MARKETBEAT

RICHMOND, VA

RETAIL Q3 2025

CUSHMAN & WAKEFIELD THALHIMER

MARKET FUNDAMENTALS

	YOY Chg	Outlook
$91,400 Median HH Income	▲	▲
1.0% Population Growth	▼	▲
3.4% Unemployment Rate	▲	▲

Source: BLS

ECONOMIC INDICATORS

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

Source: BEA, Census Bureau

ECONOMY: REGIONAL INVESTMENT ON THE RISE

The third quarter closed with another round of major regional news, led by Google's announcement of its plan to invest $9 billion in its Virginia operations. The tech giant purchased 1,200 acres in Chesterfield County for $60 million with plans for two major data center projects in addition to another facility planned on a 300-acre site near White Oak Technology Park. HCA announced plans for a $260 million 60-bed hospital in part of Chesterfield County's Nunnally Village, a 200-acre mixed-use development. Greater Richmond was also named among the top 15 fastest-growing metro areas for jobs and talent by LinkedIn and among the top 10 metro areas for millennials by Commercial Café, a testament to the region's expanding employment base.

SUPPLY AND DEMAND: VACANCY REMAINS COMPRESSED

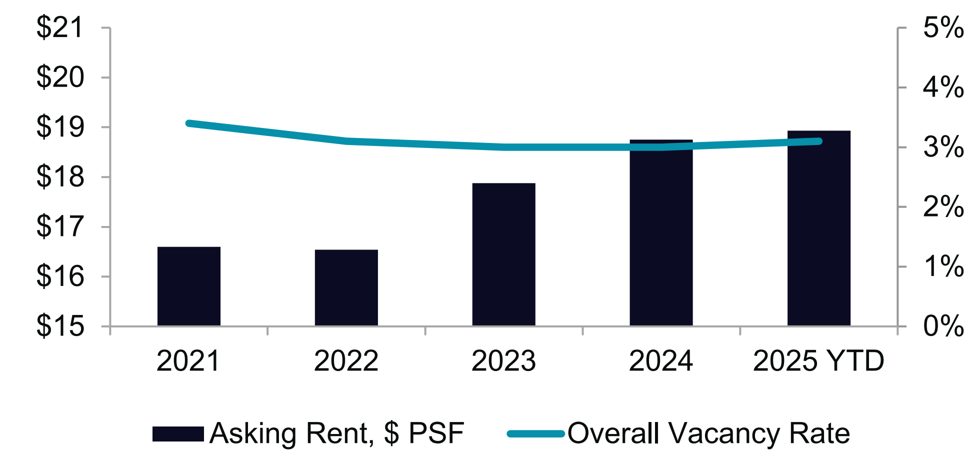
Overall vacancy closed the third quarter at 3.1%, down 60 basis points (bps) since the start of the year and 50 bps year-over-year (YOY) as supply-side shortages have kept space in high demand. Year-to-date (YTD) leasing activity topped 1.6 million square feet (msf), up 17.4% from the same time period last year and robust given the limited inventory. Shake Shack opened its third market location in the West Village development near Short Pump, joining Fink's Jewelers and J. McLaughlin along with a mix of condos.

Year-to-date deliveries totaled just over 273,000 square feet (sf), with preleasing in place in 89.7% of the newly built product. More than 406,000 sf of active development is currently underway with the majority of speculative space centered around Midlothian Depot in Chesterfield County, the 13-acre mixed use project anchored by Whole Foods.

