

MARKET FUNDAMENTALS

	YOY Chg	Outlook
2.3% Vacancy Rate	▼	▲
-10.5K Net Absorption, SF	▼	▲
\$26.68 Asking Rent, PSF <i>Overall, Net Asking Rent</i>	▲	▲

ECONOMIC INDICATORS

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

Source: BEA, Census Bureau

ECONOMY: INCREASING POPULATION

Since 2020, the Charlottesville area’s population has grown by 3.2%, expanding at close to twice the rate of Virginia over overall during that period. In education, the University of Virginia led all Virginia schools for the sixth consecutive year in the 2026 U.S. News & World Report ranking of best national universities, placing #26 in the country. Major investments are also underway. Afton Scientific recently broke ground on a \$200 million (M) expansion of its Albermarle County Facility, a project that will grow its square footage to eight times its current size. AstraZeneca announced plans to build a \$4.5 billion manufacturing hub at the Rivanna Futures Site in Albermarle County. This is the largest single manufacturing investment opportunity in the company’s history, creating 600 permanent jobs.

SUPPLY & DEMAND: HISTORIC LOW VACANCY

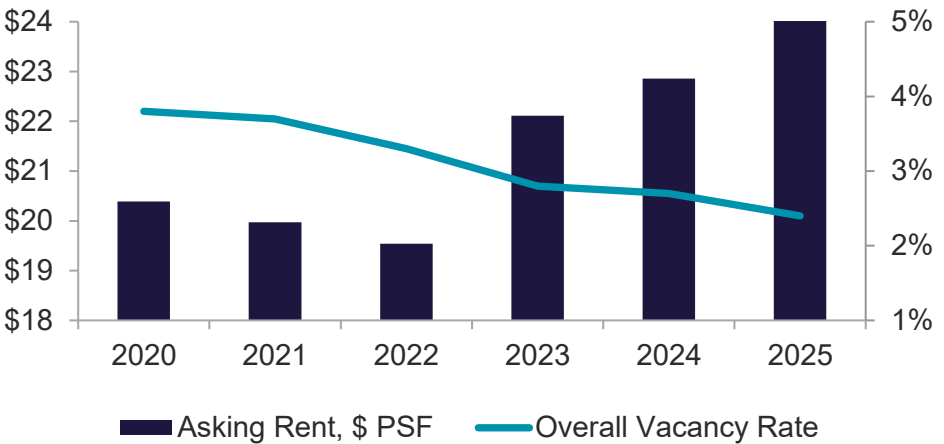
Overall vacancy decreased 10 basis points (bps) quarter-over-quarter (QOQ) and 30 bps year-over-year (YOY). This is the tenth consecutive quarter where vacancy has held at or below 3.5%. Helping ease supply constraints is the construction of The Villages at Terrace Green. This project is a mixed-use development that will include over 240,000 square feet (sf) of retail, office, medical, and residential space. Currently over 28,400-sf of retail space is underway.

Leasing activity topped 37,265 sf for the quarter, an increase of over 100% compared to the previous quarter. The largest deal was located at Seminole Square Shopping Center located at 357 Hillsdale Dr. An indoor amusement concept leased 25,000-sf of space.

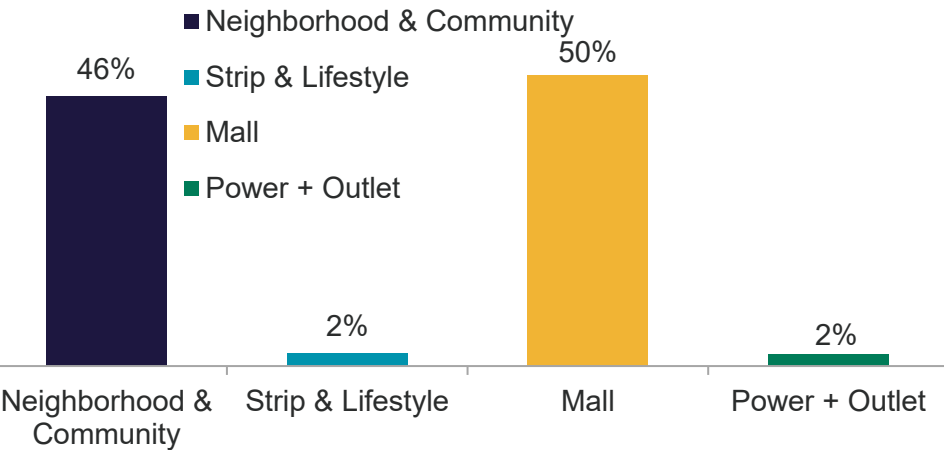
PRICING: RATES CONTINUE TO RISE

Due to ongoing supply-side constraints, rents have risen as forecasted reflecting an increase of 3.9% QOQ and an increase of 11.3% YOY. Topping the sale transactions for the quarter was 315 Rivanna Plaza Dr. This 15,269-sf strip center transacted for \$7.4 M, or \$482 per square foot (psf). This transaction was part of a portfolio sale that included Rivanna Plaza. Curblin Properties purchased this 23-property portfolio of shopping centers consisting of over 422,000 sf across 7 states transacting for \$158.9 M.

