

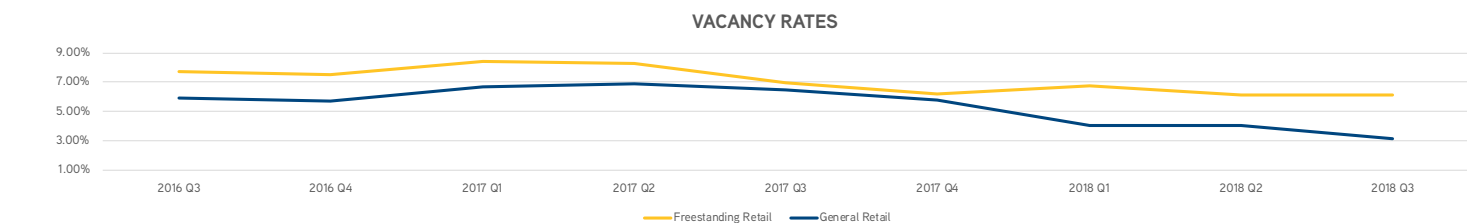
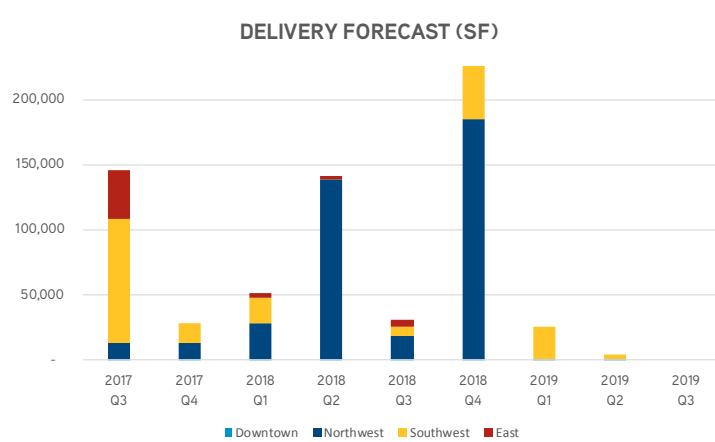
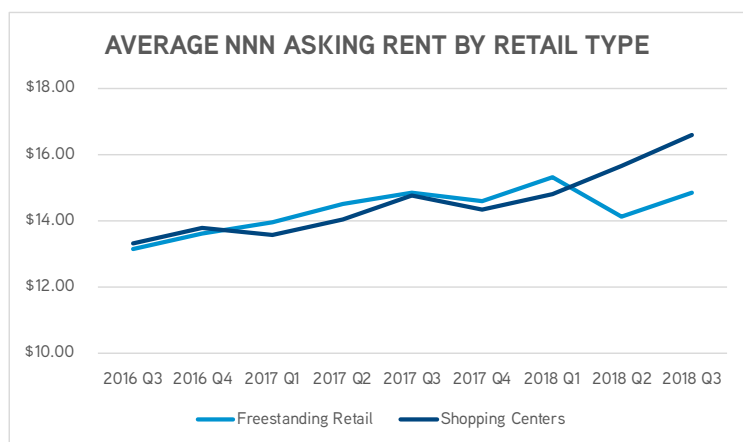
		DOWNTOWN	SOUTHWEST	NORTHWEST	EAST
<b>Inventory</b> (SF)	Freestanding Retail	1,488,790	4,931,420	7,796,509	2,399,329
	Shopping Centers	43,373	14,965,530	14,246,506	4,977,848
<b>Average Asking Rent</b> (NNN)	Freestanding Retail	\$14.66	\$14.43	\$14.92	\$12.53
	Shopping Centers	N/A	\$15.88	\$17.77	\$13.31
<b>Vacancy Rate</b>	Freestanding Retail	7.80%	2.60%	2.30%	3.40%
	Shopping Centers	0.00%	8.60%	5.30%	4.40%
<b>Net Absorption</b> (SF)	Freestanding Retail	(7,417)	(4,953)	19,442	9,000
	Shopping Centers	0	43,391	58,453	18,657

## MARKET TOTALS

**Net Absorption**  
173,377

**Vacancy**  
5.3%

**Asking Rents**  
\$16.38





Richmond’s retail market has been healthy, with vacancies compressing since 2011 and closely tracking the national average. Metro rents have shown incredible growth this year, increasing by more than 4.5% as of early September—by far the strongest growth this cycle. Sales have not followed suit, though, with roughly \$151 million recorded this year, compared with \$312 million in 2017.

Retail demand can at least partially be attributed to Richmond’s rapid growth. Employment growth is among the strongest in the country, thanks to the business-friendly environment. Job creation resulted in 6% population growth from 2010–15 and has led to median household income above the national average.

