



# Q1 2025 RETAIL MARKET REPORT

# Retail Market - Key Trends Snapshot

## Retail Market

**Overview:** The retail real estate market in Virginia had a strong start to 2025. Net absorption was positive for the second straight quarter, vacancy rates dropped, and rent levels continue to climb. The construction pipeline continues to slowdown with less space under construction than last year, and less space delivered.

**Absorption:** In the first quarter of the year, the retail market saw 351,123 sq ft of net absorption, up from Q1 2024. For the second straight quarter, Hampton Roads had the highest net positive absorption level at 246,341 sq ft while Richmond had 57,932 sq ft of negative net absorption.

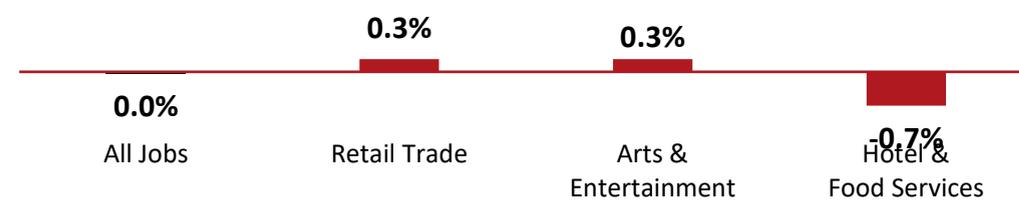
**Vacancy Rate:** With less space available on the market, Virginia experienced its lowest overall retail vacancy rate in 12 years. The vacancy rate in Q1 2025 was 3.6%, down from 3.8% the previous year. Small/Neighborhood retail vacancy rates have held steady at 1.9% and vacancy rates for large/big box retail fell to 4.8%. Harrisonburg had the lowest vacancy rate in the state at 1.5% followed by Lynchburg at 2.6%.

**Rent:** Lower vacancies have contributed to the 3.2% increase in retail rents, bringing the average price per sq ft to \$17.89 this quarter. Rent levels rose the fastest for small/neighborhood up 5.2% in Q1 2025 compared to the same time last year. Within the metro areas, the market with the sharpest decrease in rental prices was Lynchburg at -7.5%. Charlottesville was the only metro area to experience double-digit growth with retail rents climbing up 10.6% from a year ago.

**Supply+ Deliveries:** Retail construction dropped this quarter with actively under construction down 30.1% from the year before and deliveries down by 22.6%. Most of the new construction and deliveries came from Hampton Roads and Richmond with smaller retail making up a significant portion of the space delivered.

JOB  
TRACKER  
(VIRGINIA)

Retail-Supporting Job Sectors (% Chg Jan-25 to Feb-25, seasonally adjusted)



## VIRGINIA (Statewide)



### Market Indicator Dashboard

	YoY Chg	Q1-2025	Indicator
% chg	0.2%	463,946,570	Total Inventory (sq. ft)
sq. ft	577,774	351,123	Net Absorption (sq. ft)
pct point	-0.2%	3.6%	Vacancy Rate (%)
\$ per sq. ft	\$0.56	\$17.89	Full Service Rent (\$ per sq. ft)
sq. ft	-69,030	237,080	New Supply Delivered (sq. ft)
sq. ft	-456,457	1,057,563	Under Construction (sq. ft)



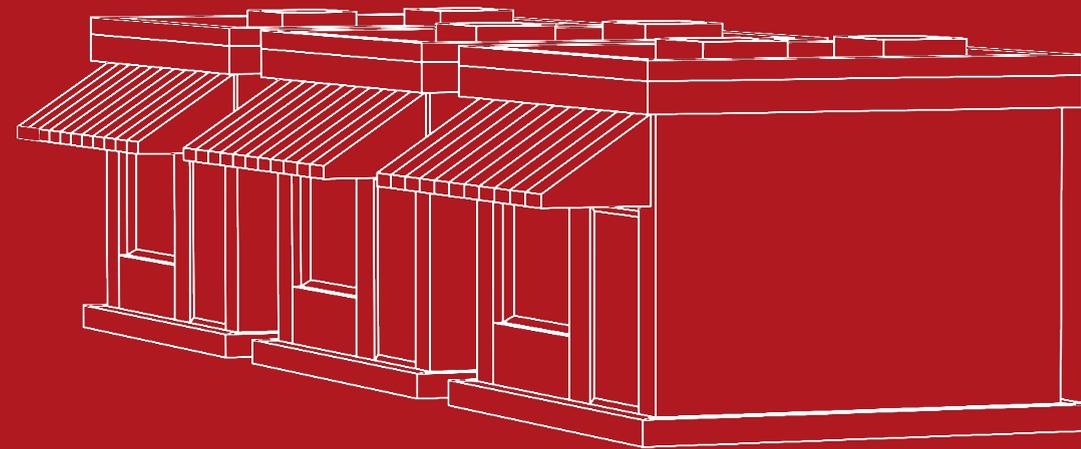
### Economic Indicator Dashboard

	MoM % Chg	Feb-25	Indicator
% chg	0.0%	4.3	Total Jobs (in millions, seasonally adjusted)
% chg	-0.2%	808.4	Retail-Supporting Jobs (in thousands, seasonally adjusted)
pct point	0.1%	3.1%	Unemployment Rate (% seasonally adjusted)
pct point	QoQ Chg -0.7%	Q4-2024 2.4	Gross Domestic Product (% chg from prior year)

## Virginia Retail Market

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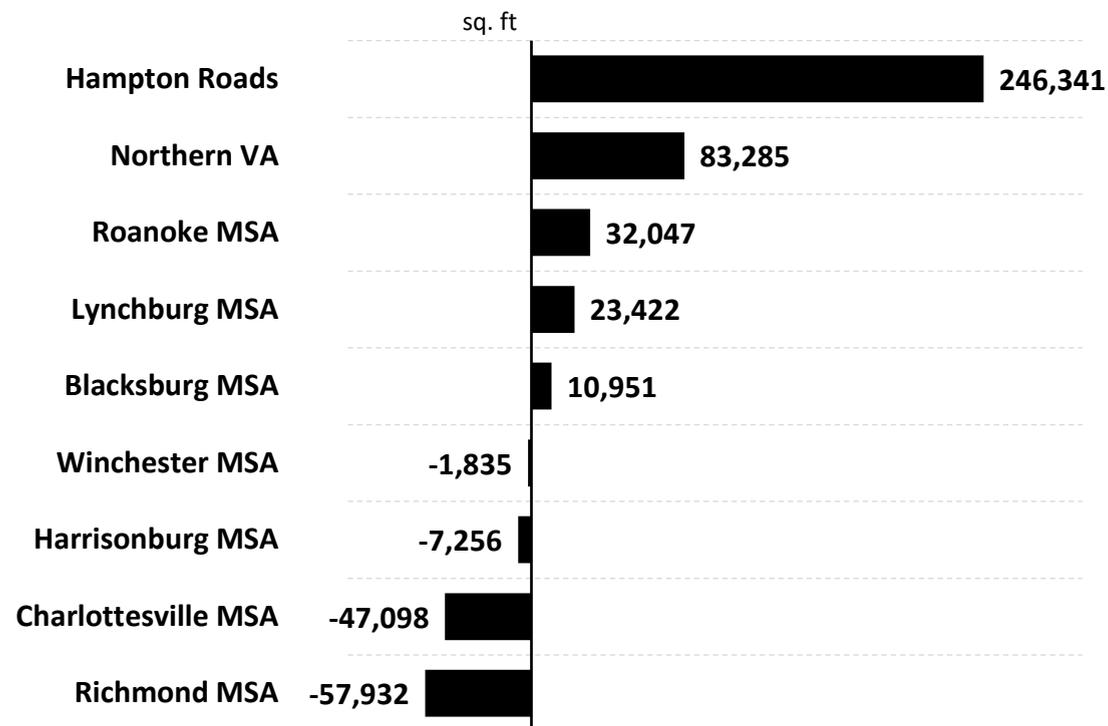
# Retail Market - Absorption & Construction Trends

## VIRGINIA (Statewide)

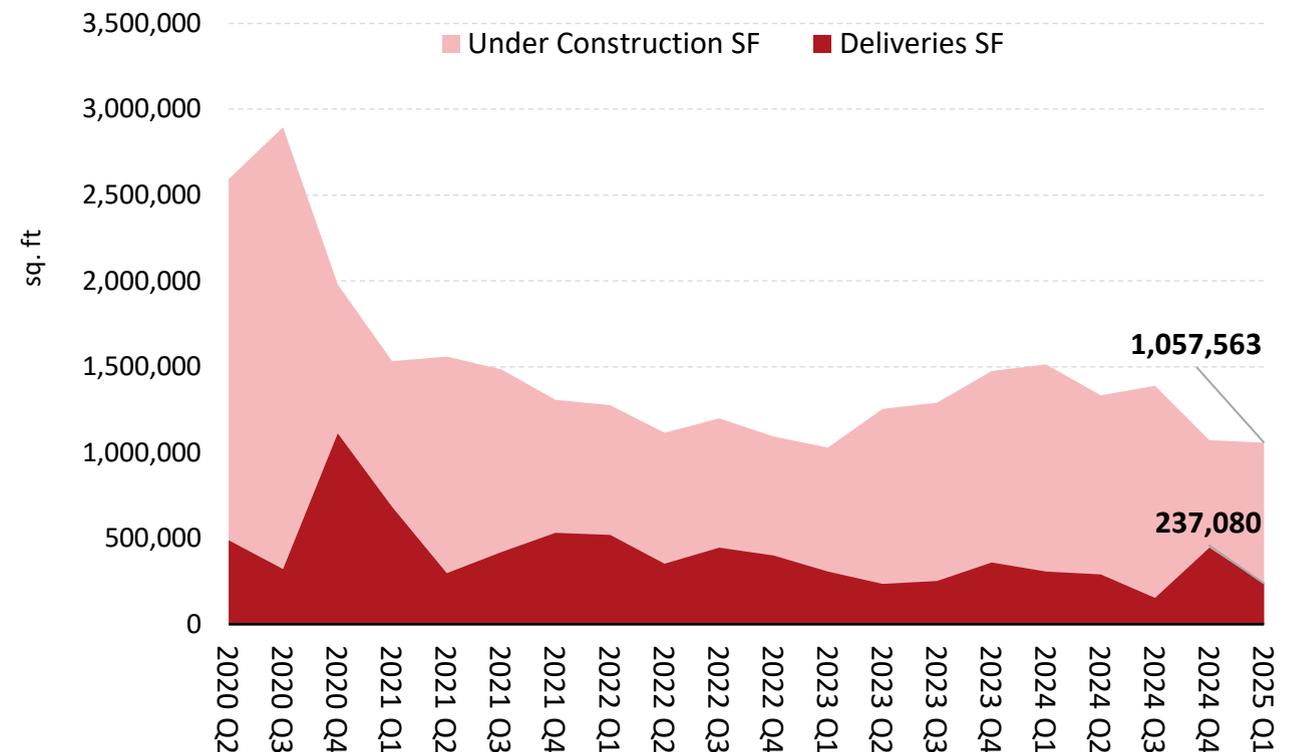
Net Absorption (sq. ft)



Q1-2025 Net Absorption by Metro Area (sq ft)