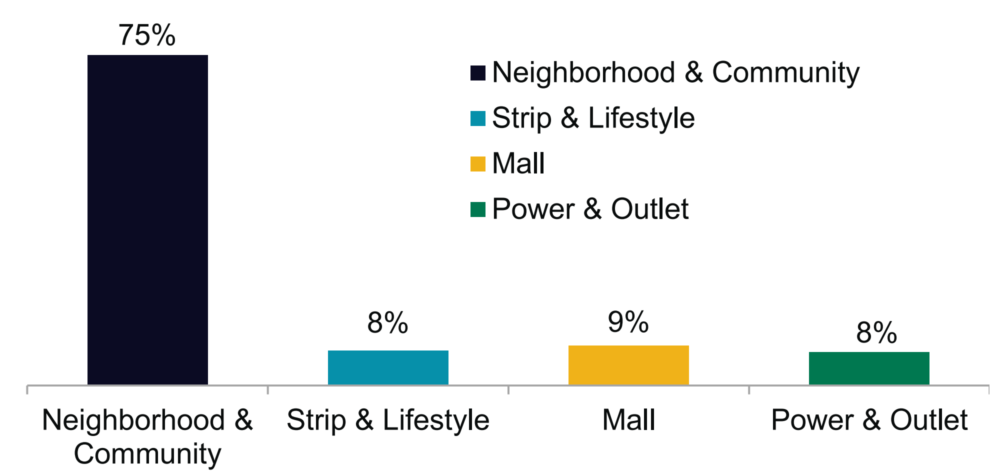
PRICING: INVESTMENT MARKET ACTIVE

Compressed vacancy rates continue to apply upward pressure to lease rates with actual pricing for most submarkets well above quoted rates, which are published on only a portion of the lease offerings. Year-to-date sales volume has topped $371.4 million, with more than $187.7 million closed in the third quarter. The sale of West Broad Marketplace topped the third quarter deals with the 386,307-sf Wegmans-anchored center transferring from MetLife Investment Management to InvenTrust Properties Corp. for $86 million.