Popular shopping locales in Richmond have traditionally been within the beltway but outside of the downtown area, focusing on densely populated, affluent areas like Midlothian and Short Pump. However, the influx of young professionals looking for jobs and a low cost of living could lead to a fundamental change in fast-growing retail corridors. It has caused a migration that highlights the expansion of

Richmond’s true “downtown” area east, west, and south of its CBD, which could lead to retail growth in core Richmond neighborhoods like Manchester, Scott’s Addition, the Fan, and Church Hill/East End in addition to the CBD.

Manchester, Scott’s Addition, and the East End haven’t experienced much retail growth over the past 10 years, but they are some of the most rapidly changing neighborhoods. The inflow of young professionals paired with the reurbanization taking place nationwide has led to explosive multifamily development since 2010, which bodes well for retail demand. Additionally, the construction pipeline indicates that developers are being conservative and avoiding speculative building, which could continue to aid growth.

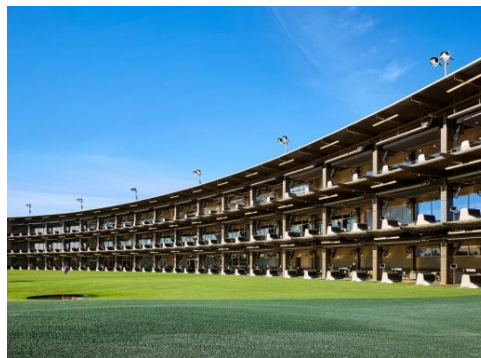
Construction is down from this cycle’s peak, but development continues in high-income areas like the western and northwestern suburbs, where population and income growth are high relative to rates in the overall metro.

**SIGNIFICANT MARKET ACTIVITY**

SALES	SUBMARKET	SALE DATE	SIZE	PRICE	PRICE / SF	BUYER	NOTES
14760 Hull Street Road	Swift Creek	Aug 2018	26,000	\$5,650,000	\$217.31	BYTEGRID Holdings LLC	1031 Exchange
Courthouse Place	Midlothian West	Sep 2018	21,660	\$5,000,000	\$230.84	William Calomiris LLC	Investment
Rockwood Plaza & Tower Plaza	Midlothian/West End	Sep 2018	61,534	\$6,225,000	\$101.16	SugarOak Realty	Investment
9100 Three Chopt Road	Regency	Sep 2018	2,375	\$2,560,000	\$1,077.89	Rebkee Ptrs Three Chopt LLC	Investment
Ruby Tuesday (Part of Portfolio)	Glen Allen	Jul 2018	5,451	\$2,330,000	\$427.44	Leon Capital Group	Investment
Ruby Tuesday (Part of Portfolio)	Richmond	Jul 2018	4,692	\$1,970,000	\$419.86	Leon Capital Group	Investment
Burger King	I-95 Chamberlayne	Jul 2018	4,432	\$2,326,862	\$525.01	North American Development Corp	Investment
LEASES	SUBMARKET	LEASE DATE	SF LEASED	TENANT	NOTES		
Oxbridge Square Shopping Center	Midlothian/ E Hull	Aug 2018	116,250	Big Lots	New Lease		
Chesterfield Towne Center	Midlothian West	Sep 2018	29,000	Crunch Fitness	New Lease		
Parham Plaza Shopping Center	Regency	Jul 2018	21,089	T.J. Maxx	New Lease		
Dimmock Square Shopping Center	Colonial Heights	Jul 2018	12,000	Shoe Carnival	Renewal		
South Creek Shopping Center	Powhatan	Aug 2018	10,000	Fast Feet Sports Academy	New Lease		
7225 Bell Creek Road	Mechanicsville	Aug 2018	7,274	Lazy Daisy	New Lease		
The John Marshall	Downtown	Jul 2018	7,139	Hotel Greene	New Lease		



Leon Capital Group purchased the former Ruby Tuesday locations at 5310 W. Broad St. in Willow Lawn and at 9830 W. Broad St. near Innsbrook for a total of \$4.3 million. The national restaurant chain closed the Willow Lawn location in March and the Gas-kins-area location in July.



The biggest trend in retail is entertainment uses. high-tech golf driving ranges has secured the site for its first Richmond-area location. Topgolf paid \$5.7 million for the 14-acre parcel at 2308 Westwood Ave.



Although it may not be set in stone within the next 12 months, localities are updating their zoning and infrastructure. For example, ss development in Scott’s Addition continues to surge, planners in Henrico County are making preparations to capture expected spillover from the city’s hottest neighborhood, dubbing it “Scott’s Addition 2.0”

**FOR MORE INFORMATION:**

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