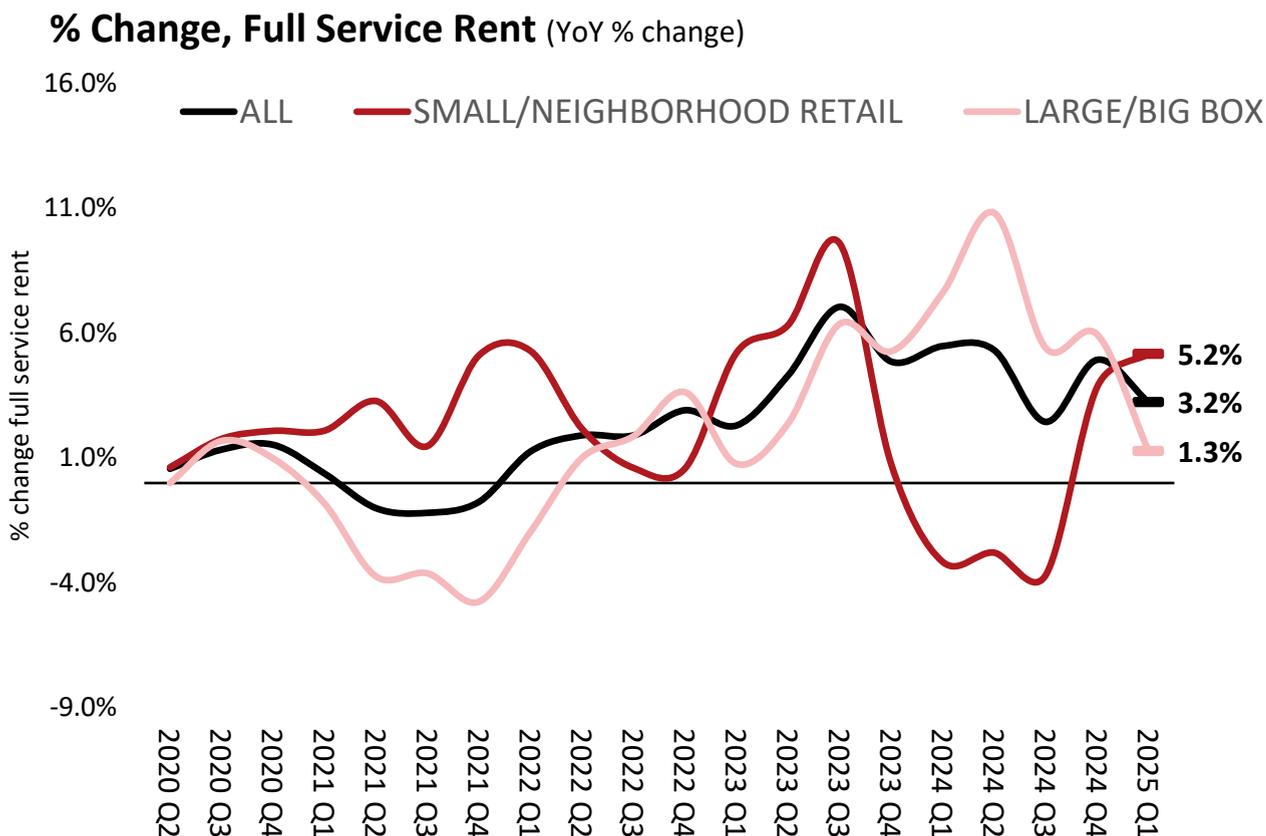
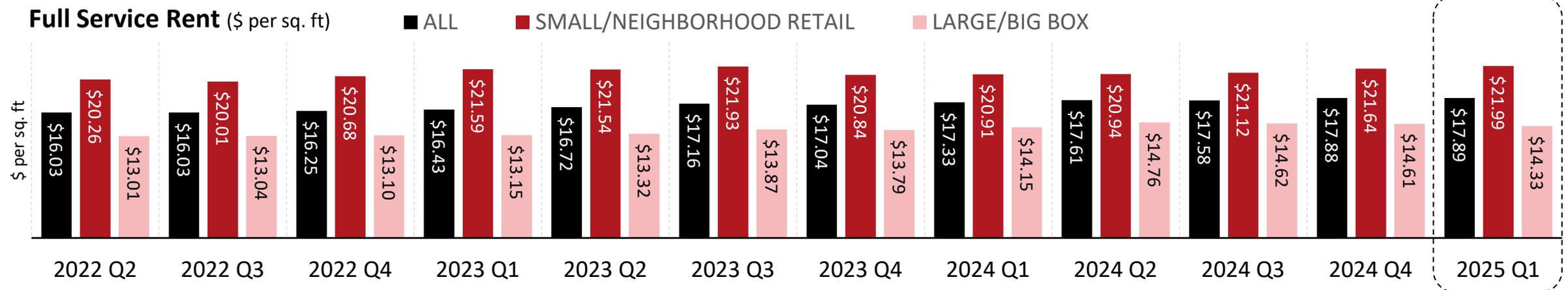


Under Construction & Net Deliveries (sq. ft)

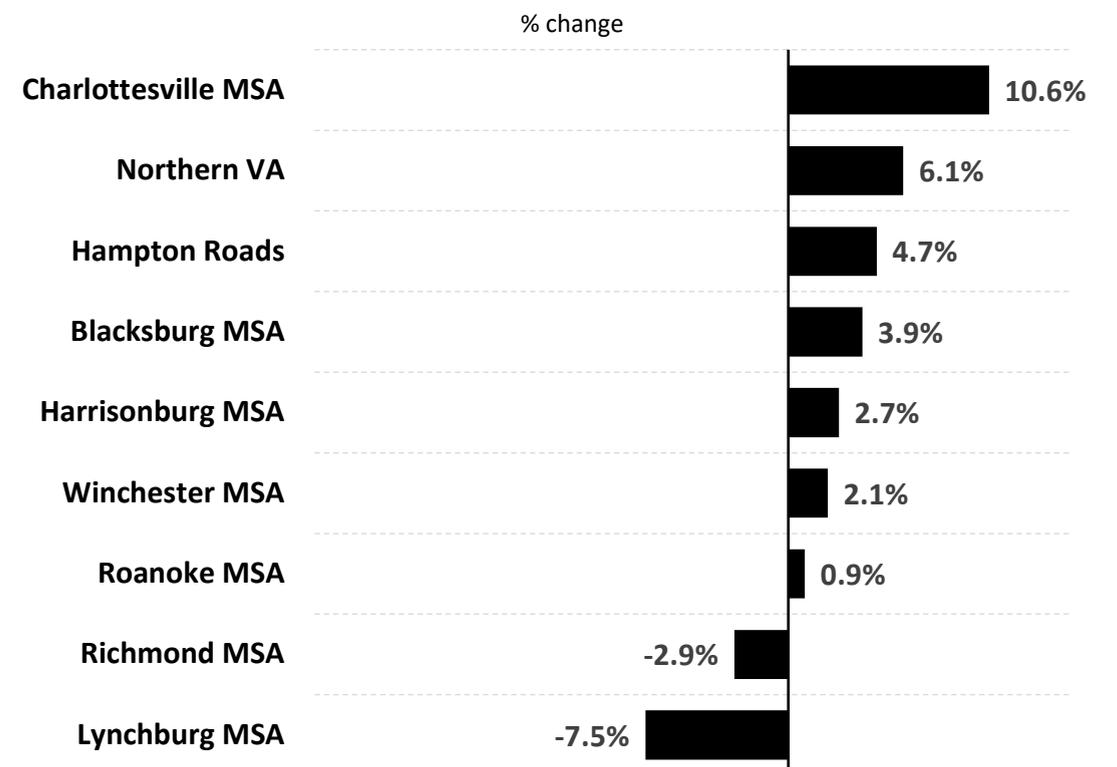


# Retail Market - Rent Trends

## VIRGINIA (Statewide)

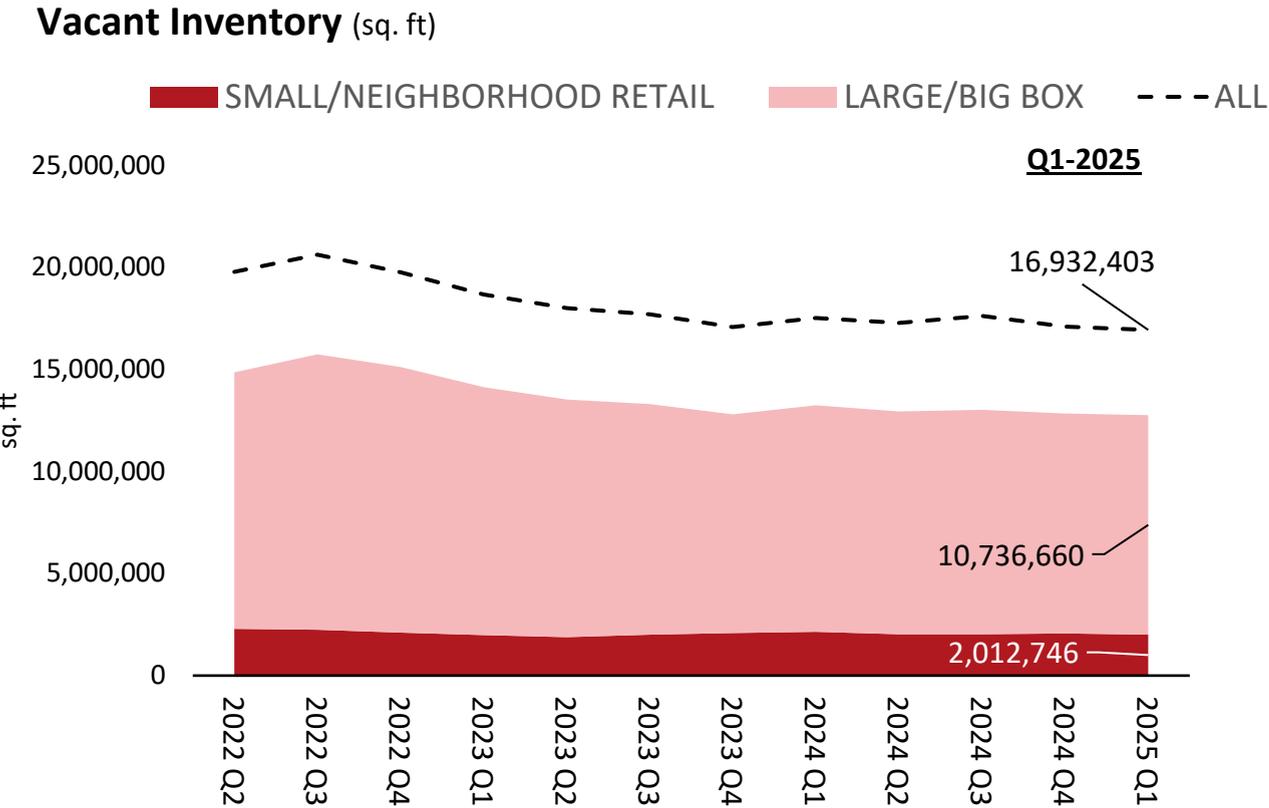
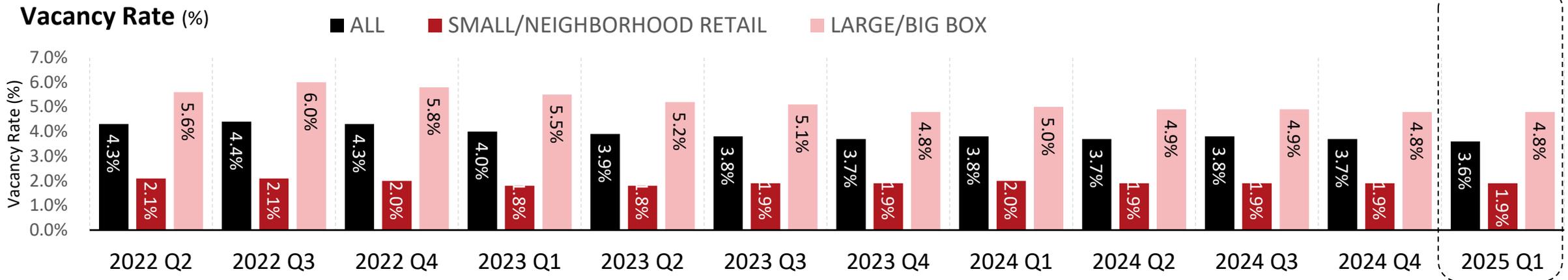


