MARKETBEAT

# HAMPTON ROADS, VA

## RETAIL Q2 2026

CUSHMAN & WAKEFIELD THALHIMER

### MARKET FUNDAMENTALS

| | YOY Chg | Outlook |
|---|---|---|
| **$88,900** Median HH Income | ▲ | ▲ |
| **0.3%** Population Growth | ▲ | ▲ |
| **3.9%** Unemployment Rate | ▲ | ▼ |

*Source: BLS, 4Q 2025*

### ECONOMIC INDICATORS

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

*Source: BEA, Census Bureau*

### ECONOMY: ROBUST DEMAND DRIVERS

While tariff-related uncertainty contributed to softer port volumes in 2024, consumer spending and retail fundamentals have remained resilient through the first half of the year. Tourism continues to be a powerful demand driver, generating $4 billion in annual economic impact and attracting more than 14 million visitors annually to the region. With a limited supply of infill sites, redevelopment activity has remained a focus for both public and private ownership. Portsmouth is advancing plans to transform approximately 6 acres of waterfront land along the Elizabeth River into a mixed-use destination featuring a mix of multifamily, hospitality, and entertainment venues along with an estimated 60,000 square feet (sf) of retail space. Redevelopment of Chesapeake Square Mall continues to progress with portions of the former enclosed mall converted to modern retail space anchored by grocery and sporting goods users. Construction is underway on The Canopy in Virginia Beach, an $80 million mixed-use development on a former elementary school sites, with a mix of apartments, office, and 10,000 sf of retail and restaurant space planned.

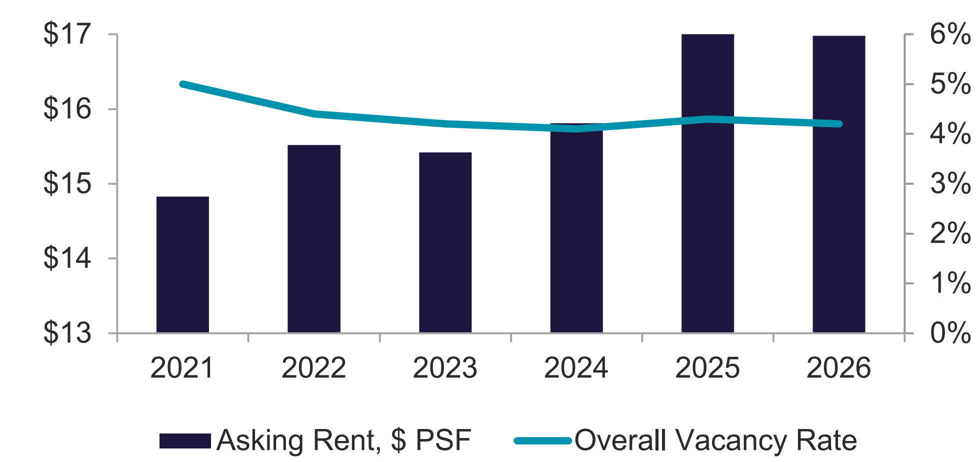
### SUPPLY AND DEMAND: ACTIVE PROSPECT MOMENTUM

Year-to-date (YTD) leasing activity topped 1.2 million square feet (msf), and the second quarter posted positive net absorption numbers over 422,500 sf. Overall vacancy closed the quarter at 4.2%, a drop of 20 basis points (bps) quarter-over-quarter and an increase of 50 bps year-over-year (YOY). Market activity remains steady with significant prospect interest from grocery flags, expanding QSR and fast-casual restaurants as well as coffee concepts. Grocery Outlet has opened locations in Portsmouth and Virginia Beach since the start of the year, and CHEF'STORE and Grocery Outlet continue to target additional locations. Raising Cane's opened its fourth market location in Virginia Beach, while Habit Burger secured multiple former Boston Market sites. Both Dutch Bros and 7 Brew are also continuing to actively pursue expansion options in the market.

