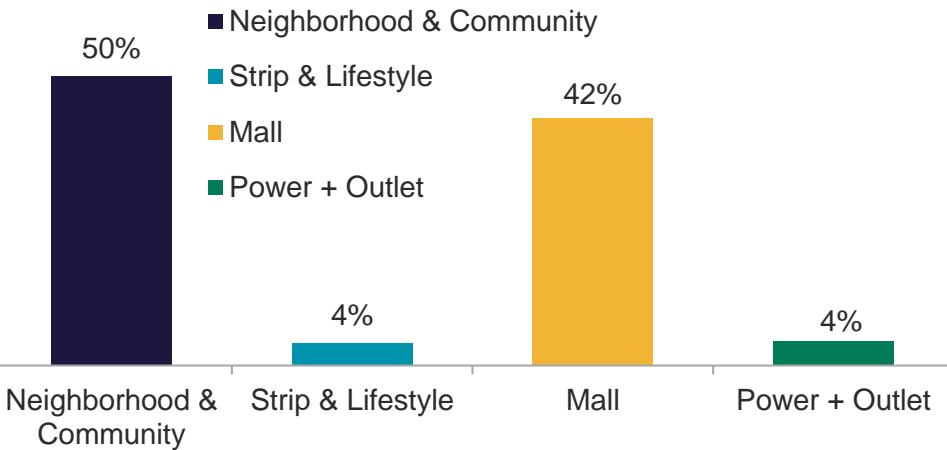
PRICING: RATES ON THE RISE

As forecasted due to the supply side constraints, rents have continued to rise, up 6.7% YOY. Sales volume has topped \$13.6 million for the quarter. Topping the sale transactions for the quarter was 600 Preston Avenue, a 13,206 sf retail property that sold to Twice is Nice for \$5.5 million or \$416.41 per square foot (psf). Twice is Nice will be occupying the property. The second largest transaction was located at 6115 Rockfish Gap Turnpike. Sunoco sold this 4,036 sf convenience store to Chester Sj Holdings, LLC for \$4.5 million, or \$1,130.45 psf.

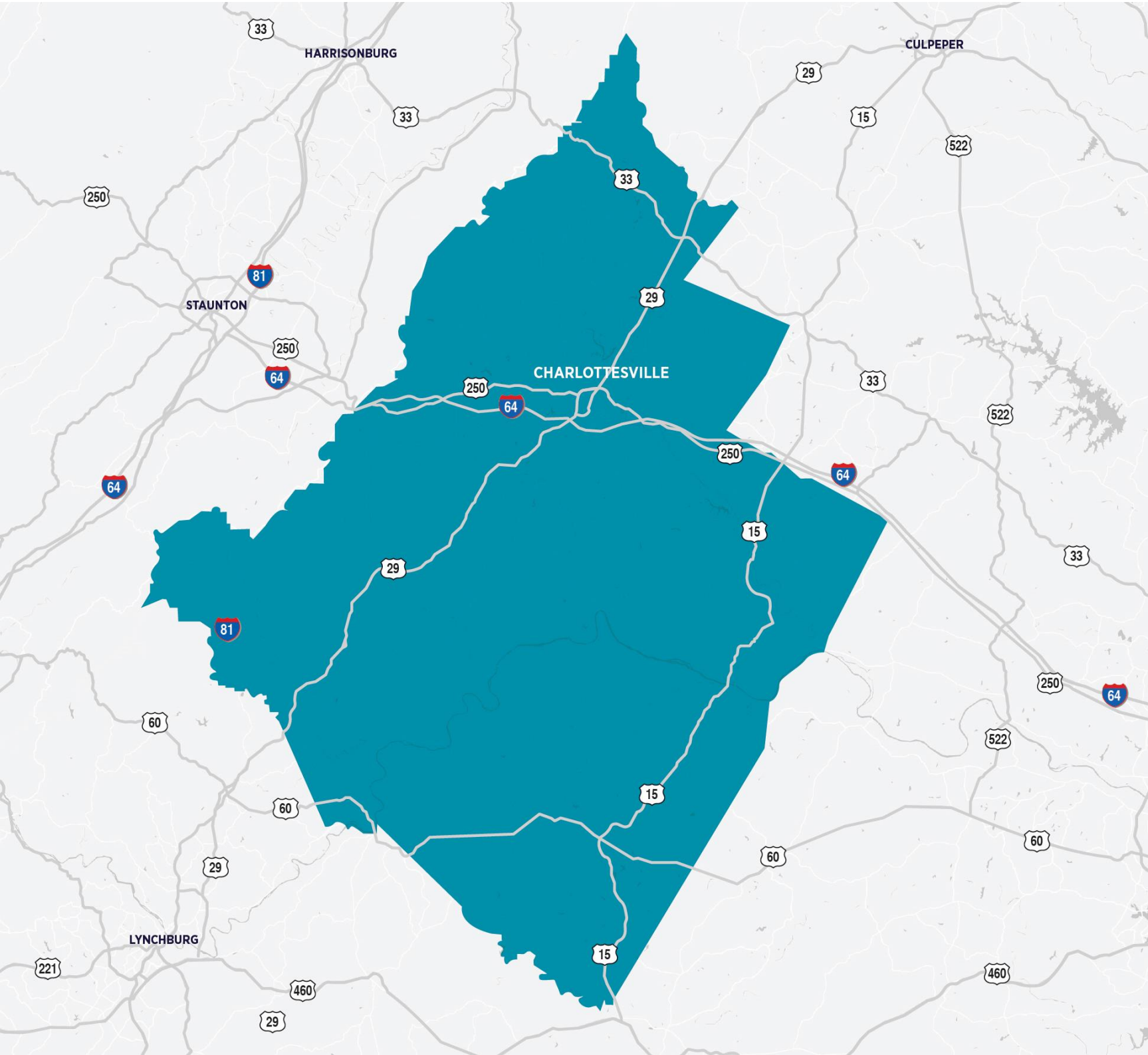
OVERALL VACANCY & ASKING RENT



AVAILABILITY BY PRODUCT TYPE



RETAIL SUBMARKETS



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

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