### Q1-2025 by MSA: % Change, Full Service Rent (YoY % change)

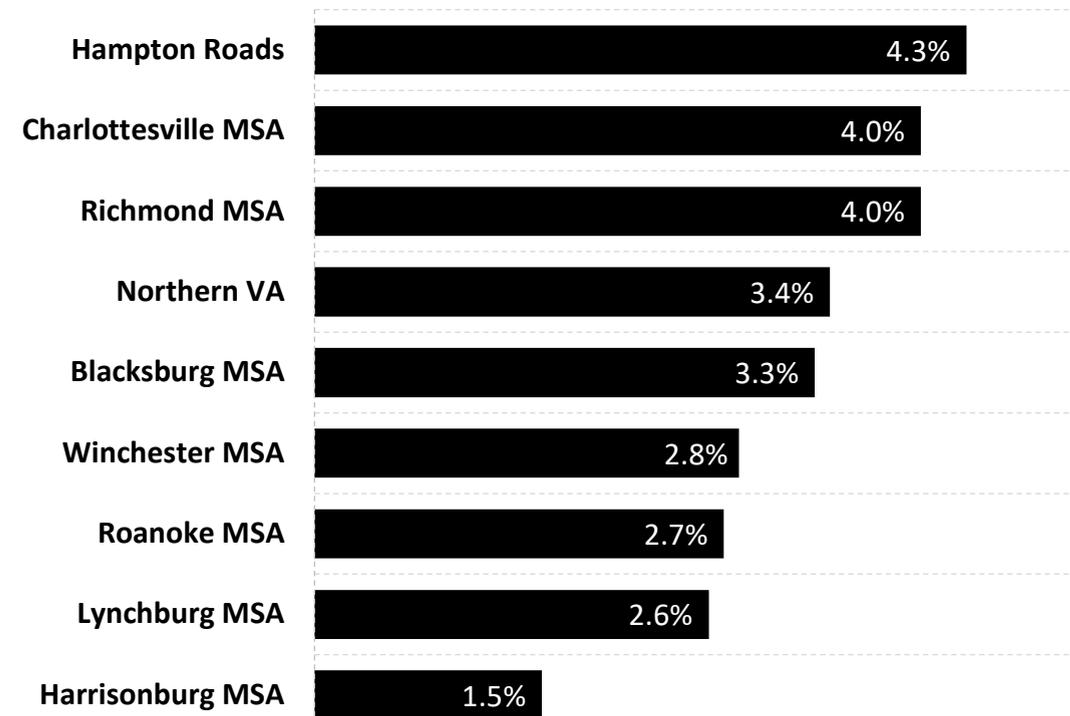


# Retail Market - Vacancy Trends

## VIRGINIA (Statewide)



### Q1-2025 Retail Vacancy Rate by MSA



# MSA TRENDS

METROPOLITAN STATISTICAL AREA

Q1



2025

RETAIL  
Market Report



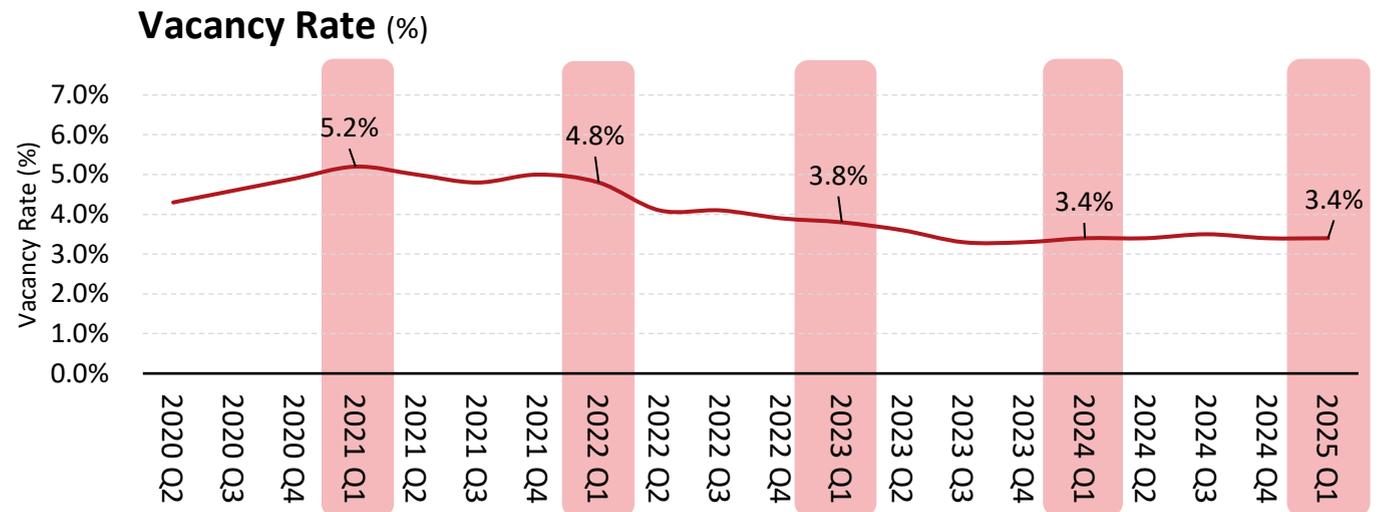
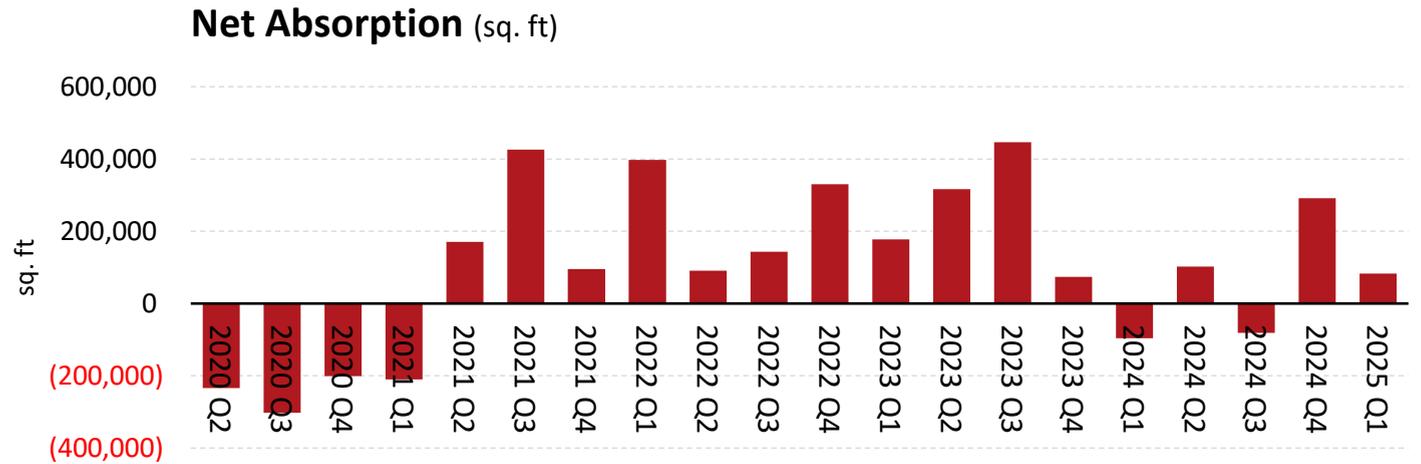
*Snapshot of Retail Market Conditions Around Virginia*

# Retail Market - MSA Trends

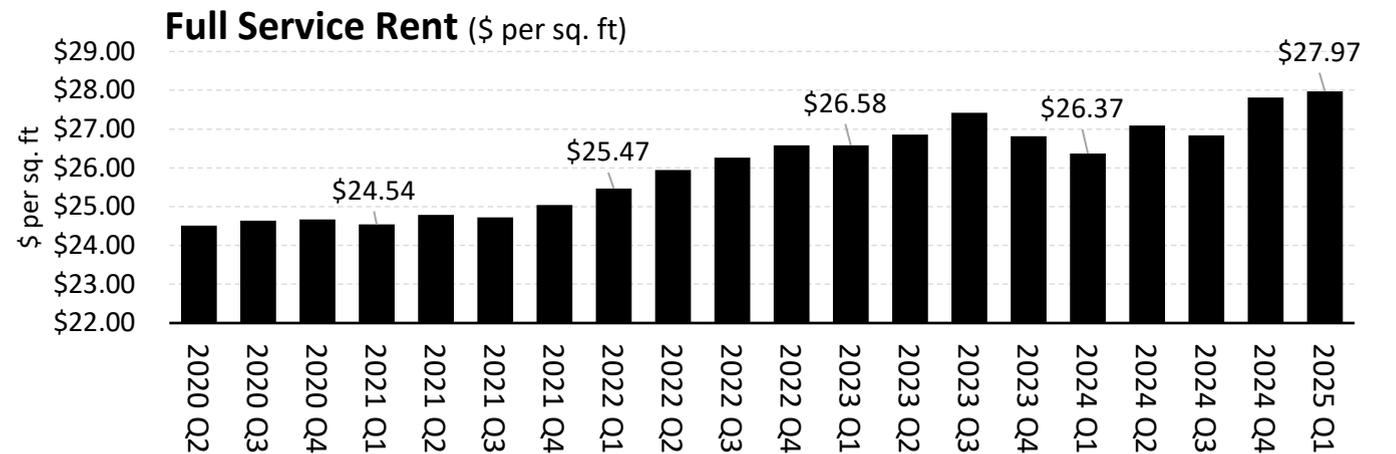
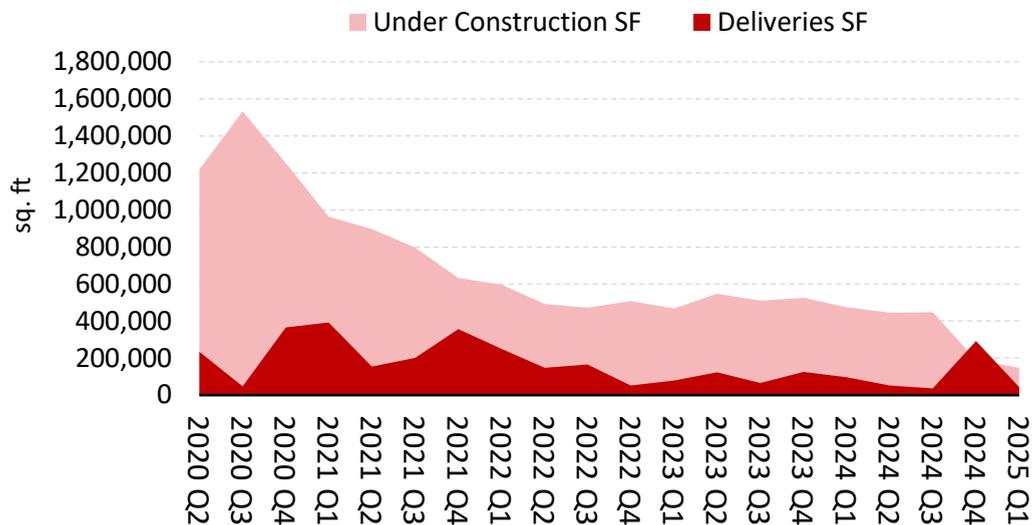
## NORTHERN VIRGINIA