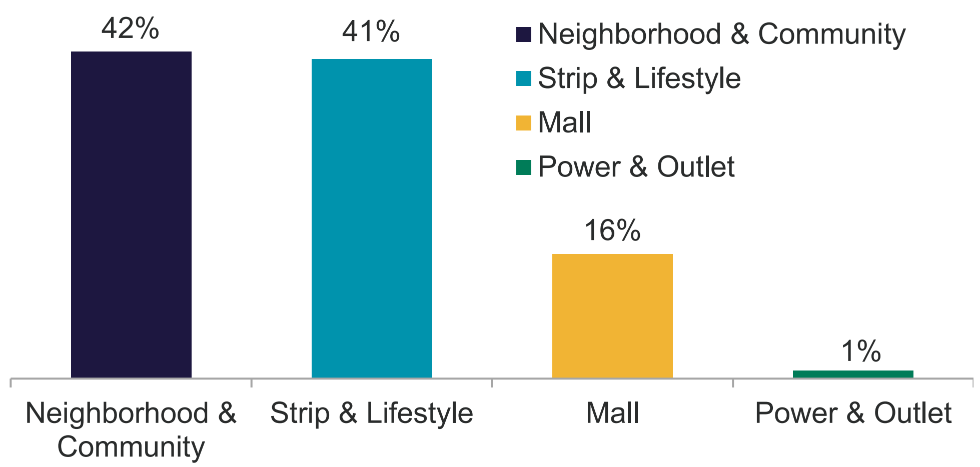
### PRICING: SUSTAINED RENT GROWTH

Sustained demand and compressed vacancy have continued to apply upward pressure to quoted pricing with lease rates up 8.4% overall since the start of 2024. YTD sales volume topped $374.5 million, including the transfer of the 60,878-sf Planet Fitness-anchored Poquoson Shopping Center in the second quarter for $7.1 million. The 36,877-sf Midtown Marketplace in Portsmouth also sold, trading to Spark Properties Group for $4.9 million.

### OVERALL VACANCY & ASKING RENT




### AVAILABILITY BY PRODUCT TYPE



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### 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)* |
|---|---|---|---|---|---|---|---|---|
| Gloucester | 1,950,591 | 117,114 | 0 | 6.0% | -5,847 | -31,792 | 0 | $16.43 |
| Williamsburg | 7,251,752 | 253,616 | 0 | 3.5% | 120,723 | 144,468 | 0 | $15.69 |
| York/Poquoson | 2,025,510 | 73,329 | 0 | 3.6% | -23,779 | -38,904 | 0 | $17.07 |
| Newport News | 8,471,209 | 305,959 | 0 | 3.6% | 6,039 | 40,195 | 163,000 | $14.83 |
| Hampton | 12,113,441 | 544,854 | 25,000 | 4.7% | -3,163 | -3,859 | 0 | $15.76 |
| Smithfield/Isle of Wight/Suffolk | 3,863,690 | 102,520 | 0 | 2.6% | 19,600 | 22,090 | 0 | $17.40 |
| Harbourview/Churchland | 2,941,869 | 136,907 | 0 | 4.7% | 3,679 | 25,275 | 0 | $21.72 |
| Portsmouth | 3,725,879 | 88,515 | 0 | 2.4% | 34,655 | 37,888 | 0 | $12.78 |
| Chesapeake | 10,363,327 | 423,491 | 0 | 4.1% | 18,893 | -71,710 | 12,572 | $23.10 |
| Norfolk | 14,715,267 | 992,867 | 12,832 | 6.8% | -8,226 | -116,003 | 146,000 | $15.17 |
| Virginia Beach | 26,319,413 | 853,209 | 3,902 | 3.3% | 260,019 | 220,930 | 13,545 | $21.34 |
| **HAMPTON ROADS TOTALS** | **93,741,948** | **3,892,381** | **41,734** | **4.2%** | **422,593** | **228,578** | **335,117** | **$16.98** |

**Rental rates reflect Triple Net asking $PSF/Year*

### KEY LEASE TRANSACTIONS Q2 2026

| PROPERTY | SUBMARKET | TENANT | SF | TYPE |
|---|---|---|---|---|
| 2617 Moses Grandy Trail | Chesapeake | Food Lion | 42,600 | Renewal |
| 1624 Laskin Road | Virginia Beach | The Boutiques at Virginia Beach | 38,920 | New Lease |
| 1200-1362 N Great Neck Road | Virginia Beach | Food Lion | 35,135 | Renewal |
| 1940 Laskin Road | Virginia Beach | Ross Dress for Less | 28,609 | New |

