MARKETBEAT

CHARLOTTESVILLE, VA

RETAIL Q2 2026

CUSHMAN & WAKEFIELD

THALHIMER

MARKET FUNDAMENTALS

	YOY Chg	Outlook
2.3% Vacancy Rate	▬	▲
5.9K Net Absorption, SF	▼	▲
$23.59 Asking Rent, PSF	▼	▲

Overall, Net Asking Rent

ECONOMIC INDICATORS

	YOY Chg	Outlook
2.2% GDP Growth	▲	▲
2.1% Consumer Spending Growth	▼	▲
1.5% Retail Sales Growth	▼	▲

Source: BEA, Census Bureau

ECONOMY: REGIONAL INVESTMENT & INNOVATION GROWTH

Economic development across the region continues to accelerate, with L3Harris announcing a $1.3 billion (B) expansion in Orange County that will create 350 new jobs, and AstraZeneca investing $4.5 billion in a new manufacturing facility in Albemarle County, the largest in company history, which is expected to create roughly 3,600 jobs. Innovative Refrigeration Systems is also investing $19 million (M) to expand operations in Augusta County. Higher education remains a key economic anchor, with UVA's statewide economic impact estimated at $11.9B for FY 2024, supporting more than 67,100 jobs, while regional biotech employment grew 23% between 2019 and 2024, outpacing all private sector growth. The region also marked a cultural milestone this summer as Charlottesville celebrated 50 years since the Downtown Mall's completion.

SUPPLY & DEMAND: HISTORIC LOW VACANCY

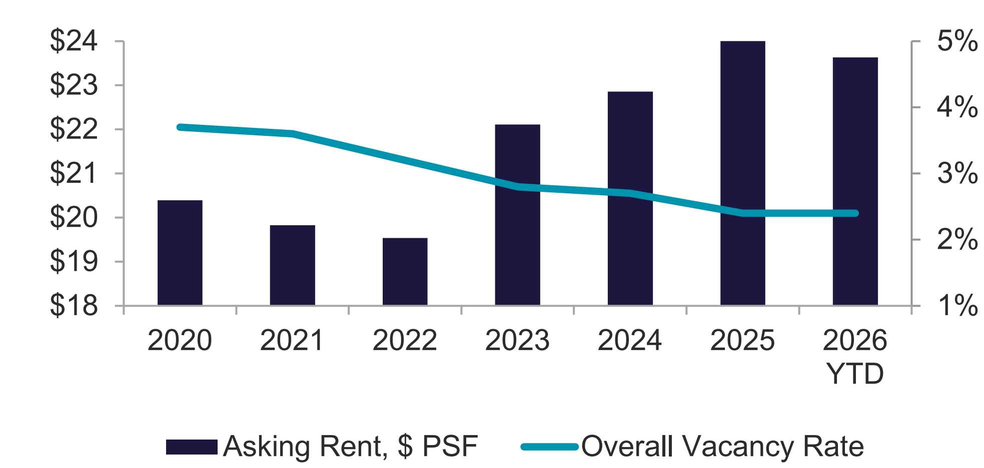
Overall vacancy decreased 20 basis points (bps) quarter-over-quarter (QOQ) and remained flat year-over-year (YOY). This is the twelfth consecutive quarter where vacancy has held at or below 3.0%. Currently under construction is Three Notch'd Center located at 5370 Three Notch'd Rd. This new mixed-use development will consist of over 21,405 square feet (sf) and will be two stories. Also under construction is 2110 Seminole Trl which will be occupied by Flow Hyundai of Charlottesville. This retail building will be over 20,000 sf and is set to deliver by the end of the year.

Leasing activity topped over 34,490 sf for the quarter. The largest deal was located at Rio Hill Shopping Center where La-Z-Boy leased 21,073-sf of space. Following behind was Foster Art, who leased 2,484-sf of space at Forest Lakes Shopping Center.