### Local Market Indicator Dashboard

	Q1-2025	YoY Chg	
Total Inventory (sq. ft, millions)	<b>139.7</b>	<b>0.2%</b>	% chg
Vacancy Rate (%)	<b>3.4%</b>	<b>0</b>	pct points
Net Absorption (sq. ft)	<b>83,285</b>	<b>179,704</b>	sq. ft
Avg Full Service Rent (\$ / sq. ft)	<b>\$27.97</b>	<b>\$1.60</b>	\$ per sq. ft
Deliveries (sq. ft)	<b>42,347</b>	<b>-55,085</b>	sq. ft
Under Construction (sq. ft)	<b>147,506</b>	<b>-327,904</b>	sq. ft



### Under Construction & Net Deliveries (sq. ft)



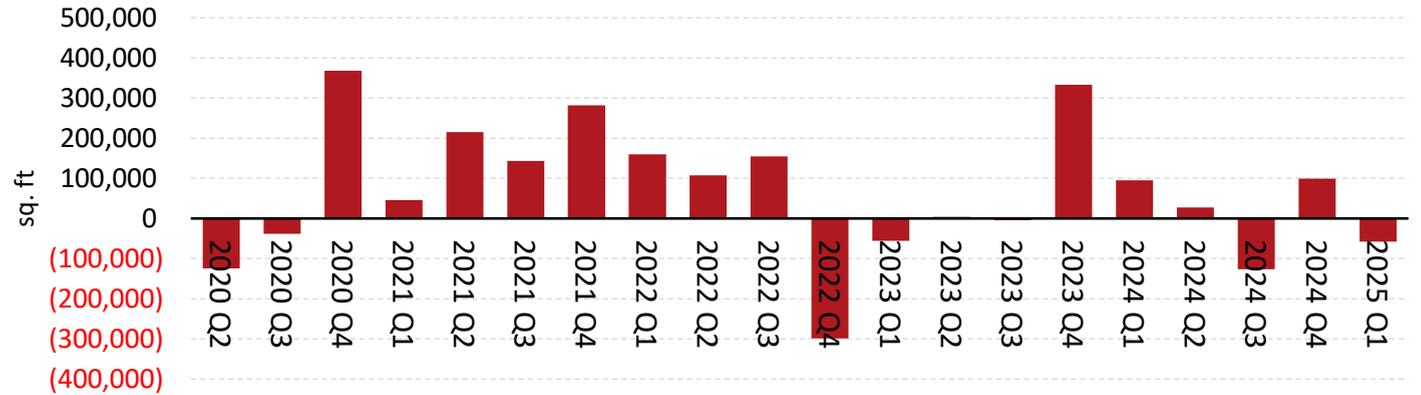
# Retail Market - MSA Trends

## RICHMOND MSA

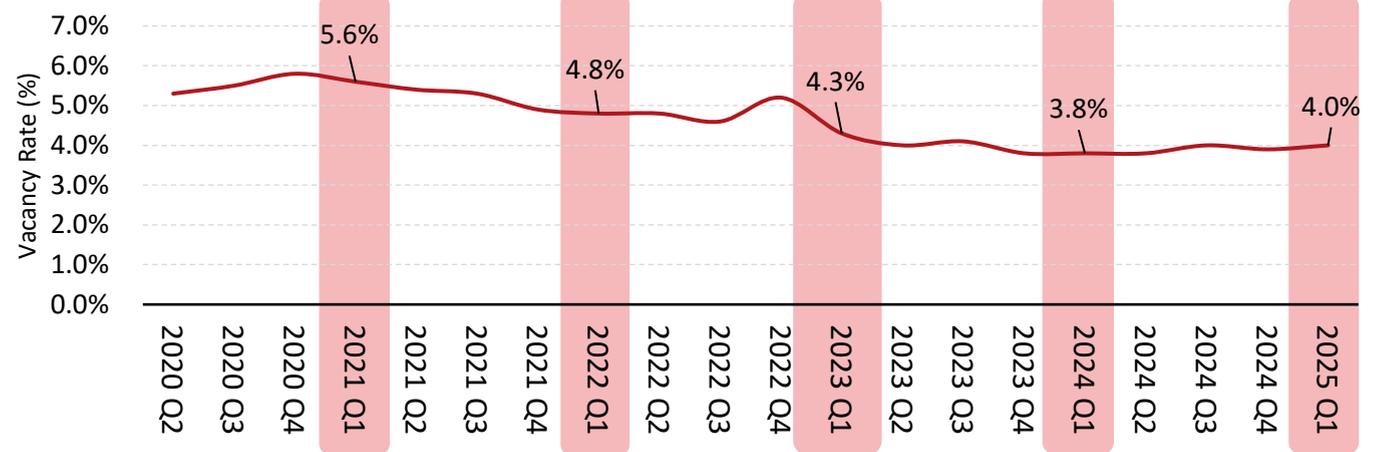
### Local Market Indicator Dashboard

	Q1-2025	YoY Chg	
Total Inventory (sq. ft, millions)	<b>81.1</b>	<b>0.1%</b>	% chg
Vacancy Rate (%)	<b>4.0%</b>	<b>0.2%</b>	pct points
Net Absorption (sq. ft)	<b>(57,932)</b>	<b>-152,989</b>	sq. ft
Avg Full Service Rent (\$ / sq. ft)	<b>\$18.74</b>	<b>-\$0.55</b>	\$ per sq. ft
Deliveries (sq. ft)	<b>89,156</b>	<b>8</b>	sq. ft
Under Construction (sq. ft)	<b>249,699</b>	<b>-31,063</b>	sq. ft

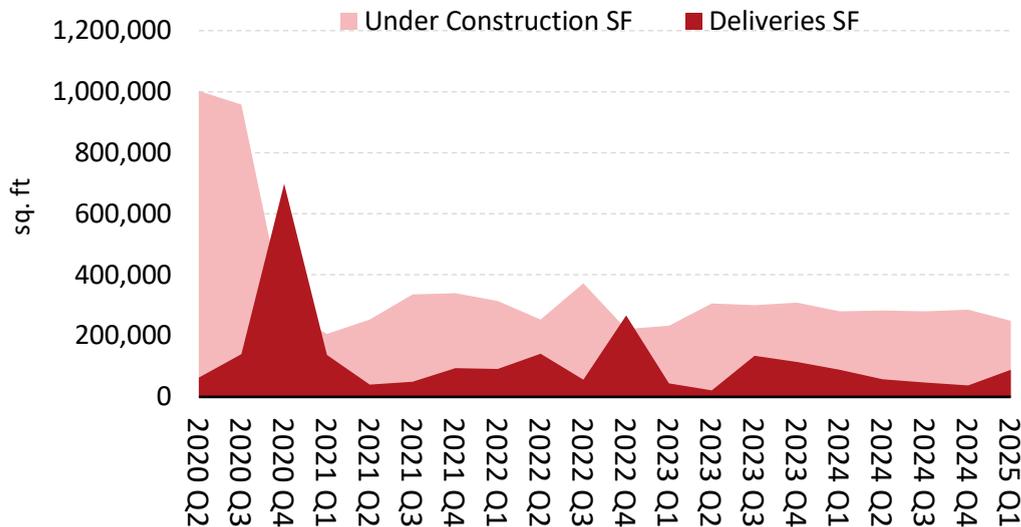
### Net Absorption (sq. ft)



### Vacancy Rate (%)



### Under Construction & Net Deliveries (sq. ft)



### Full Service Rent (\$ per sq. ft)



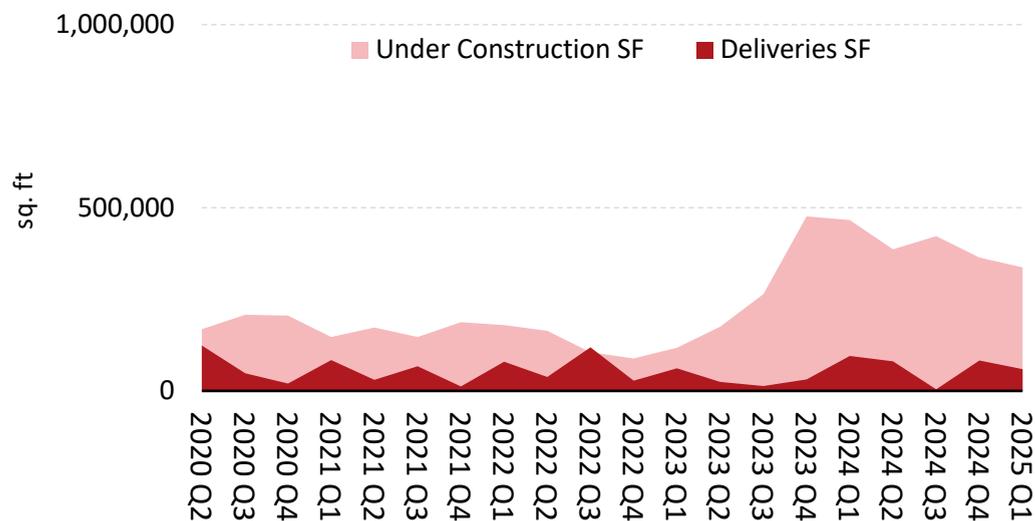
# Retail Market - MSA Trends

## HAMPTON ROADS

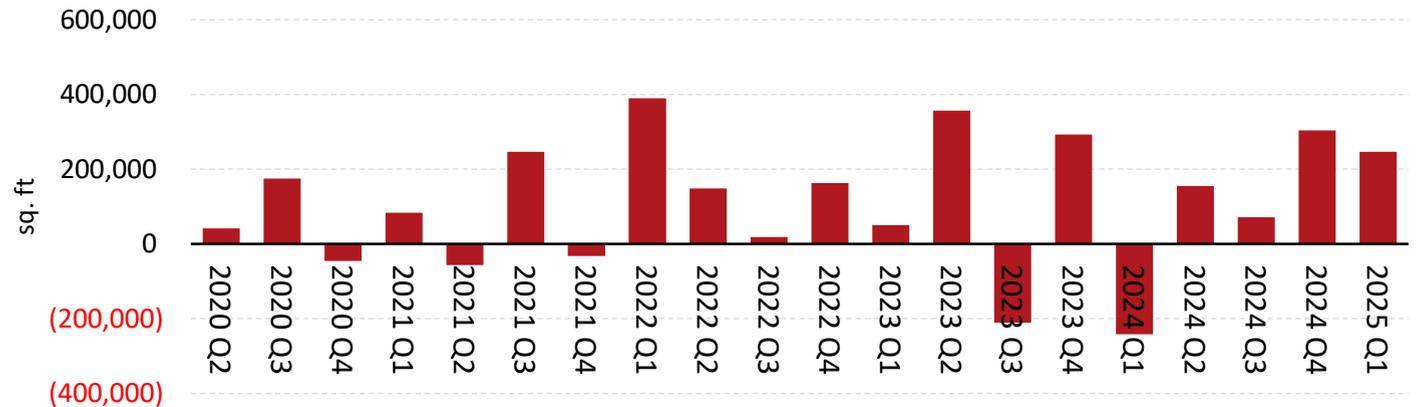
### Local Market Indicator Dashboard

	Q1-2025	YoY Chg
Total Inventory (sq. ft, millions)	<b>108.0</b>	<b>0.2%</b> % chg
Vacancy Rate (%)	<b>4.3%</b>	<b>-0.6%</b> pct points
Net Absorption (sq. ft)	<b>246,341</b>	<b>487,639</b> sq. ft
Avg Full Service Rent (\$ / sq. ft)	<b>\$16.60</b>	<b>\$0.74</b> \$ per sq. ft
Deliveries (sq. ft)	<b>59,387</b>	<b>-35,546</b> sq. ft
Under Construction (sq. ft)	<b>336,669</b>	<b>-130,076</b> sq. ft

