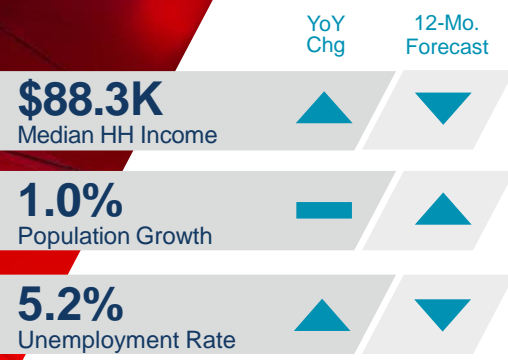


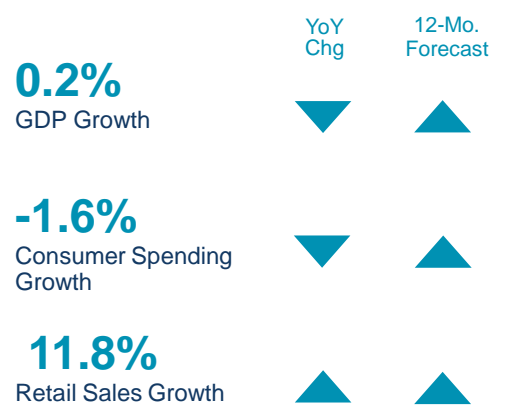
# Fredericksburg, VA

Retail Q1 2021



Source: BLS (Economic Indicators are representative of specific county or MSA.)

## U.S. ECONOMIC INDICATORS Q1 2021



Source: BEA, Census Bureau

## ECONOMY: On the Way to Recovery

The local economy is on its way to recovery. The retail, travel, and hospitality sectors are finally seeing some movement, even with the current restrictions still placed upon some businesses. The Fredericksburg region, Stafford County in particular, continues to benefit from demand for Defense Department contractors near Quantico Marine Corps Base. Regional unemployment lowered to 5.7% from 7.3% in the fourth quarter and remains below the national rate of 6.0%. Following the governor's announcement that all Virginians will be eligible for the COVID-19 vaccine in April, optimism remains for a strong economic rebound for the remainder of the year. The long-term effects will continue to unfold, but overall, the Fredericksburg region has been able to recover most of the job losses caused by the pandemic.

## SUPPLY AND DEMAND: Vacancy Rate Remains Constant

The vacancy rate in Q1 slightly increased to 4.4%, up from 4.3% a year ago. Net absorption was positive this quarter with over 47,667 square feet (sf) being absorbed. Leasing activity continued to increase this quarter as well. The largest lease during the quarter, was a 17,100-sf space located in neighborhood center of Ukrop's Shopping Center on Plank Road in Spotsylvania County. Sales were strong in Q1, totaling over \$16.3 million. The largest sales were 1605 Jefferson Davis Highway, an 8,500-sf property in Fredericksburg that sold for \$4.6M, and 54 North Stafford Complex Center, a 12,000-sf property in Fredericksburg that sold for \$3.1M. Construction began on a 10,000-sf restaurant/retail space in Patriot's Crossing in Stafford and on a 3,620-sf storefront/office space in Fredericksburg. E-commerce has thrived amidst the pandemic, and changing shopping habits will continue to create a shifting atmosphere for brick-and-mortar retailers.

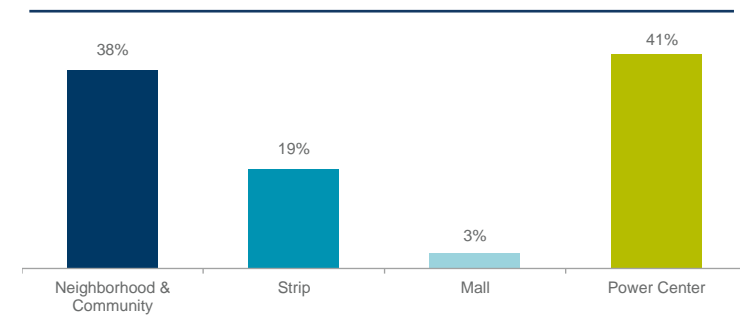
## PRICING: Asking Rent Growth Returns

Retail rental rates posted the first quarter-to-quarter growth since Q1 2020, ending the first quarter at \$16.53 per square foot (psf). Rates remain down from the same period last year, which had a rate of \$17.42 psf, but the return of growth may signify a turning tide following the pandemic. King George County continues to command the highest rental rate in the market at \$17.91 psf after increasing 7.6% year-over-year. Stafford County and Spotsylvania County also experienced a return to growth during the quarter, but rents remain below those seen a year ago.

### RENT / VACANCY RATE



### AVAILABILITY BY PRODUCT TYPE



Bars represent % share of total availability found in each product type

# Fredericksburg, VA

Retail Q1 2021

## MARKET STATISTICS

SUBMARKET	INVENTORY	INVENTORY (SF)	YTD LEASING ACTIVITY	OVERALL AVAILABLE VACANT SPACE (SF)	OVERALL VACANCY RATE	YTD NET OVERALL ABSORPTION	UNDER CNSTR	OVERALL AVERAGE ASKING RENT*
Caroline County	90	627,590	0	11,514	1.8%	0	0	\$7.34
Fredericksburg City	541	5,441,757	13,906	260,001	4.8%	(27,694)	3,620	\$16.51
King George County	111	996,077	0	60,867	6.1%	(1,974)	0	\$17.91
Spotsylvania County	515	8,089,767	37,743	304,151	3.8%	53,845	0	\$16.58
Stafford County	464	5,436,491	5,437	261,965	4.8%	23,490	10,000	\$16.62
<b>FREDERICKSBURG TOTALS</b>	<b>1,721</b>	<b>20,591,682</b>	<b>57,086</b>	<b>898,498</b>	<b>4.5%</b>	<b>47,667</b>	<b>13,620</b>	<b>\$16.53</b>

\*Rental rates reflect NNN asking \$PSF/Year

## KEY LEASE TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET	TENANT	SF	TYPE
4250 Plank Road	Spotsylvania County	Surplus Freight	17,100	Direct
905-909 Caroline Street	Fredericksburg City	Undisclosed	6,796	Direct
9745-9779 Jefferson Davis Highway	Spotsylvania County	Lazy Daisy	6,000	Sublease
4113-4153 Plank Road	Spotsylvania County	The Pub & Battlefield Brewery	3,372	Direct
10681-10699 Spotsylvania Avenue	Spotsylvania County	Undisclosed	3,100	Direct

\*Renewals included in leasing statistics

## KEY SALES TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
54 N Stafford Complex Center	Stafford	Silver Companies / Robert S. & Phyllis N. Berman	12,000	\$3.1M / \$258.33
356 Garrisonville Road	Stafford	Aburoman Mohmoud / Annandale ObGyn	10,000	\$3.1M / \$300.00
1605 Jefferson Davis Highway	Fredericksburg City	John DiIullo / VJSSC LLC	8,500	\$4.6M / \$538.24
2305 Plank Road	Fredericksburg City	Four Corners Property Trust, Inc / Undisclosed	5,095	\$1.4M / \$274.78
406 Lafayette Boulevard	Fredericksburg City	John M. Abertine / Coldwell Banker Commercial Elite	3,195	\$1.2M / \$370.89

## KEY CONSTRUCTION COMPLETIONS YTD 2021

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER / DEVELOPER
1610 Publix Way Bldg. B	Stafford County	Undisclosed	11,167	Barnett Properties, Inc.
1630 Publix Way Bldg. A	Stafford County	Pure Barre	8,609	Barnett Properties, Inc.

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