MARKETBEAT
CHARLOTTESVILLE, VA
RETAIL Q3 2025

CUSHMAN & WAKEFIELD
THALHIMER

MARKET FUNDAMENTALS

	YOY Chg	Outlook
2.4% Vacancy Rate	▼	▲
152.9K Net Absorption, SF	▲	▲
$25.69 Asking Rent, PSF	▲	▲

Overall, Net Asking Rent

ECONOMIC INDICATORS

	YOY Chg	Outlook
0.7% GDP Growth	▼	▲
1.6% Consumer Spending Growth	▼	▲
-0.4% Retail Sales Growth	▼	—

Source: BEA, Census Bureau

ECONOMY: INCREASED REGIONAL INVESTMENT

UVA Health announced $25 million in gifts from anonymous donors to support the University of Virginia's Paul and Diane Manning Institute of Biotechnology in its mission to develop cures for cancer and neurodegenerative diseases. Riverbend Development recently announced they have filed for rezoning of the Sieg property in Albemarle County, proposing up to 1,200 residential units and a maximum of 440,000 square feet (sf) of commercial space. Meanwhile, AstraZeneca revealed plans to establish a major manufacturing facility in Albemarle County, as part of the company's $50 billion investment in U.S. manufacturing and research and development. Additionally, Charlottesville City Schools ranked #2 in Virginia for instructional cost spending per student, second only to Arlington County Schools.

SUPPLY & DEMAND: HISTORICALLY LOW VACANCY

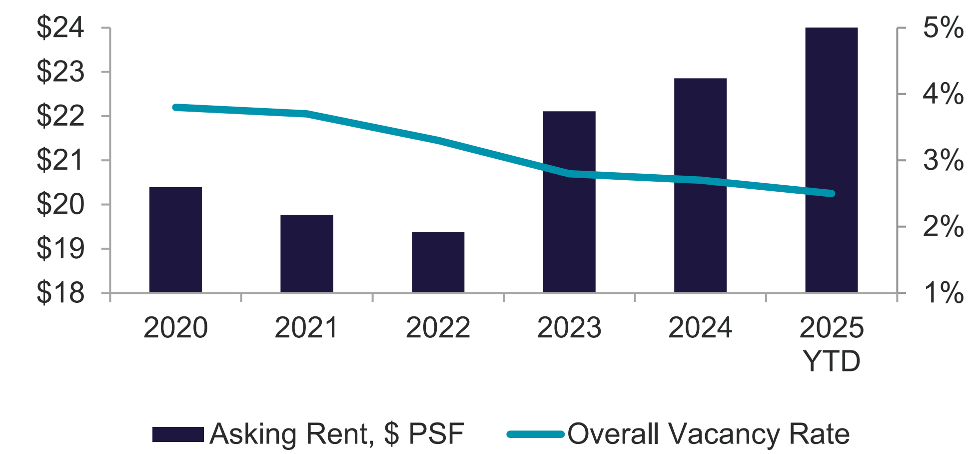
While vacancy increased 10 basis points (bps) quarter-over-quarter (QOQ), it has decreased 20 bps year-over-year (YOY) and has held at or below 3.0% since 2023. Construction at the new The Home Depot location at 1531 Rio Road East has been completed. Built on the site of the former Sears at Charlottesville Fashion Square Mall, this building totals 131,262 sf. The Home Depot was the first completion for the redevelopment of Charlottesville Fashion Square Mall and there are approximately 23 additional acres available for redevelopment.

Leasing activity topped 17,175 sf for the quarter and topped 162,555 sf YTD (year-to-date). Regional and super regional malls saw the most dramatic decrease in vacancy QOQ, decreasing 100 bps. The top lease transaction was 163 Community Street at Hollymead Town Center, where Panera Bread leased 4,935 sf of space.