### Under Construction & Net Deliveries (sq. ft)



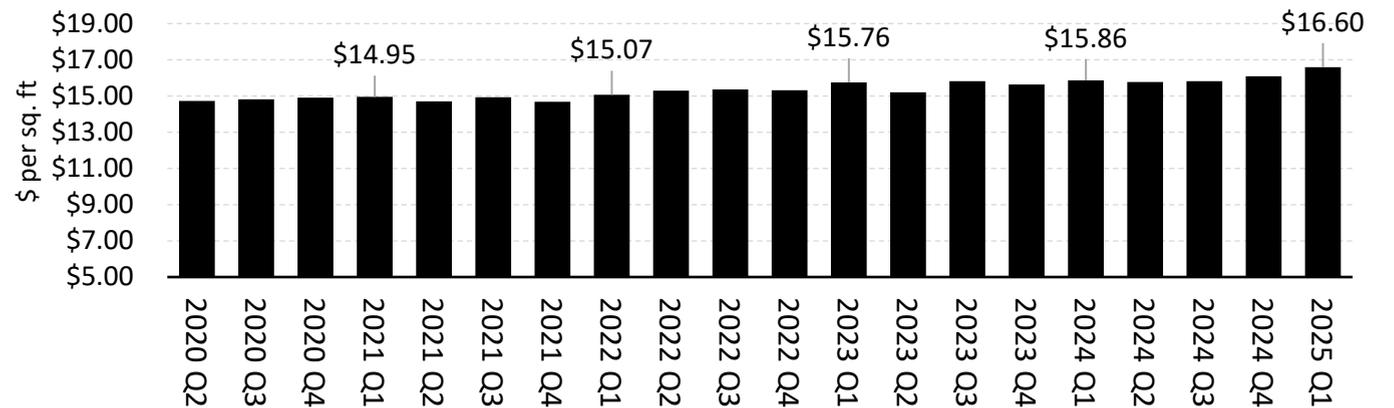
### Net Absorption (sq. ft)



### Vacancy Rate (%)



### Full Service Rent (\$ per sq. ft)

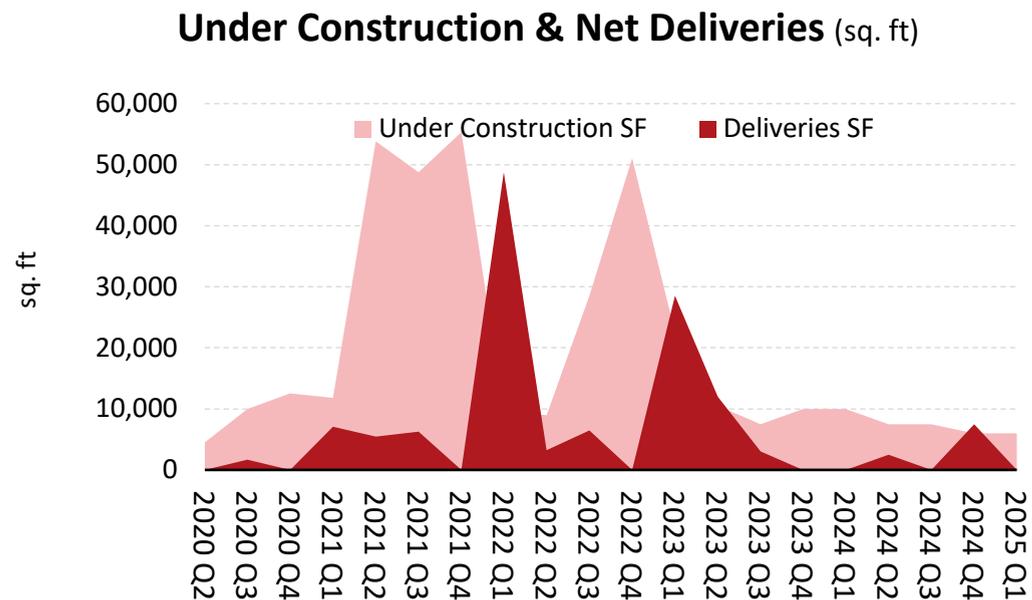
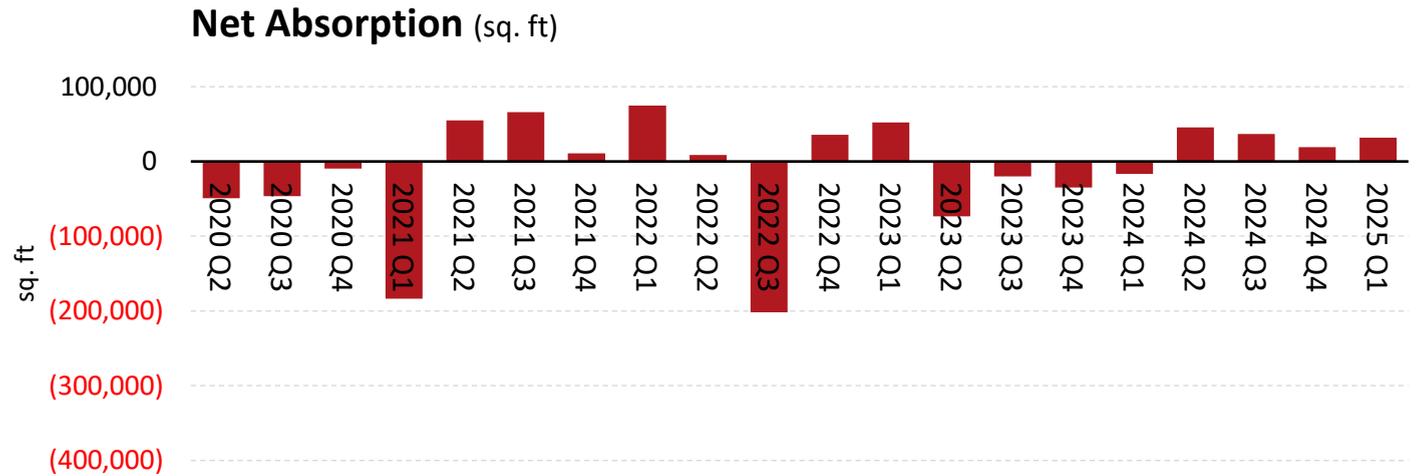


# Retail Market - MSA Trends

## ROANOKE MSA

### Local Market Indicator Dashboard

	Q1-2025	YoY Chg	
Total Inventory (sq. ft, millions)	24.1	0.0%	% chg
Vacancy Rate (%)	2.7%	-0.5%	pct points
Net Absorption (sq. ft)	32,047	48,553	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$13.82	\$0.12	\$ per sq. ft
Deliveries (sq. ft)	0	\$ -	sq. ft
Under Construction (sq. ft)	6,000	-4,000	sq. ft

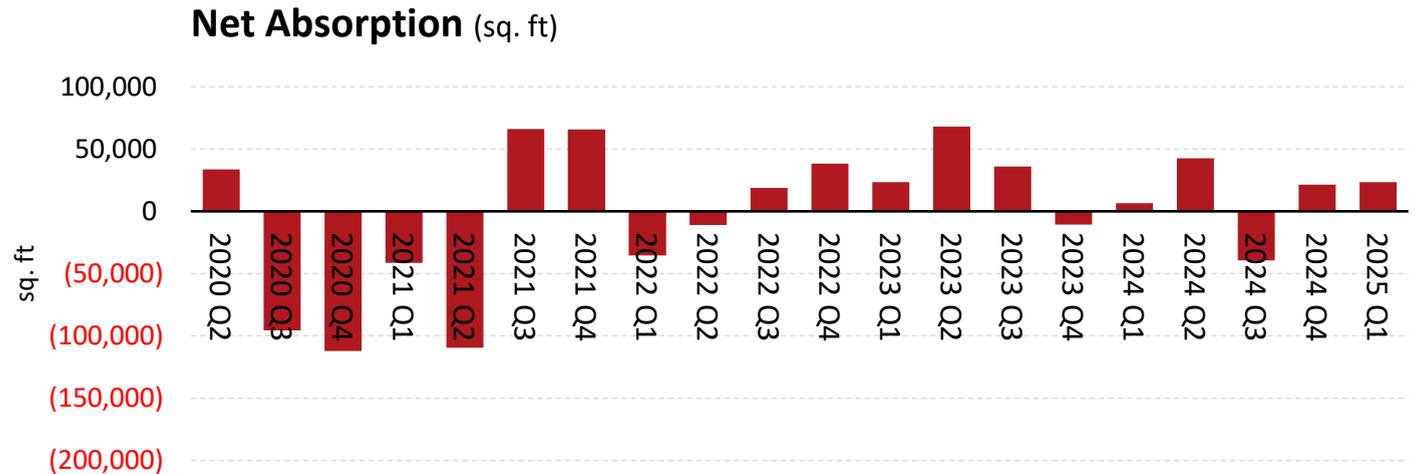


# Retail Market - MSA Trends

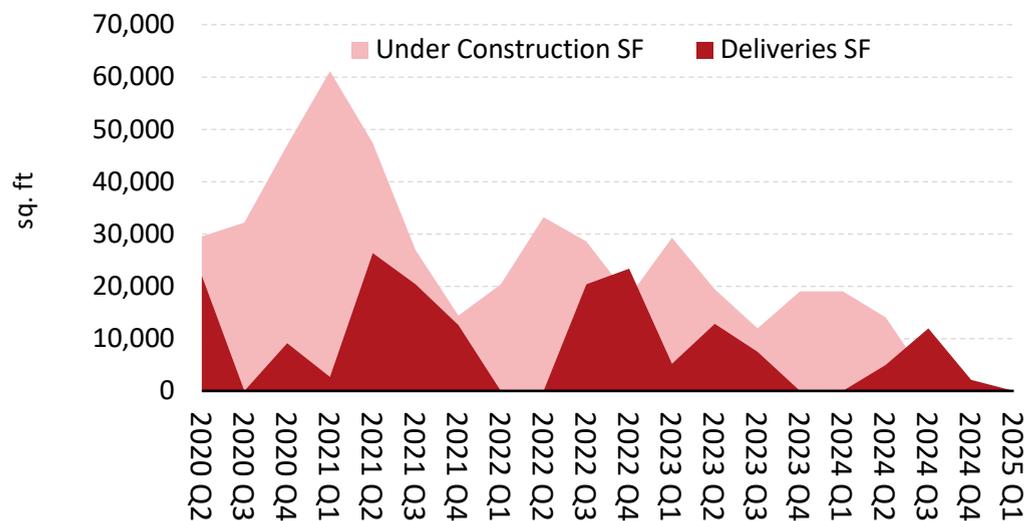
## LYNCHBURG MSA

### Local Market Indicator Dashboard

	Q1-2025	YoY Chg	
Total Inventory (sq. ft, millions)	14.5	0.1%	% chg
Vacancy Rate (%)	2.6%	-0.2%	pct points
Net Absorption (sq. ft)	23,422	16,872	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$15.33	-\$1.25	\$ per sq. ft
Deliveries (sq. ft)	0	0	sq. ft
Under Construction (sq. ft)	0	-19,022	sq. ft