OVERALL VACANCY & ASKING RENT



AVAILABILITY BY PRODUCT TYPE



MARKET STATISTICS

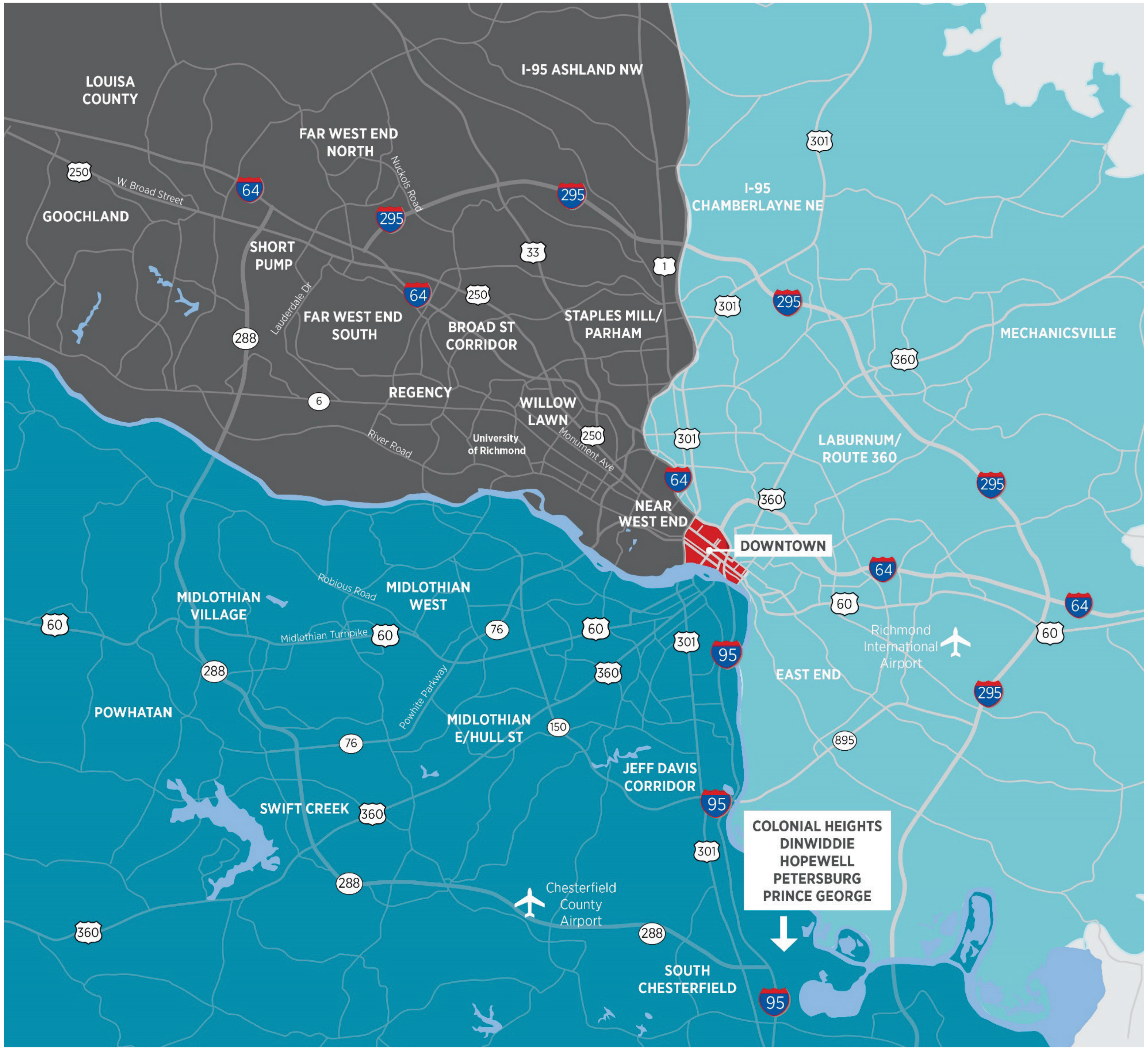
SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (NNN)*
Broad St Corridor	4,810,633	154,856	0	3.2%	24,918	20,597	5,000	$24.64
Colonial Heights	3,408,117	44,339	0	1.3%	46,487	45,414	-	$21.29
Dinwiddie	535,541	19,109	0	3.6%	0	8,450	-	-
Downtown	2,314,268	61,398	0	2.7%	1,457	-20,952	1,620	$21.37
East End	4,237,464	116,157	0	2.7%	5,307	-5,840	11,449	$26.47
Far West End North	316,257	0	0	0.0%	2,028	1,600	-	-
Far West End South	1,331,418	48,733	0	3.7%	11,085	-10,383	-	$18.54
Goochland	526,693	10,000	0	1.9%	0	15,352	6,352	$26.00
Hopewell	1,265,166	133,024	0	10.5%	-208	-16,375	-	$14.22
I-95 Ashland/NW	2,243,400	76,734	0	3.4%	4,183	11,424	7,000	$16.43
I-95 Chamberlayne/NE	1,272,314	21,451	0	1.7%	4,447	86,394	-	$13.06
Jeff Davis Corridor	3,016,388	23,623	0	0.8%	16,984	-91,023	-	$15.88
Laburnum/Route 360	2,879,374	123,121	0	4.3%	33,246	-52,663	-	$14.42
Louisa County	993,136	29,792	0	3.0%	1,500	0	-	$9.28
Mechanicsville	3,028,509	120,437	0	4.0%	-15,774	-85,158	6,500	$13.93
Midlothian E/Hull St	6,769,337	359,414	20,987	5.6%	-20,663	-50,509	-	$15.39
Midlothian Village	1,965,280	133,407	0	6.8%	1,982	-15,908	-	$26.31
Midlothian West	8,704,209	198,068	147,657	4.0%	-29,689	20,935	97,472	$18.75
Near West End	3,527,043	124,629	4,332	3.7%	5,797	-35,164	40,000	$23.72
New Kent County	606,348	5,279	0	0.9%	0	-1,250	-	-
Petersburg	2,953,929	112,080	0	3.8%	1,297	-20,479	-	$14.28
Powhatan	869,813	12,332	0	1.4%	2,500	6,800	-	$21.70
Prince George	1,189,973	14,923	0	1.3%	0	0	-	$16.00
Regency	2,138,634	61,537	0	2.9%	13,799	-5,299	3,333	$27.95
Short Pump	4,620,256	30,885	0	0.7%	10,319	77,110	20,000	$34.00
South Chesterfield	3,996,627	69,043	41,117	2.8%	-5,660	11,400	13,615	$15.87
Staples Mill/Parham	4,358,720	103,311	2,627	2.4%	-6,648	6,590	4,000	$23.59
Swift Creek	4,106,914	62,520	0	1.5%	4,919	22,371	29,664	$18.23
Willow Lawn	3,052,686	59,656	0	2.0%	-8,068	47,443	-	$19.89
RICHMOND TOTALS	**81,038,447**	**2,329,858**	**216,720**	**3.1%**	**105,545**	**-29,123**	**246,005**	**$18.39**

Rental rates reflect Triple Net asking $PSF/Year

KEY LEASE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Pocono Crossing (10322-10456 Midlothian Tnpk)	Midlothian West	HomeGoods	24,733	New
Westchester Commons (15786 Wc Main St)	Midlothian Corridor	Boot Barn	14,500	New
9128-9132 W Broad St	Broad St Corridor	Hyper Kidz	13,040	New
Short Pump Town Center (11800 W Broad St)	Short Pump	Zero Latency VR	12,000	New
West Village (W Broad St & Gayton Rd)	Short Pump	Shake Shack	3,000	New

RETAIL SUBMARKETS



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

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