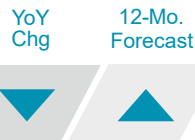


RICHMOND, VA

Retail Q1 2022



\$72,100
Median HH Income



0.5%
Population Growth



3.5%
Unemployment Rate



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

U.S. ECONOMIC INDICATORS Q1 2022

4.1%
GDP Growth



11.3%
Consumer Spending Growth



11.2%
Retail Sales Growth



Source: BEA, Census Bureau

ECONOMIC OVERVIEW: Population Growth Continues

Richmond's metro area population has continued to grow throughout the pandemic, following the upward trend of the last decade. Business Facilities has named Virginia as the top-ranked state for Best Business Climate and Top Tech Talent Pipeline, and Virginia is investing more than \$2 billion in its Tech Talent Investment Program, the largest state commitment to computer science education. The region expanded by more than 11% between 2010 and 2020 to more than 1.3 million, and that number is forecasted to grow at a similar rate over the next ten years. The area's unemployment rate continues to fall below the national average with an estimated 6,200 jobs added in February, a positive offset to the seasonal job losses typical at the start of the year. The quarter closed with unemployment at 3.5% for the metro area, down 40 basis points (bps) from the previous quarter and down 2.3% year-over-year (YOY). Richmond's business-friendly environment and affordable cost of living help to propel the region's economy, to encourage interest from existing businesses looking to expand, and to attract new businesses to the area.

SUPPLY AND DEMAND: Market Stabilization

As store closures have slowed in the evolving retail marketplace, the first quarter ended with positive net absorption of more than 229,000 square feet (sf), representing the fifth consecutive quarter of positive gains. Vacancy has declined to 3.4% overall, a decrease of 50 bps YOY while market rates have increased since the start of 2021. Overall vacancy is 60 bps lower than pre-pandemic levels and is nearing a historic low. New deliveries totaled 92,125 sf for the quarter, and with limited product currently under construction, leasing activity is forecasted to remain strong. Among the notable deals of the first quarter, Henrico County Public Schools leased 48,500 sf at Regency, a redevelopment whose overall makeup is trending to mixed-use as its tenant base continues to expand. HomeGoods leased 23,965 sf in the Creeks at Virginia Center, a power center anchored by Dick's Sporting Goods and located proximate to Virginia Center Commons, which is slated for redevelopment. The revamped site will include 500 apartments mixed with additional residential and retail space, a new hotel and conference center as well as the Henrico County Sportsplex.

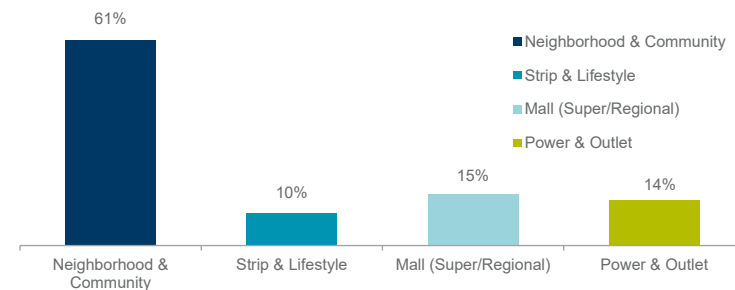
PRICING: Historic Highs

Demand for essential items reached all-time highs since the start of the pandemic with the population spending more dollars on these items, and investors have continued to target grocery-anchored centers as a result. San-Francisco-based Bailard closed on Charter Colony in Midlothian, a 71,700 sf center with Publix occupying the 48,000 sf anchor spot, at a price of \$23.85 million (\$332/sf). Seminole Trail Annex, LLC out of Charlottesville, VA acquired the Gold's Gym Plaza in western Henrico for \$13 million (\$105/sf). The five-building complex consists of 124,275 sf of retail space, including the 44,000 sf box occupied by Regal Cinemas.

