

Fredericksburg, VA

Retail Q1 2022

\$93,400

Median HH Income

YoY
Chg12-Mo.
Forecast**0.7%**

Population Growth

**3.2%**

Unemployment Rate



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

U.S. ECONOMIC INDICATORS Q1 2022

4.1%

GDP Growth

YoY
Chg12-Mo.
Forecast**11.3%**

Consumer Spending Growth

**11.2%**

Retail Sales Growth



Source: BEA, Census Bureau

ECONOMY: Employment on the Rise

The retail market has been in full recovery mode. The Fredericksburg region, Stafford County in particular, continues to benefit from consumer traffic produced by commuters to Northern Virginia and Quantico Marine Corps Base. Regional unemployment continues to decline, ending this quarter at 3.2% and remaining below the national rate of 3.8%. First-quarter employment is up 2.9% from the same period last year and is expected to continue to increase in the coming quarters. Forecasts show that job growth will continue to be seen in the Fredericksburg market during 2022. Steady population growth in this area will be seen as well.

SUPPLY AND DEMAND: Vacancy Rate Remains Constant

The vacancy rate in Q1 decreased slightly to 3.7%, ending the quarter lower than the 4.3% seen a year ago. Net absorption began the year positively with over 27,838 square feet (sf) being absorbed this quarter. Leasing activity was steady this quarter. The largest lease during the quarter was the 4,200-sf space located in the strip center of Four Mile Fork Business Center on Patriot Highway (formally Jefferson Davis Highway) in Spotsylvania County. Sales activity in the first quarter was steady, totaling over \$6 million. The largest sales were 525 Caroline Street, a 18,983-sf property in Fredericksburg City that sold for \$2.5M, and 809 Caroline Street, a 5,343-sf property in Fredericksburg City that also sold for \$1.3M. There were no completions this quarter. Construction began on the 10,640-sf freestanding retail space at 8324 Passapatanzy in Stafford for Dollar General. Leasing activity has continued to be strong in the retail market, and many are hoping this continues through the year.

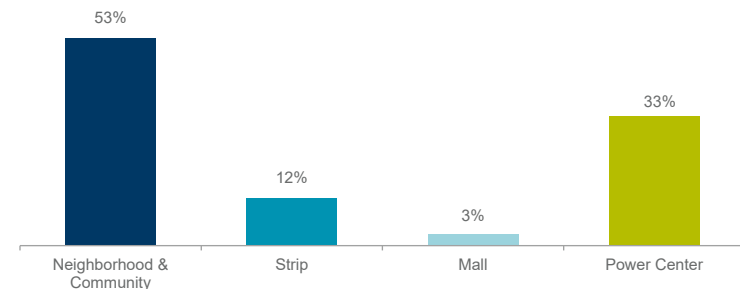
PRICING: Asking Rents Moving Upward

Retail rental rates increased, ending the first quarter at \$17.25 per square foot (psf). Rates were higher than those from the same period last year, which had a rate of \$16.63 psf. Asking rents grew steadily over the past few quarters, and this growth persists in the first quarter as well. King George County saw an increase and continues to command the highest rental rate in the market at \$18.78 psf. Spotsylvania County and Fredericksburg City also experienced growth during the quarter. Stafford County saw a slight decrease, while Caroline County remained at the same rate.

RENT / VACANCY RATE



AVAILABILITY BY PRODUCT TYPE



Fredericksburg, VA

Retail Q1 2022

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	8,314	1.3%	0	0	\$7.34
Fredericksburg City	543	5,450,936	7,551	207,826	3.8%	26,834	0	\$17.47
King George County	114	1,021,627	3,126	96,286	9.4%	2,476	10,640	\$18.78
Spotsylvania County	521	8,060,305	10,344	646	3.6%	3,256	0	\$17.87
Stafford County	471	5,471,744	8,763	164,227	3.0%	(4,728)	0	\$16.72
FREDERICKSBURG TOTALS	1,739	20,632,202	29,784	768,299	3.7%	27,838	10,640	\$17.25

*Rental rates reflect NNN asking \$PSF/Year

KEY LEASE TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	TENANT	SF	TYPE
4715 – 4763 Jefferson Davis Hwy.	Spotsylvania	Undisclosed	4,200	Direct
4256 – 4276 Plank Rd.	Spotsylvania	Selfie World	3,000	Direct
1150 – 1260 Stafford Marketplace	Stafford	Undisclosed	2,496	Direct
1210 Snowden St.	Fredericksburg	Undisclosed	2,211	Direct
1500 – 1540 Central Park Blvd.	Fredericksburg	Undisclosed	2,200	Direct

*Renewals included in leasing statistics

KEY SALES TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
525 Caroline St.	Fredericksburg	Timbernest Ltd. / Waters End Brewery	4,200	\$2.5M / \$131.70
809 Caroline St.	Fredericksburg	Daniel M. Cole / 809 Hldgs, LLC	3,000	\$1.3M / \$251.35
8903 Courthouse Rd.	Spotsylvania	Charles W. & Jacqueline Leopold / 8903 Courthouse LLC	2,493	\$1M / \$400.00
13000 Jefferson Davis Hwy.	Fredericksburg	Weston Interest, LLC / Centercare Bldg, LLC	2,211	\$1M / \$216.03
657 Lafayette Blvd.	Fredericksburg	C. Franklin & Virginia H. Powell / Waldrep Props, LLC	2,200	\$310K / \$128.68

KEY UNDER CONSTRUCTION PROJECTS

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER / DEVELOPER
8324 Passapatanzy	King George	Dollar General	10,640	Undisclosed

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