

	YoY Chg	12-Mo. Forecast
<b>7.3%</b> Vacancy Rate	▲	▼
<b>182K</b> Net Absorption, SF	▲	▲
<b>\$20.78</b> Asking Rent, PSF	▼	▲

(Overall, All Property Classes)  
Note: Stats are not reflective of U.S. MarketBeat Tables

### ECONOMIC INDICATORS Q3 2021

	YoY Chg	12-Mo. Forecast
<b>651.4k</b> Richmond MSA Employment	▲	▲
<b>4.3%</b> Richmond MSA Unemployment Rate	▼	▼
<b>5.2%</b> U.S. Unemployment Rate	▼	▼

Source: BLS, Moody's Analytics

### ECONOMY: Signs of Recovery

The Richmond Metro Area economy continued its recovery in Q3 2021. The unemployment rate of 4.3% in the 3rd quarter was down 10 basis points (bps) from the previous quarter and 360 bps from Q3 2020. Nonagricultural employment was 651,400, an increase of 5,600 jobs year-over-year (YOY). The third quarter saw an increase of dining and travel that had previously been restricted and not surprisingly leisure and hospitality jobs experienced the largest gains of any sector, with a 16% gain YOY. Accolades for the area were high in Q3; Virginia was elected by CNBC as the best state for businesses for the second consecutive year and the Wall St. Journal ranked Richmond as a top 25 city in America to start a career based on opportunity and quality of life.

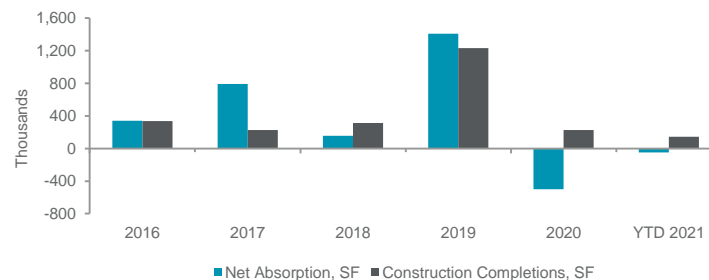
### SUPPLY and DEMAND: Return to the Office

Vacancy in Richmond has remained relatively low at 7.3%, 80 bps below last quarter and more than 10% lower than the national average. While the market experienced several large move-outs recently that resulted in a larger than normal sublease market, new leasing was robust and overall the market experienced net positive absorption in the third quarter. With more companies continuing to choose a return to the office, several high-profile leases show that office space is still in high demand. Maximus took over a 158,400 square feet (sf) sublet at 12730 N Kingston Ave, Genworth signed a new deal at 6603 W Broad St for more than 100,000 sf in August and ChemTreat, Inc. renewed nearly 50,000 sf of space on 5640 Cox Rd.

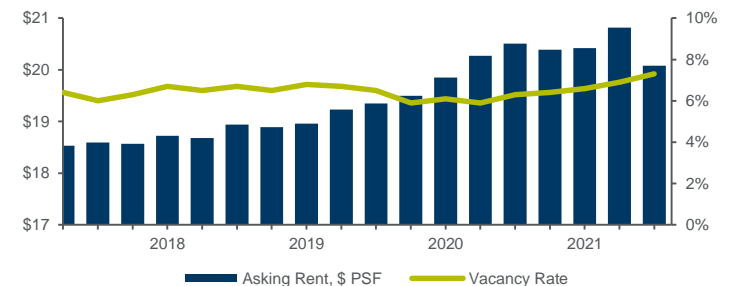
### PRICING: Investment in Richmond

Lacking significant new development, the Richmond market was in a good position to weather the pandemic with office space remaining in high demand. In just the first three quarters of 2021, Richmond office sales have already set new records for sales volume. Stony Point VI, an 87,000 sf property at 9101 Stony Point Pky sold in September for \$52M and local development company, SNP Properties paid \$4.5M for the historic 30,000 sf Watkins Cotrell building in Shockoe Bottom.