### Under Construction & Net Deliveries (sq. ft)

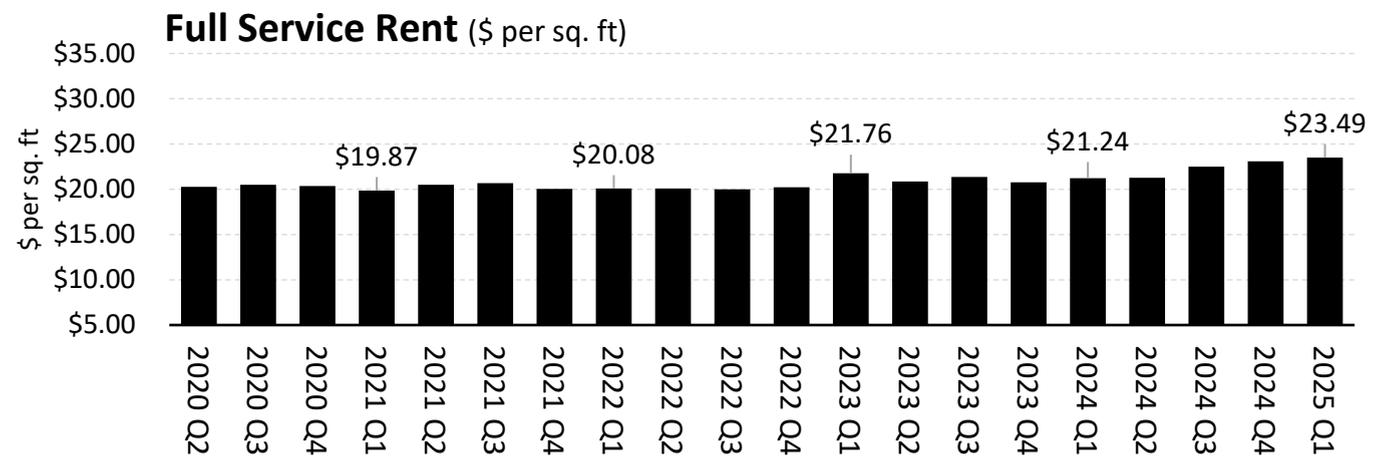
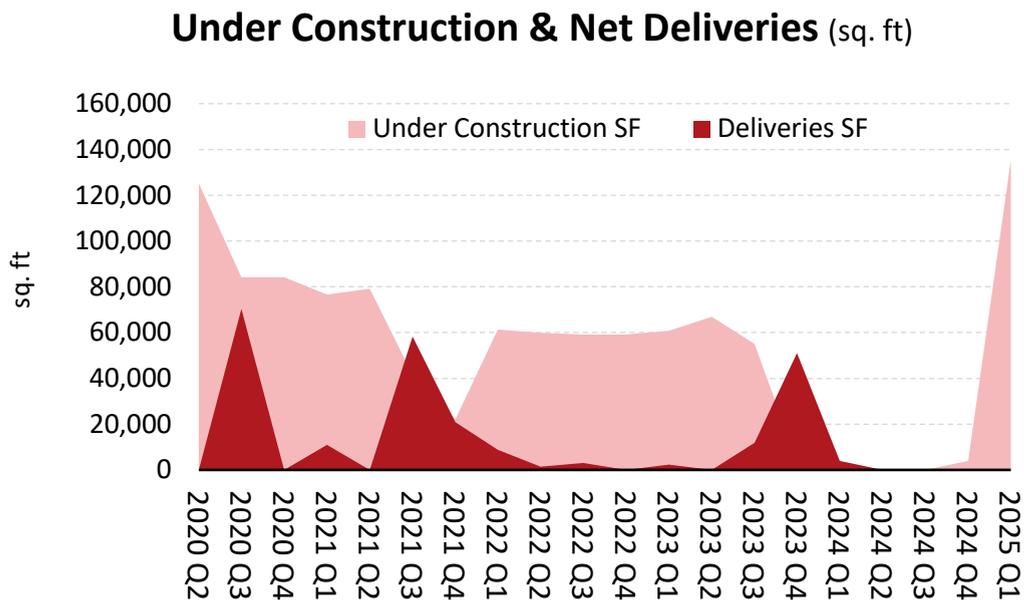
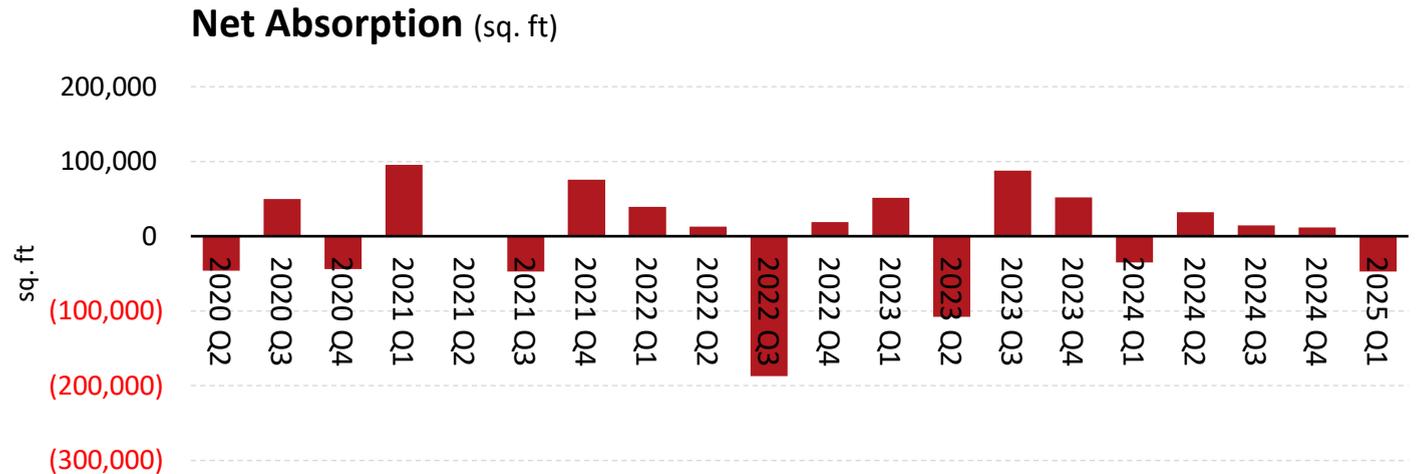


# Retail Market - MSA Trends

## CHARLOTTESVILLE MSA

### Local Market Indicator Dashboard

	Q1-2025	YoY Chg	
Total Inventory (sq. ft, millions)	10.6	-1.0%	% chg
Vacancy Rate (%)	4.0%	-1.1%	pct points
Net Absorption (sq. ft)	(47,098)	-11,816	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$23.49	\$2.25	\$ per sq. ft
Deliveries (sq. ft)	0	-4,000	sq. ft
Under Construction (sq. ft)	135,262	135,262	sq. ft

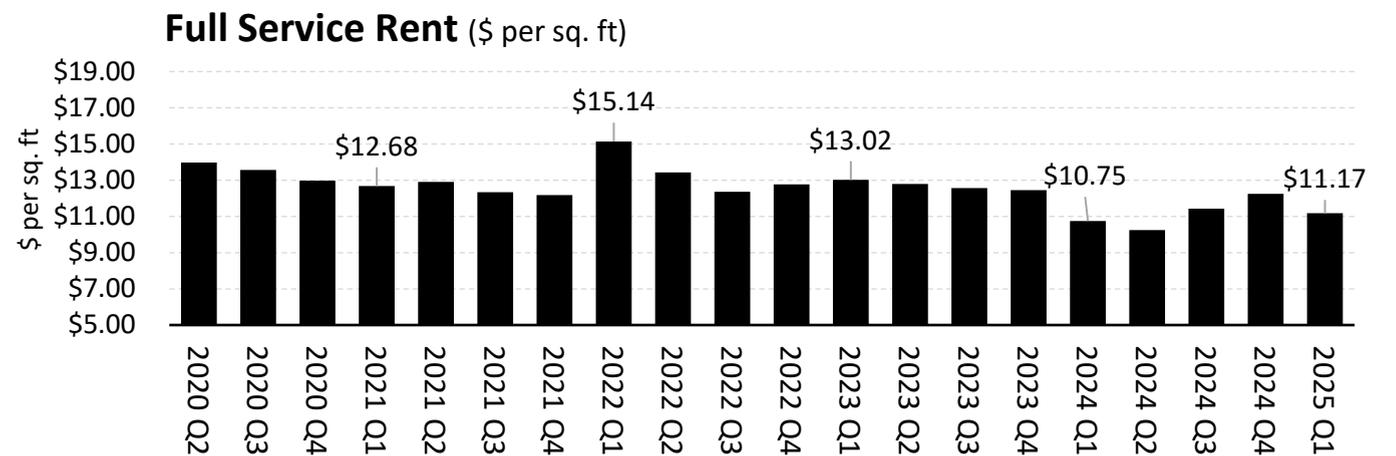
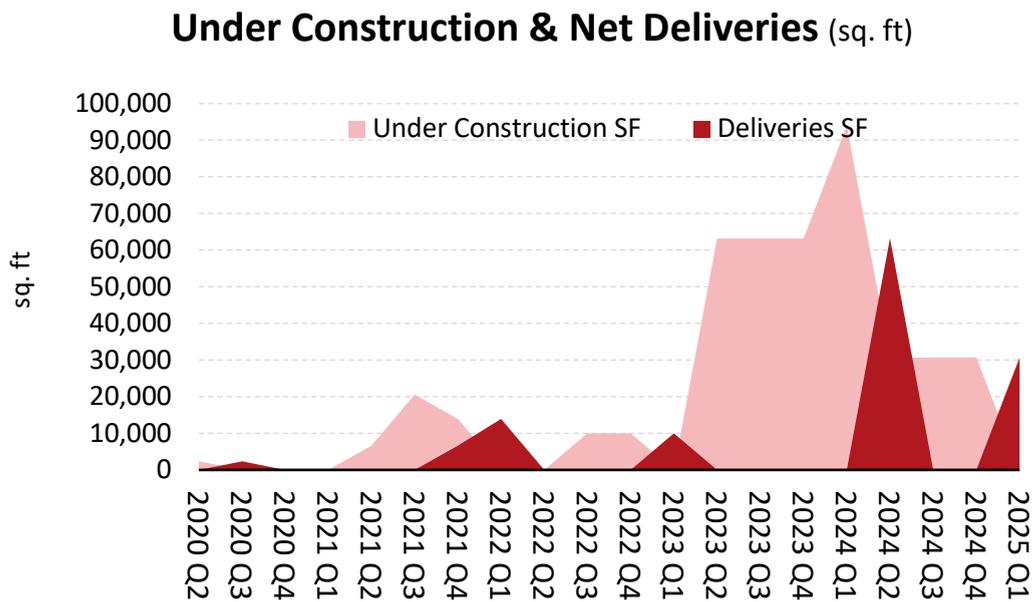
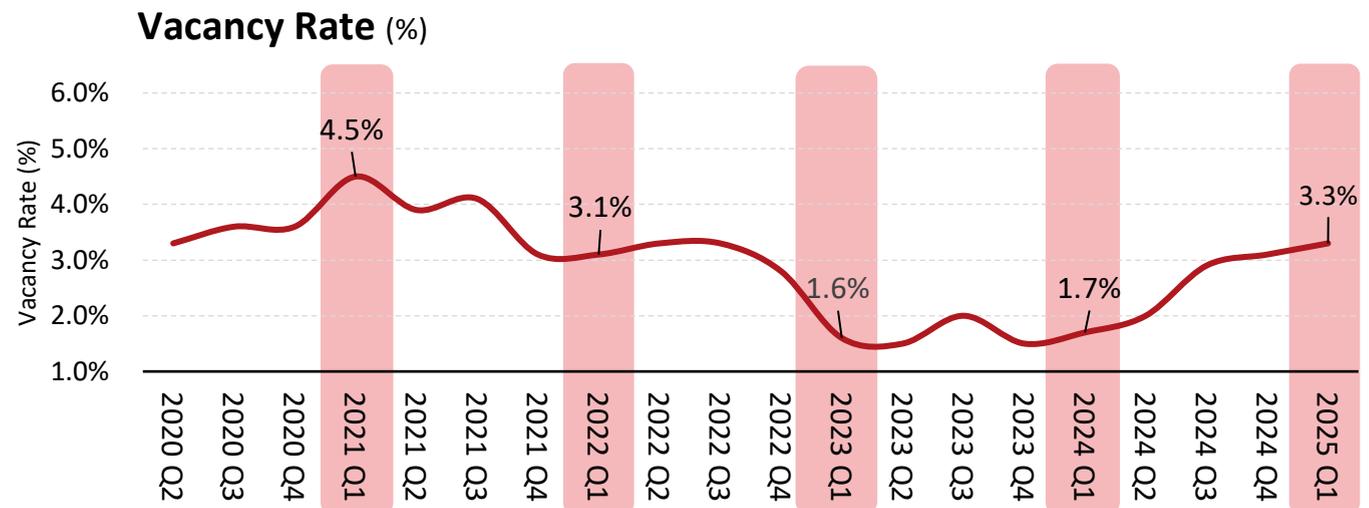
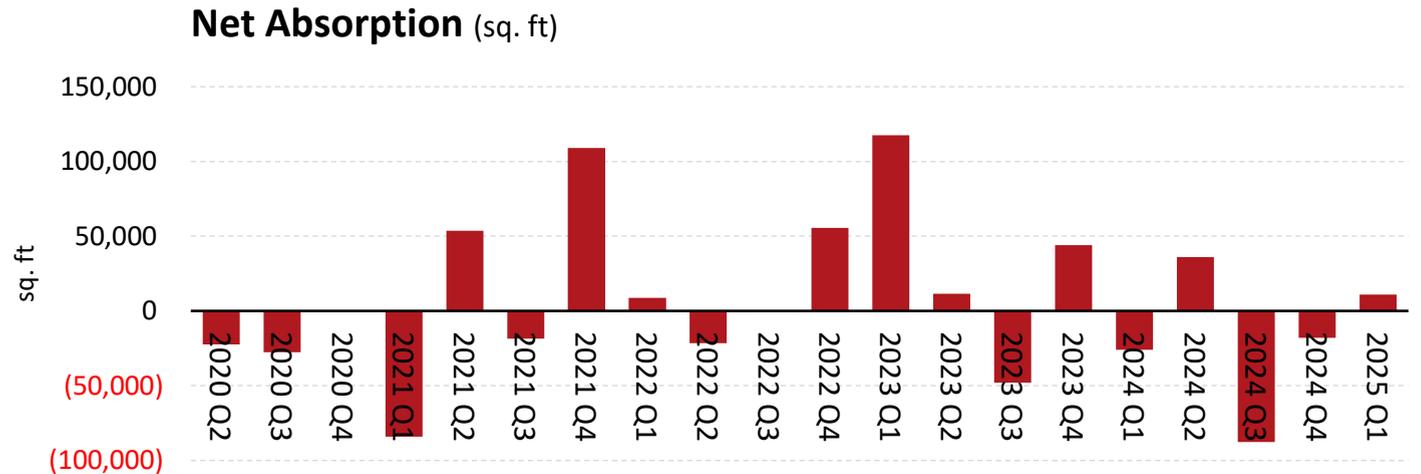