### KEY SALES TRANSACTIONS Q2 2026

| PROPERTY | SUBMARKET | SELLER / BUYER | SF | PRICE / $ PSF |
|---|---|---|---|---|
| Poquoson Shopping Center | York/Poquoson | Robert Brown & Associates / Wythe Creek Plaza, LLC | 60,878 | $7.1M / $117 |
| 11967 Jefferson Avenue | Newport News | NK2 Newport, LLC | 16,510 | $4.06M / $246 |
| 671 J Clyde Morris Boulevard | Newport News | Woods Road I, LLC / Green Clean Auto Wash, LLC | 11,309 | $2.65M / $234 |
| 4813 W. Mercury Boulevard | Hampton | Harbor Realty Trust / Zinpoint Investments, LLC | 11,217 | $2.05M / $183 |

# HAMPTON ROADS
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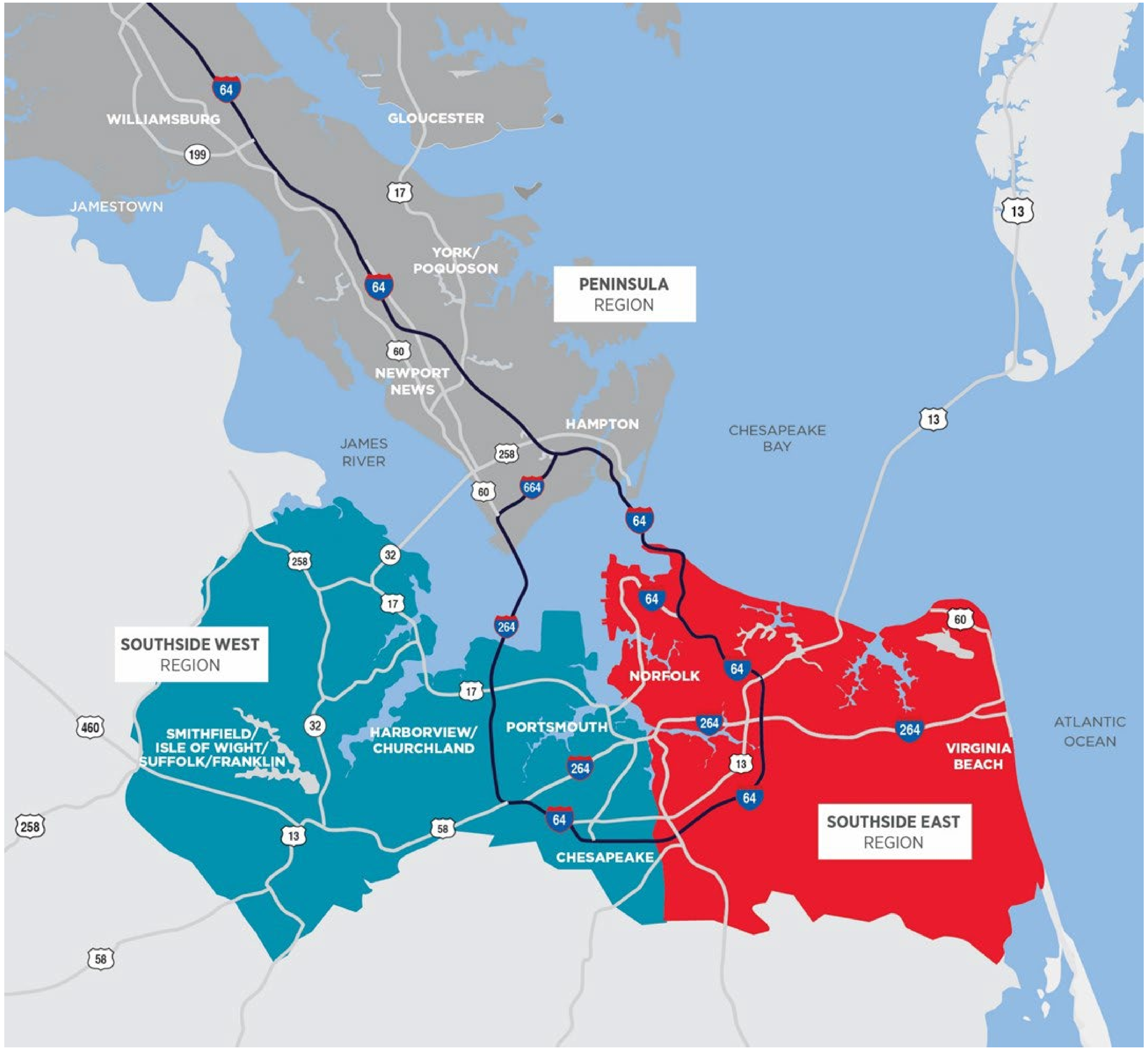
### RETAIL SUBMARKETS

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