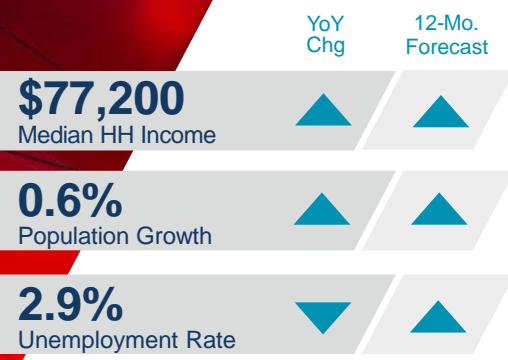


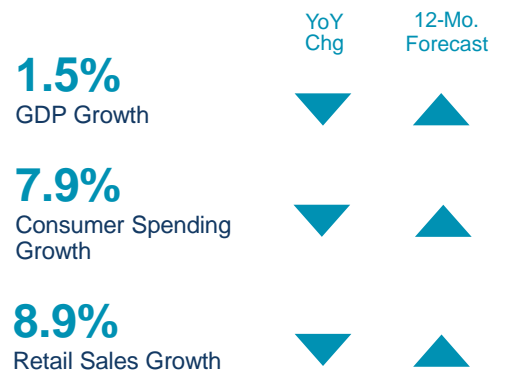
RICHMOND, VA

Retail Q3 2022



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

U.S. ECONOMIC INDICATORS Q3 2022



Source: BEA, Census Bureau

ECONOMIC OVERVIEW: Employment Numbers Rise

Virginia's statewide unemployment numbers have dropped to pre-pandemic levels, and Richmond's unemployment rate has followed that trend with a drop of 140 basis points year-over-year (YOY). Richmond has been ranked among the top 10 Best Metros for Corporate Headquarters by Business Facilities, and two Richmond communities – Innsbrook and Short Pump, both in western Henrico County – were also included among Stacker's top 50 Best Places to live in the U.S. The region's talent base is only expected to grow as recent projections from the University of Virginia estimate the population of Richmond City will increase 19.3% by 2050 with growth in Henrico County estimated at 26.4% and in Chesterfield County estimated at 38.4% in the same timeframe.

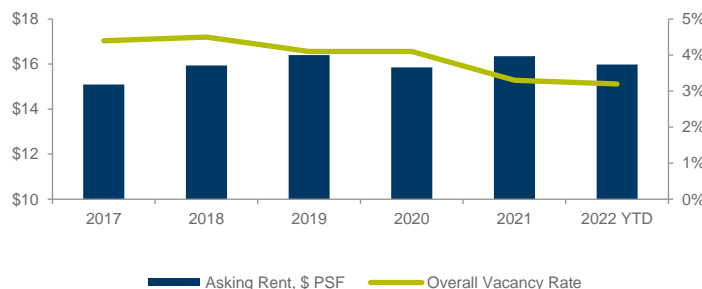
SUPPLY AND DEMAND: Vacancy Rates Remain Compressed

Vacancy rates continue to trend downward, ending the quarter down 50 basis points (bps) YOY and down 110 bps compared to pre-pandemic levels at the start of 2020. The construction pipeline is up 66% since the start of the year in terms of square footage, with 50% of new product located in the Swift Creek submarket in the southwest corridor of Chesterfield County. Duckridge Landing and The Lake are two major developments in the Swift Creek area with a total of 221,191 square feet (sf) between the two. Located adjacent to River City Sportsplex, The Lake will include a surf park and a 13-acre watersport lake with a mix of restaurants, hotels, retail, office, and entertainment options, and the complex is expected to draw more than 2.4 million visitors each year. With more than 68% of the product under construction preleased, the impact on the overall vacancy is projected to be an increase of no more than 20 bps when the new product is delivered in 2023 and is likely to be less as retailer demand for new construction remains strong.

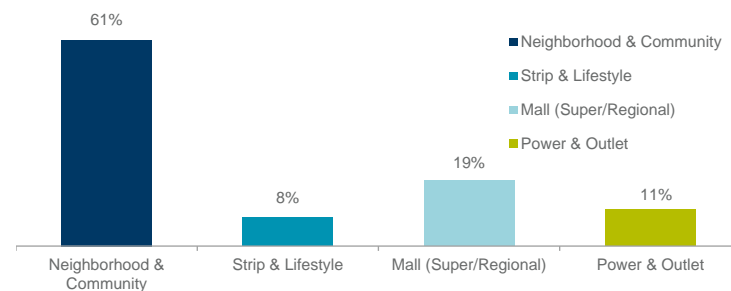
PRICING: Trending Upward

Year-to-date (YTD) leasing activity neared 1.8 million square feet (msf) at the end of the third quarter, a slight increase from the same period last year. Planet Fitness opened two new locations – one in the Mechanicsville market and one at Stony Point Village – and HomeGoods has signed on at Willow Place in Henrico County's near west end, a 77-000 sf complex slated for redevelopment and expansion. YTD sales volume has topped \$392 million, and while the number of transactions are down from 2021, sale pricing continues to trend upward, averaging \$171 per square feet (psf).