# Retail Market - MSA Trends

## BLACKSBURG MSA

### Local Market Indicator Dashboard

	Q1-2025	YoY Chg	
Total Inventory (sq. ft, millions)	9.6	1.0%	% chg
Vacancy Rate (%)	3.3%	1.6%	pct points
Net Absorption (sq. ft)	10,951	36,905	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$11.17	\$0.42	\$ per sq. ft
Deliveries (sq. ft)	30,690	30,690	sq. ft
Under Construction (sq. ft)	0	-93,920	sq. ft

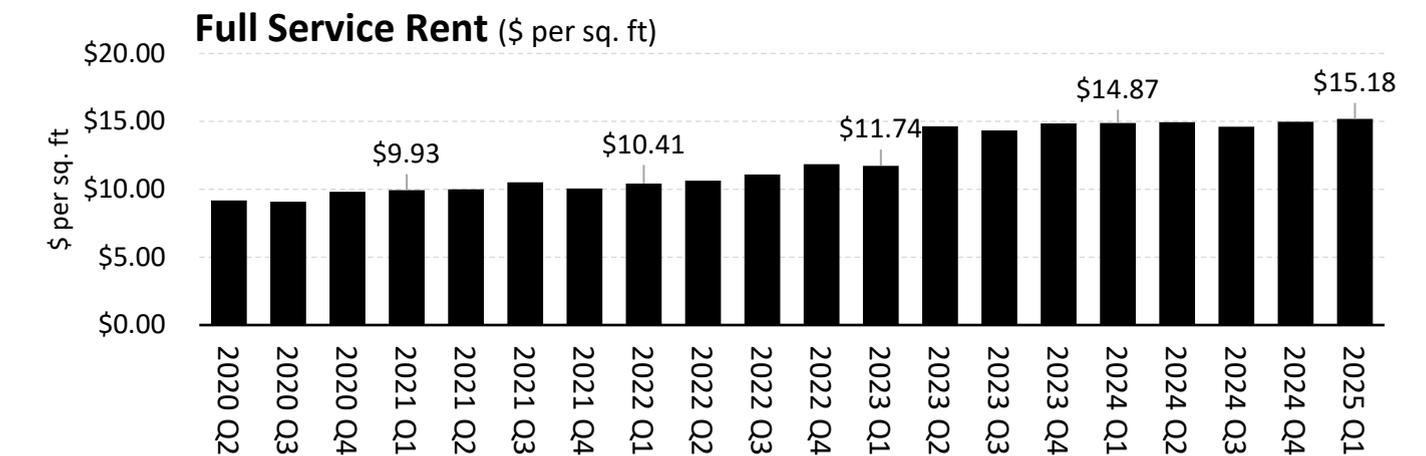
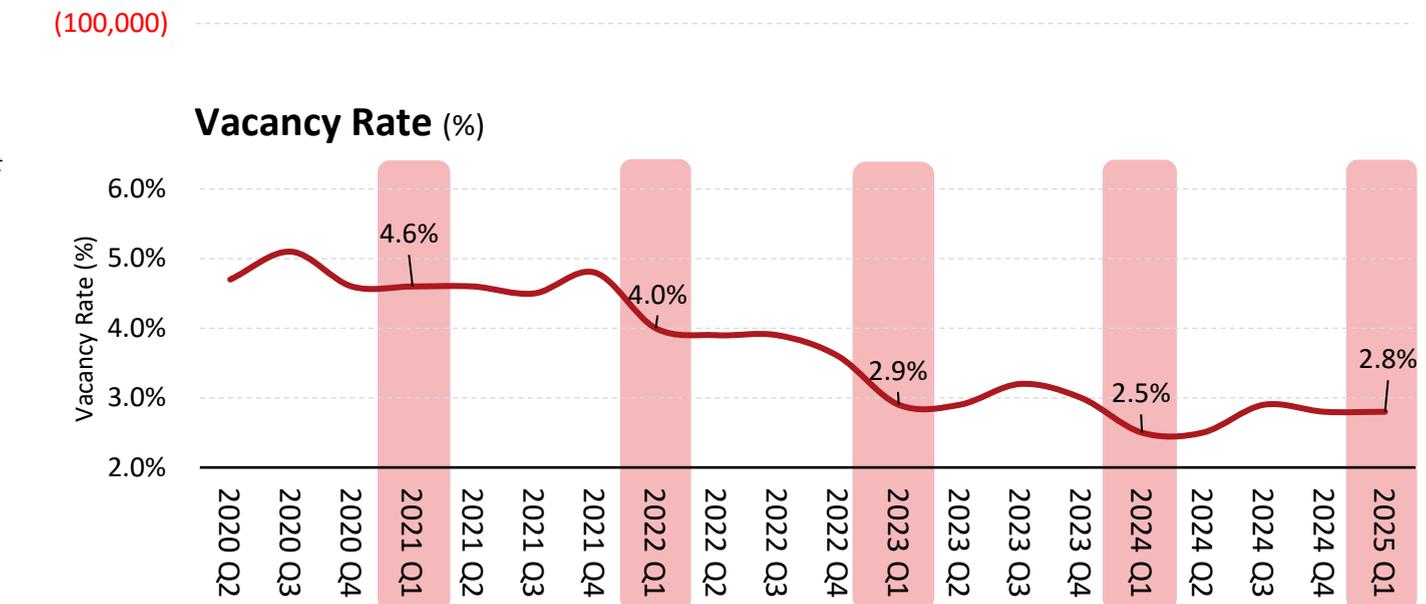
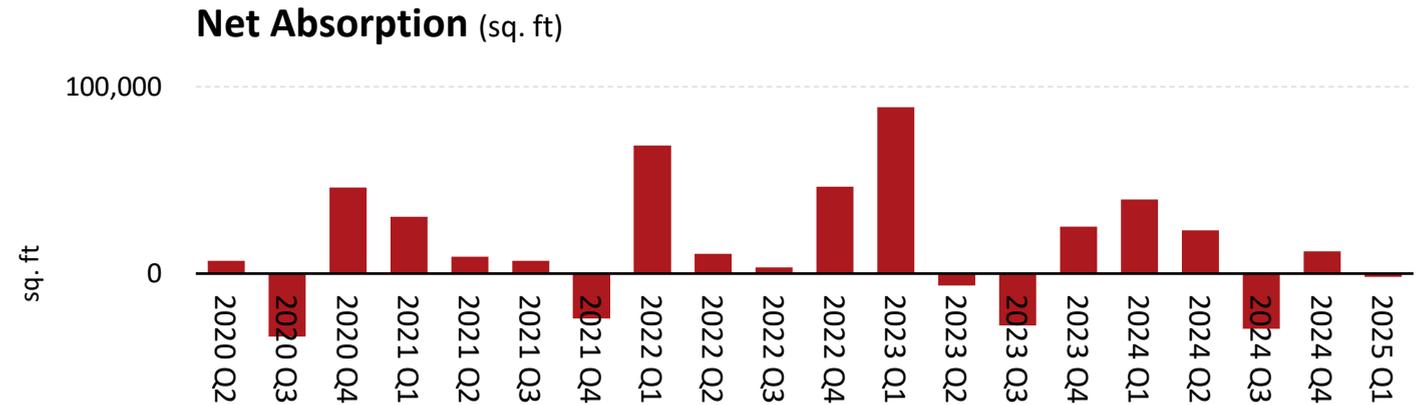
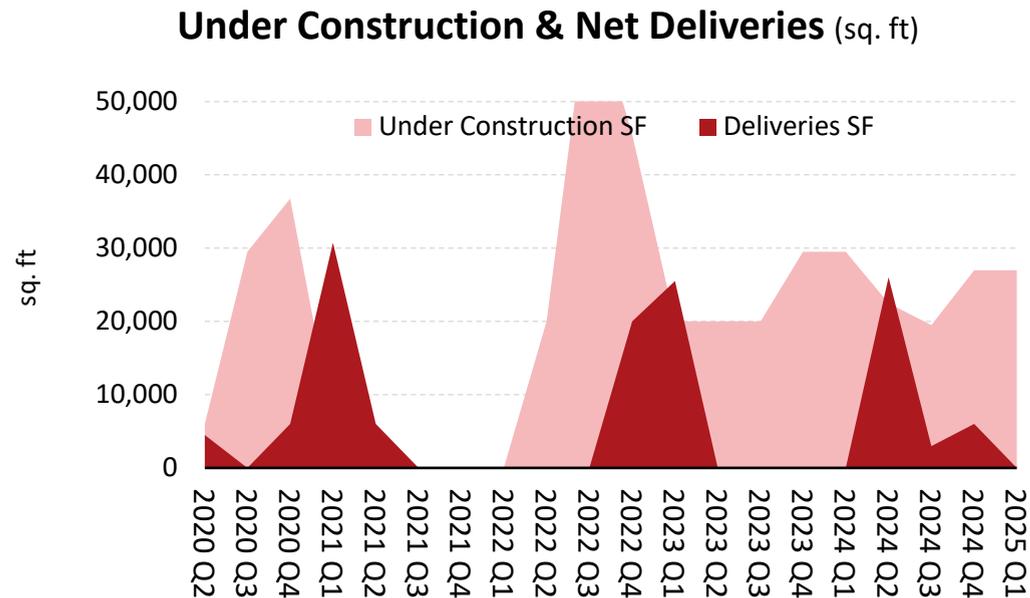