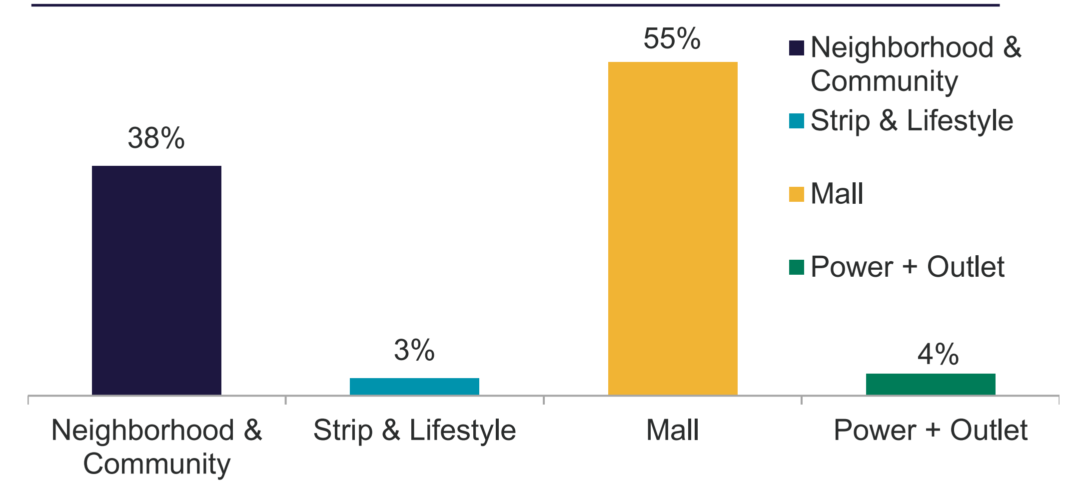
PRICING: RATES STABILIZE & INVESTMENT SALES INCREASE

Quoted rental rates have remained essentially flat QOQ, decreasing less than 0.5%. Sales volume for the quarter topped $18.8M. Topping the transactions was 10368 Critzers Shop Rd. This 58,956-sf retail building sold to Veritas Legacy Partners for $2.3M, or $39.01 per-square-foot (psf). Following behind was 1150 Fifth St SW, a Riverbend Development disposition of a 20-year ground-leased Wawa. This transacted for $9.1M, or $1,716.98 psf with a 5.2% cap rate.

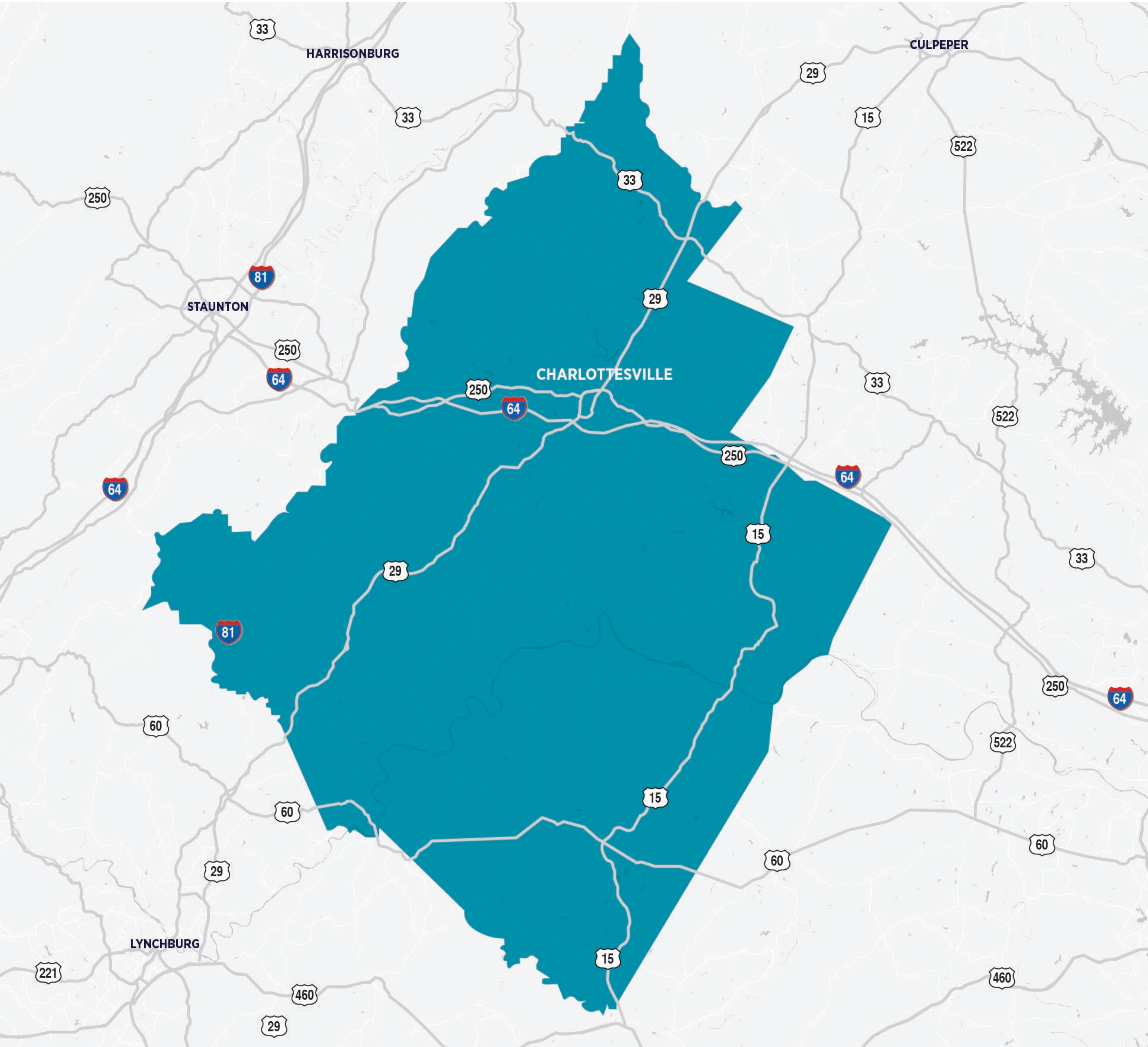
OVERALL VACANCY & ASKING RENT



AVAILIBILITY BY PRODUCT TYPE



RETAIL SUBMARKETS



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

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