RENT / VACANCY RATE



AVAILABILITY BY PRODUCT TYPE



RICHMOND, VA

Retail Q3 2022

	TOTAL BUILDINGS	INVENTORY (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CONSTR (SF)	OVERALL AVG ASKING RENT
Broad St Corridor	269	4,836,631	2.5%	-4,657	-39,969	188,475	0	\$19.57
Colonial Heights	227	3,344,323	1.3%	3,327	12,163	66,674	0	\$18.88
Downtown	451	3,187,787	2.7%	16,046	-24,168	37,239	0	\$16.73
East End	513	4,422,188	1.8%	19,530	-3,265	40,758	8,000	\$13.03
Far West End North	32	329,402	2.7%	-4,266	-4,266	7,275	0	\$31.24
Far West End South	89	1,328,071	2.7%	9,601	2,172	33,694	0	\$14.54
Goochland	69	481,477	0.1%	11,264	10,016	16,454	8,465	\$12.00
Hopewell	169	1,293,433	8.1%	-128	24,937	0	0	\$12.28
I-95 Ashland/NW	218	2,118,817	0.8%	11,644	3,960	71,090	0	\$19.10
I-95 Chamberlayne/NE	115	1,153,406	3.6%	-1,080	-18,634	13,584	0	\$11.93
Jeff Davis Corridor	525	3,122,103	1.0%	21,166	92,524	56,986	13,650	\$18.52
Laburnum/Route 360	465	2,867,166	6.0%	10,375	28,782	47,755	2,500	\$14.26
Louisa County	89	932,923	0.8%	734	16,228	20,630	0	\$18.15
Mechanicsville	221	2,854,332	0.8%	-5,600	22,655	83,845	0	\$11.17
Midlothian E/Hull St	582	6,991,090	4.6%	15,419	-89,128	215,340	5,000	\$14.00
Midlothian Village	140	1,906,427	7.2%	-9,558	12,767	77,955	22,936	\$28.96
Midlothian West	302	6,917,335	7.7%	19,688	16,461	149,493	34,664	\$16.83
Near West End	667	3,847,805	2.9%	788	18,627	95,256	95,879	\$20.99
New Kent County	64	594,096	1.4%	0	-8,450	0	0	-
Petersburg	407	3,184,022	3.4%	-27,484	73,235	22,003	0	\$11.02
Powhatan	88	836,184	0.5%	0	16,400	2,135	0	\$19.39
Prince George	72	1,075,304	2.7%	1,640	6,880	240	0	\$16.00
Regency	120	2,607,767	4.3%	-3,009	-4,745	88,696	0	\$20.78
Short Pump	144	5,038,240	1.1%	75,388	179,485	109,233	0	\$18.98
South Chesterfield	351	4,063,650	3.5%	-2,980	25,056	58,546	13,805	\$15.43
Staples Mill/Parham	359	5,290,145	2.5%	60,624	50,155	106,687	19,400	\$9.56
Swift Creek	189	3,846,767	2.8%	-3,748	44,317	108,139	231,191	\$21.76
Willow Lawn	303	3,083,169	2.4%	-7,114	-14,061	78,171	3,200	\$28.87
RICHMOND, VA TOTALS	7,240	81,554,060	3.2%	207,610	450,134	1,796,353	458,690	\$16.02

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

KEY LEASE TRANSACTIONS Q3 2022

PROPERTY	SUBMARKET	TENANT	SF	TYPE
4700-5000 Commonwealth Centre Pky (Commonwealth Center)	Swift Creek	Painted Tree Boutiques	34,000	New
7504-7580 W Broad St (Merchants Walk)	Broad St Corridor	AutoZone	30,000	New
5400 W Broad St (Willow Place)	Broad St Corridor	HomeGoods	22,627	New
7290-7297 Battle Hill Dr (Bell Creek Commons)	Mechanicsville	Planet Fitness	17,850	New
300 Stony Point Rd (Stony Point Village)	Midlothian West	Planet Fitness	17,476	New