### SPACE DEMAND / DELIVERIES



### OVERALL VACANCY & ASKING RENT



## MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION(SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
CBD	10,476,091	54,939	701,410	7.2%	78,049	80,069	226,264	0	\$24.01	\$24.37
East End	442,199	0	25,611	5.8%	3,607	26,550	2,057	0	\$16.14	n/a
Far West End	818,839	20,000	141,880	19.8%	3,129	-31,963	55,850	0	\$21.15	\$23.45
Glenside/Broad St	4,639,778	187,977	296,044	10.4%	71,436	52,978	291,439	0	\$18.38	\$22.47
Hull Street Corridor	1,271,637	0	60,721	4.8%	-44,824	2,796	12,465	0	\$14.46	n/a
I-95 N/Ashland	444,108	0	34,246	7.7%	-14,772	-5,932	37,427	0	\$12.26	n/a
I-95 N/Chamberlayne	231,876	0	22,586	9.7%	n/a	-4,735	2,800	0	\$14.33	n/a
Innsbrook	7,789,549	160,258	559,044	9.2%	27,517	40,557	424,533	0	\$21.47	\$21.26
Iron Bridge Corridor	1,609,239	158,400	125,162	17.6%	2,621	-158,770	182,832	0	\$15.56	\$16.16
Lakeside	124,239	0	8,204	6.6%	n/a	-2,459	1,120	0	n/a	n/a
Manchester	1,182,796	5,740	41,109	4.0%	n/a	-5,740	1,100	0	\$18.54	n/a
Mechanicsville	1,074,570	0	55,055	5.1%	19,449	107,623	16,029	0	\$15.27	n/a
Midlothian Corridor	3,892,905	15,764	486,664	12.9%	-10,021	-149,132	107,232	0	\$17.38	\$18.92
Monroe Ward	1,930,811	0	140,297	7.3%	9,242	-15,139	26,197	0	\$20.28	n/a
Near West End	1,587,656	3,531	76,644	5.0%	80,357	78,163	64,260	0	\$21.96	n/a
North Broad	3,237,226	53,860	81,397	4.2%	-32,647	-33,397	6,800	0	\$15.00	n/a
Northside	218,864	0	13,575	6.2%	-13,215	-1,825	785	0	\$21.60	n/a
Parham East	2,598,108	2,650	69,039	2.8%	-2,114	-35,289	6,104	0	\$17.38	n/a
Parham South	893,446	0	135,616	15.2%	-2,944	3,716	102,979	0	\$16.17	n/a
Rt 288 Corridor	1,425,773	4,576	157,403	11.4%	16,146	52,042	43,497	0	\$20.04	\$24.09
Shockoe Bottom	1,605,169	0	99,017	6.2%	5,686	-6,632	10,198	0	\$19.90	n/a
Stony Point/Huguenot	1,119,594	46,945	53,689	9.0%	-10,428	-15,904	22,002	0	\$19.97	\$20.67
West Creek	1,813,765	4,614	11,144	0.9%	-15,758	-10,556	5,294	0	n/a	n/a
West End	3,303,305	24,635	218,996	7.4%	11,889	-15,125	83,539	0	\$17.42	\$21.95
<b>RICHMOND, VA TOTALS</b>	<b>53,731,543</b>	<b>743,889</b>	<b>3,614,553</b>	<b>7.3%</b>	<b>182,405</b>	<b>-48,104</b>	<b>1,732,803</b>	<b>0</b>	<b>\$20.78</b>	<b>\$21.48</b>

Note: Stats table figures are not reflective of U.S. MarketBeat Tables

Leasing statistics include renewals

\*Rental rates reflect full service asking

## KEY LEASE TRANSACTIONS Q3 2021

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Reynolds Crossing	Glenside/Broad St	Genworth	101,020	New
5640 Cox Rd	Innsbrook	ChemTreat, Inc.	49,458	Renewal
One Colonial Place	I-95 N / Ashland	Undisclosed	22,447	New
Commonwealth Centre	Rt 288 Corridor	Progressive Design, Inc.	16,430	Renewal

## KEY SALES TRANSACTIONS Q3 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
Stony Point VI	Stony Point/Huguenot	Highwoods Properties, Inc. / JLL Income Property Trust	86,990	\$52M / \$599
104 N. Belvidere St	Near West End	Nest LLC / 600 WGS LLC	9,877	\$5M / \$514
6120 Harbourside Centre Loop	Rt 288 Corridor	Gardner Construction Corp. / Woods Rogers PLC	6,000	\$2.55M / \$425

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