RENT / VACANCY RATE



AVAILABILITY BY PRODUCT TYPE



RICHMOND, VA

Retail Q1 2022

	TOTAL BLDGS	INVENTORY (SF)	OVERALL VACANCY RATE	OVERALL CURRENT NET ABSORPTION (SF)	OVERALL YTD NET ABSORPTION (SF)	DELIVERIES YTD (SF)	UNDER CONSTR (SF)	OVERALL AVERAGE ASKING RENT
Broad St Corridor	271	4,832,144	3.2%	-16,292	-16,292	0	0	\$18.68
Colonial Heights	227	3,340,612	5.3%	-10,149	-10,149	0	0	\$19.00
Downtown	452	3,155,953	2.5%	-19,510	-19,510	0	0	\$16.88
East End	513	4,561,707	1.7%	-15,201	-15,201	9,100	17,700	\$17.55
Far West End North	32	327,728	1.4%	0	0	0	0	\$32.54
Far West End South	87	1,314,940	3.1%	-4,154	-4,154	0	0	\$14.55
Goochland	67	476,179	0.0%	0	0	0	33,915	\$12.00
Hopewell	170	1,297,226	7.4%	33,695	33,695	0	0	\$12.53
I-95 Ashland/NW	216	2,094,331	1.6%	-12,512	-12,512	0	5,300	\$15.65
I-95 Chamberlayne/NE	114	1,150,494	3.9%	-20,660	-20,660	3,000	0	\$11.81
Jeff Davis Corridor	525	3,106,190	1.3%	74,308	74,308	16,786	25,050	\$17.67
Laburnum/Route 360	464	2,854,948	6.4%	3,169	3,169	6,000	9,180	\$14.45
Louisa County	86	924,877	0.4%	1,840	1,840	0	4,650	\$22.00
Mechanicsville	222	2,880,294	3.2%	-4,526	-4,526	0	0	\$10.78
Midlothian E/Hull St	581	6,961,417	4.5%	-13,314	-13,314	0	0	\$13.36
Midlothian Village	137	1,848,708	4.4%	10,071	10,071	21,100	78,283	\$25.02
Midlothian West	302	6,930,500	6.5%	13,705	13,705	0	0	\$17.13
Near West End	673	3,913,065	3.2%	15,338	15,338	25,000	19,233	\$19.96
New Kent County	64	594,096	1.4%	-8,450	-8,450	0	0	\$23.50
Petersburg	408	3,184,639	2.7%	97,226	97,226	0	0	\$10.41
Powhatan	86	807,641	0.5%	-1,500	-1,500	0	0	\$18.59
Prince George	70	1,066,832	2.9%	5,000	5,000	0	0	\$16.00
Regency	120	2,727,020	2.8%	27,228	27,228	0	0	\$22.59
Short Pump	144	4,740,400	2.3%	21,424	21,423	0	8,000	\$19.66
South Chesterfield	349	4,064,559	3.3%	21,939	21,939	0	0	\$15.58
Staples Mill/Parham	360	5,301,760	2.5%	-11,371	-11,371	0	1,432	\$19.14
Swift Creek	189	3,836,711	3.9%	34,357	34,357	3,000	0	\$23.33
Willow Lawn	304	3,093,865	1.7%	7,599	7,599	8,139	0	\$26.03
RICHMOND, VA TOTALS	7,233	81,388,836	3.4%	229,259	229,259	92,125	202,743	\$16.61

*Rental rates reflect NNN asking \$psf/year.

KEY LEASE TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	TENANT	SF	TYPE
1400 N Parham Rd	Regency	Henrico County Public Schools	48,500	New
11525 Sunshade Ln	I-95 Ashland/NW	Camping World	46,056	New
Southgate Square	Colonial Heights	PetsMart Inc.	26,000	Renewal
Creeks at Virginia Center	Staples Mill/Parham	Home Goods	23,965	New

KEY SALES TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$PSF
Gold's Gym Plaza	Broad St Corridor	West Tower LLC & SugarOak Inv / Seminole Trail Annex LLC	124,275	\$13M / \$105
Charter Colony	Midlothian Village	Edens / Bailard	71,741	\$34M / \$332
9701 Midlothian Tpke	Midlothian West	Whitlow Properties Inc. / Sheehy Auto Stores	51,590	\$18M / \$341
Chesterfield Town Court	Midlothian West	Parasec / 101 North A St LLC	31,394	\$7M / \$220

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