KEY SALES TRANSACTIONS Q3 2022

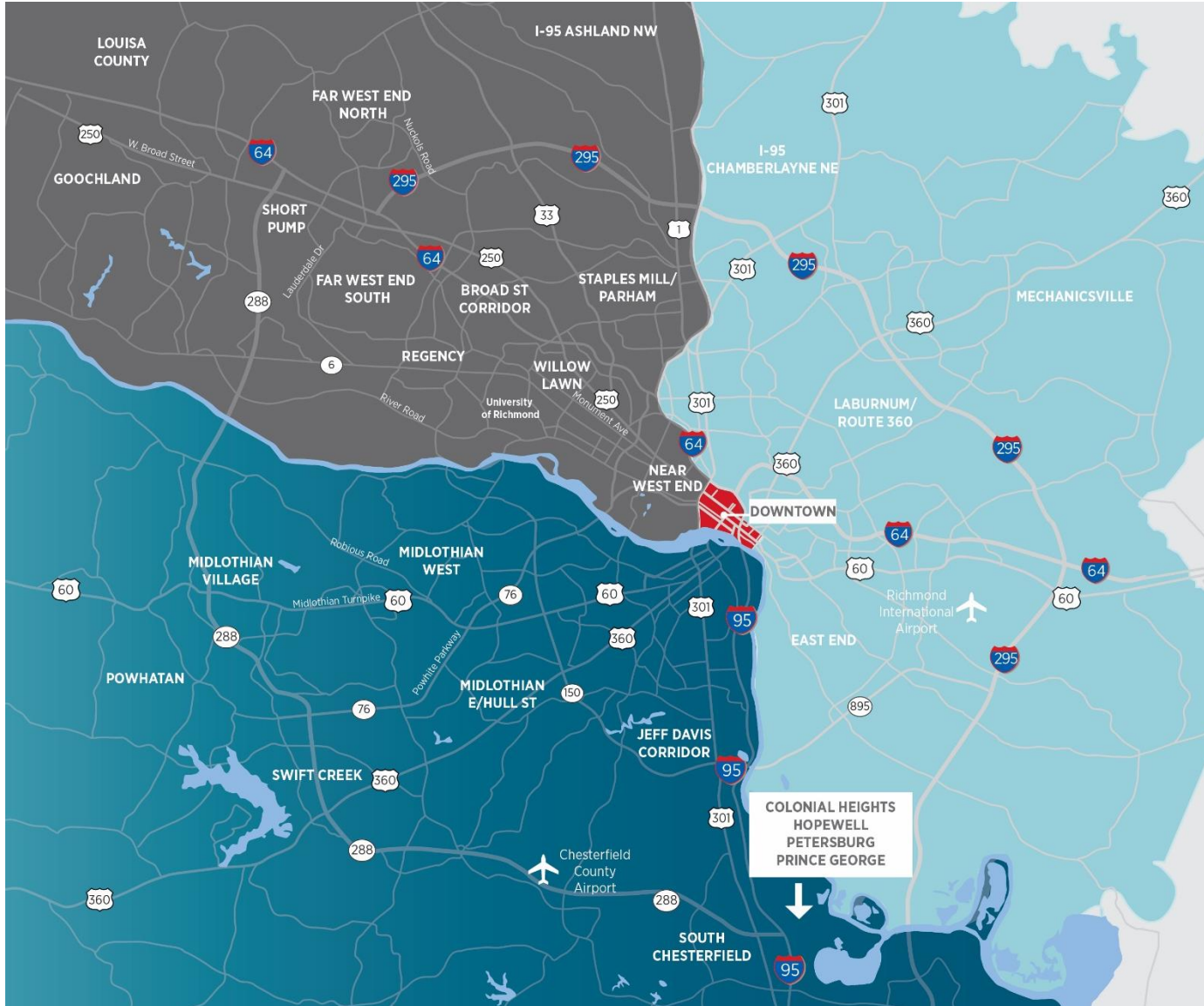
PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$PSF
14722-14742 Village Square Place	Swift Creek	Lucca Properties LLC / Mahases Vs LLC	21,823	\$2.25M / \$103
3214 Skipwith Road	Broad St Corridor	Truist Bank / Madison Marquette	18,376	\$2M / \$109
213-215 W Broad Street	Downtown	RCS Properties / Jane and George LLC	15,600	\$3.4M / \$218

RICHMOND, VA

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RETAIL SUBMARKETS



LIZ GREVING

Research Manager
Tel: +1 804 697 3560
liz.greving@thalhimer.com

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