# Retail Market - MSA Trends

## WINCHESTER MSA

### Local Market Indicator Dashboard

	Q1-2025	YoY Chg
Total Inventory (sq. ft, millions)	9.0	0.4% % chg
Vacancy Rate (%)	2.8%	0.3% pct points
Net Absorption (sq. ft)	(1,835)	-41,475 sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$15.18	\$0.31 \$ per sq. ft
Deliveries (sq. ft)	0	0 sq. ft
Under Construction (sq. ft)	27,000	-2,511 sq. ft

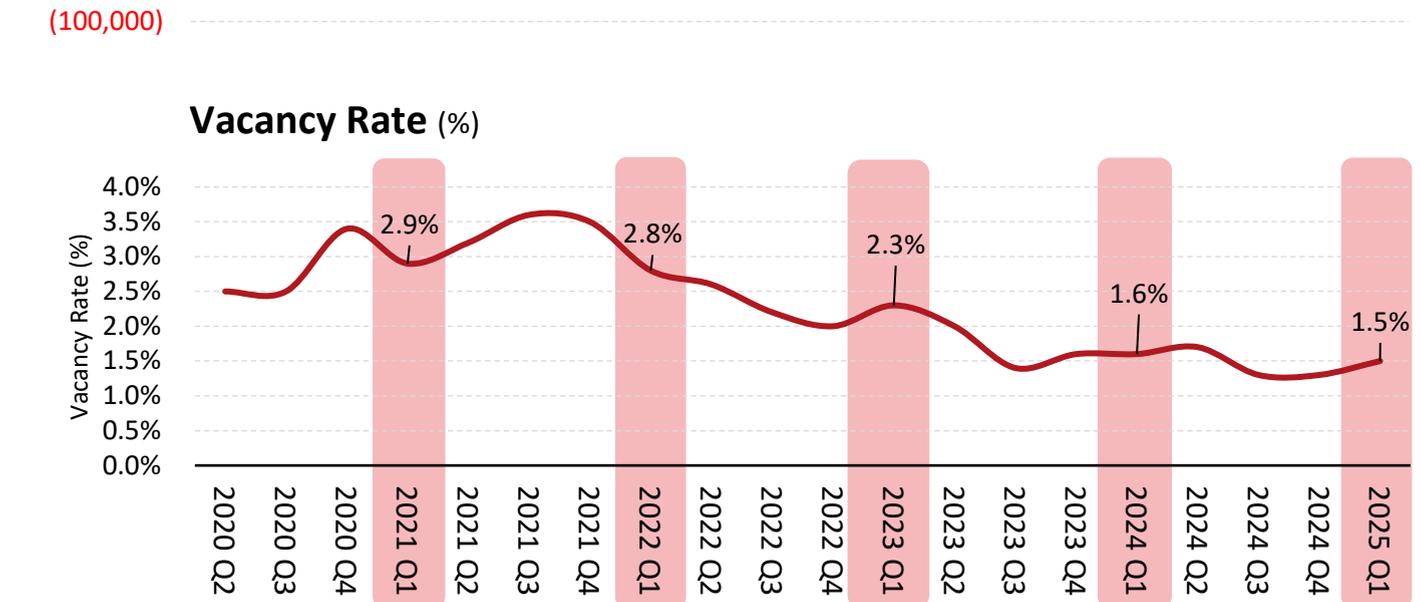
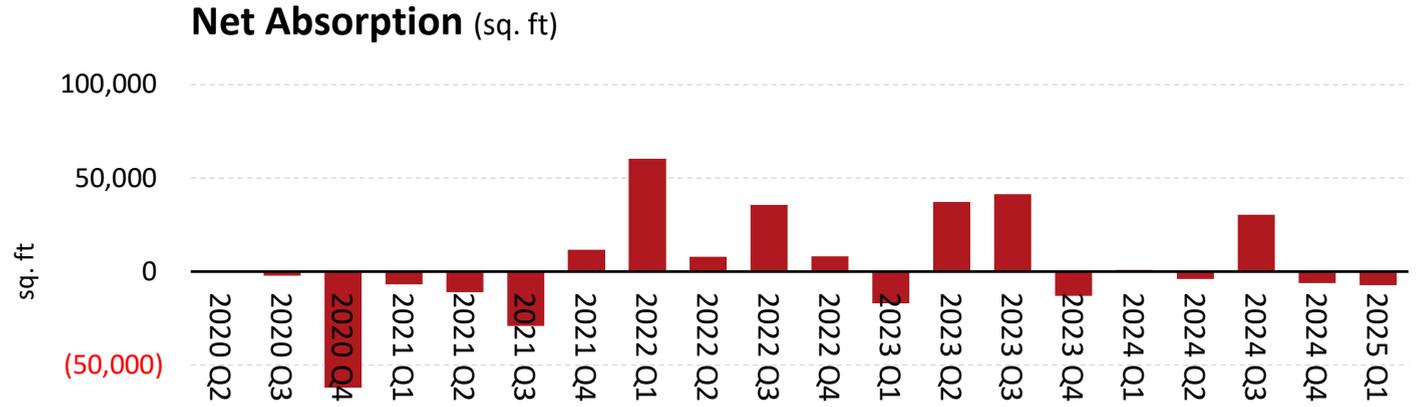


# Retail Market - MSA Trends

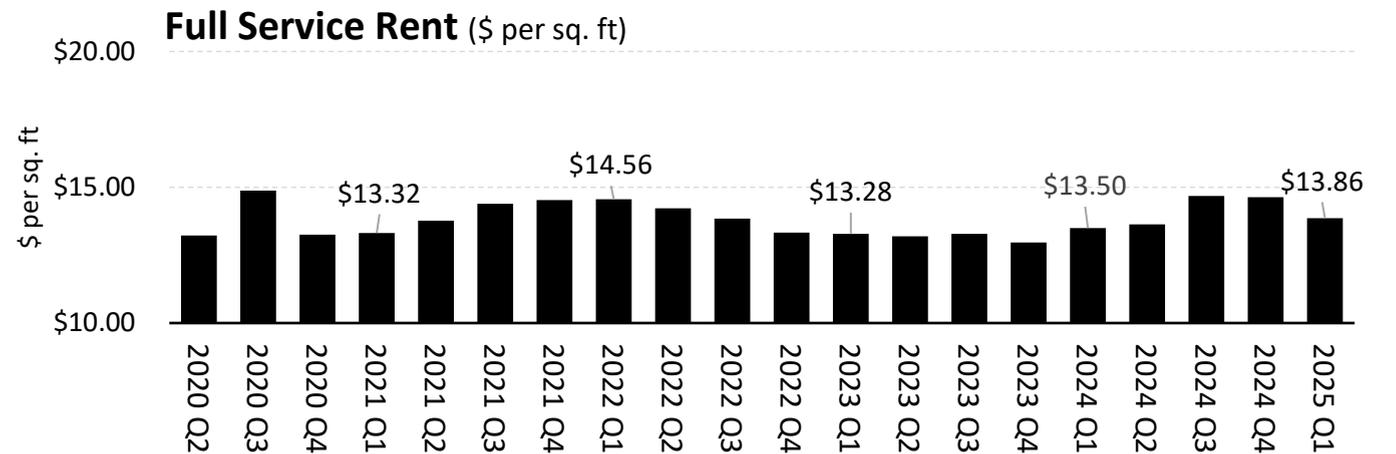
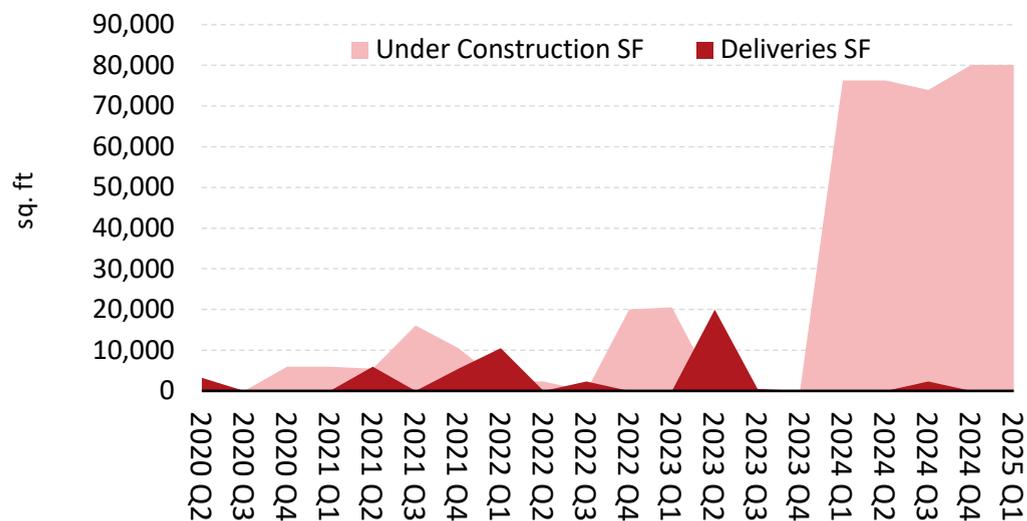
## HARRISONBURG MSA

### Local Market Indicator Dashboard

	Q1-2025	YoY Chg	
Total Inventory (sq. ft, millions)	6.9	0.0%	% chg
Vacancy Rate (%)	1.5%	-0.1%	pct points
Net Absorption (sq. ft)	(7,256)	-8,145	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$13.86	\$0.36	\$ per sq. ft
Deliveries (sq. ft)	0	0	sq. ft
Under Construction (sq. ft)	80,100	3,775	sq. ft



### Under Construction & Net Deliveries (sq. ft)



The Virginia REALTORS® association is the largest professional trade association in Virginia, representing 37,000 REALTORS® engaged in the residential and commercial real estate business. The Virginia REALTORS® association serves as the advocate for homeownership and private property rights and represents the interests of real estate professionals and property owners in the Commonwealth of Virginia.

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Data and analysis provided by Virginia REALTORS® Research Team.

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