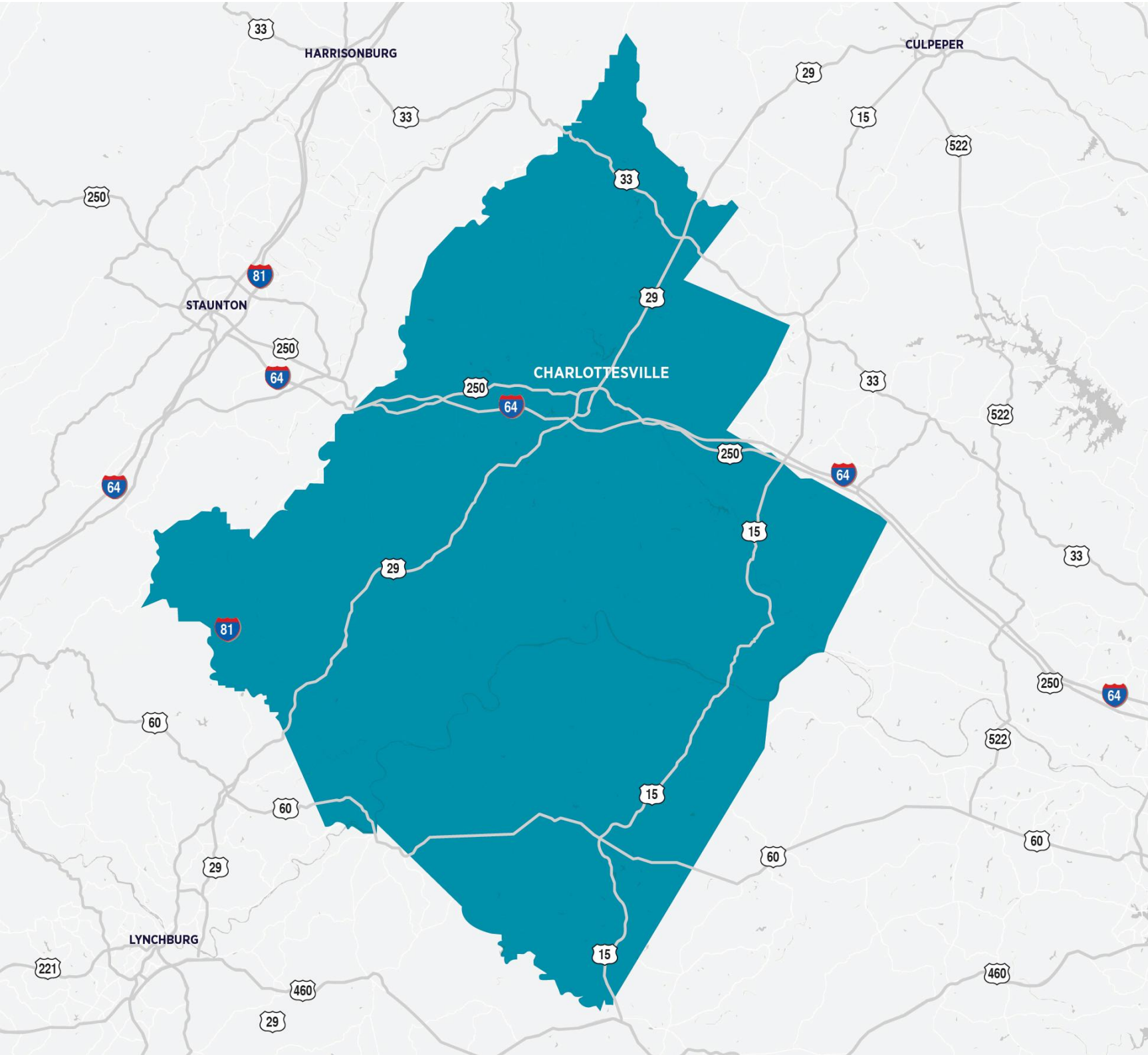
OVERALL VACANCY & ASKING RENT



AVAILABILITY BY PRODUCT TYPE



RETAIL SUBMARKETS



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