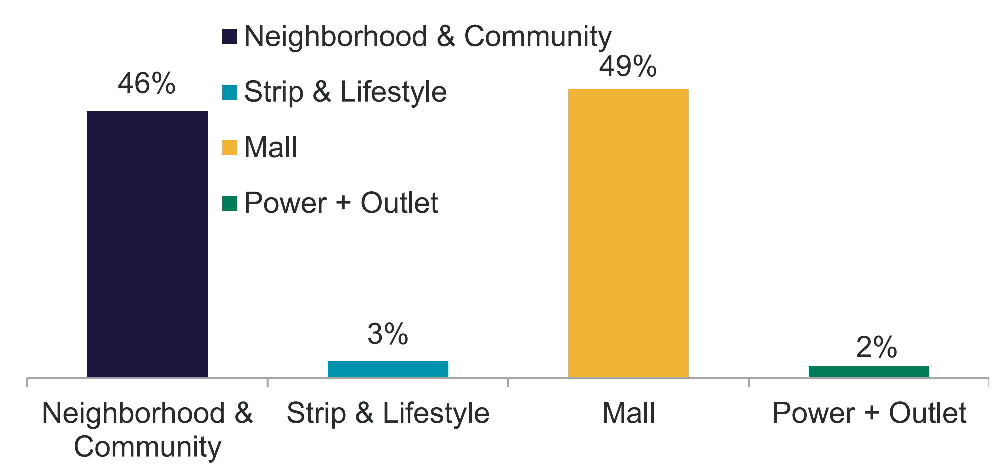
PRICING: RATES CONTINUE TO RISE

Due to ongoing supply-side constraints, rents have risen as forecasted reflecting an increase of 5.1% QOQ and an increase of 9.4% YOY. YTD sales volume reached over $35.6 million (M), and the price per square foot (psf) increased over 58.8% YOY. Topping the sale transactions for the quarter was 121 Blue Ridge Drive, a 1,400 sf freestanding retail property that sold for $2.4M or $1,696.34 psf to an undisclosed buyer.

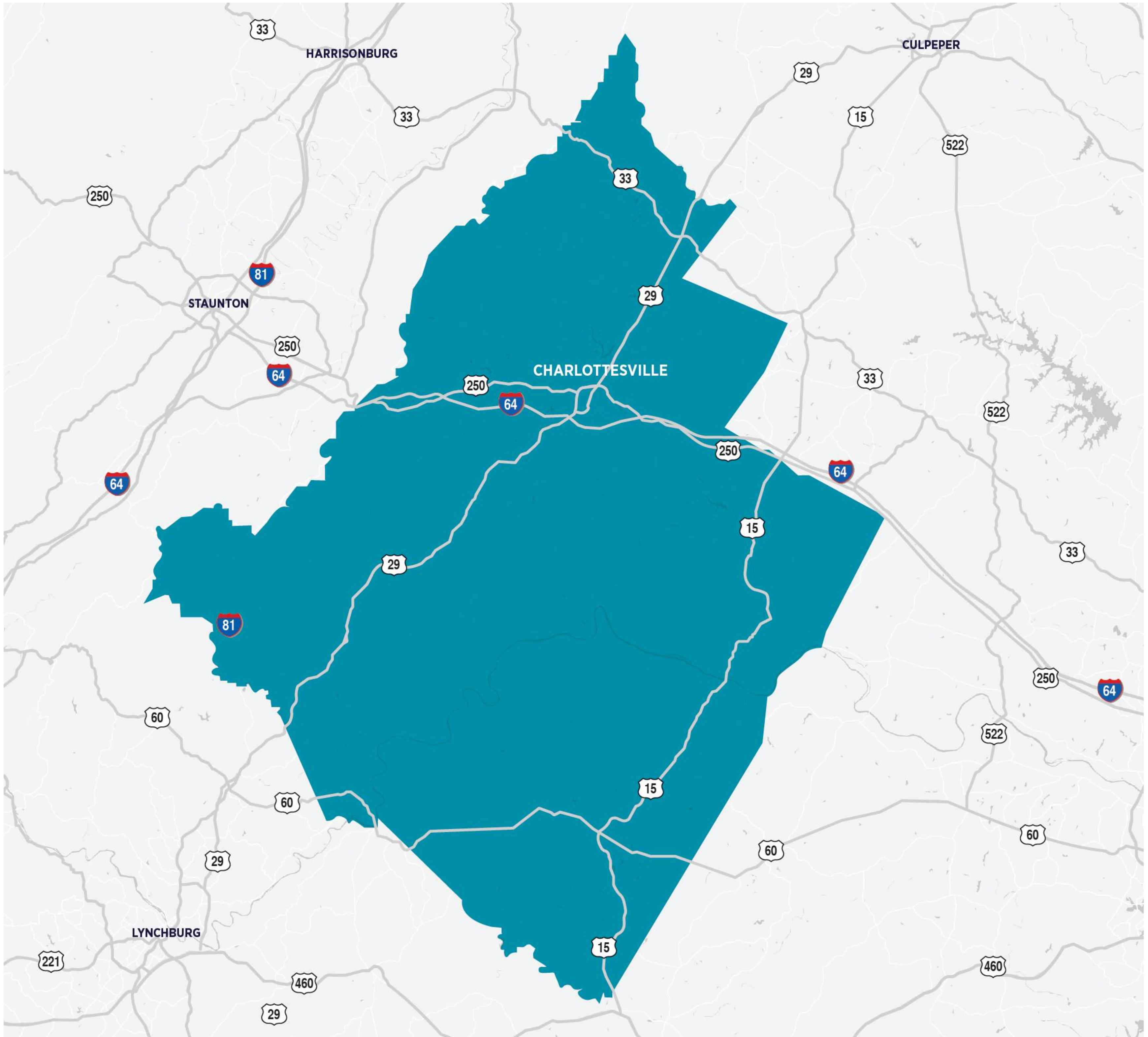
OVERALL VACANCY & ASKING RENT



AVAILIBILITY BY PRODUCT TYPE



RETAIL SUBMARKETS



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