



# Q2 2025 RETAIL MARKET REPORT

# Retail Market - Key Trends Snapshot

## Retail Market

**Overview:** The retail real estate market moderated in the second quarter in Virginia. Net absorption was flat, and the vacancy rate inched up. The construction pipeline is smaller than the second quarter last year but new deliveries are up as are rent levels.

**Absorption:** Absorption levels were low for the retail market in Q2 with 11,771 sq ft of occupied retail space, down significantly from the previous year. Small/ Neighborhood retail experienced negative absorption but large/big box retail saw a 57.6% jump in occupancy. Northern Virginia had the largest amount of vacant space this quarter (-114,734 sq ft) followed by Richmond (-92,440 sq ft).

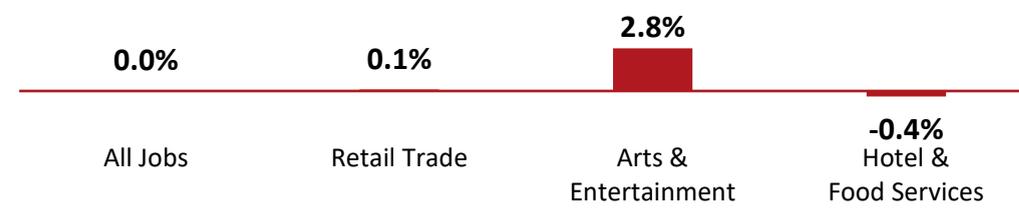
**Vacancy Rate:** Retail vacancies remain low but drifted up in Virginia with the rate at 3.9% in the second quarter, up from 3.8% a year ago. As rates ticked up to 2.2% for small/neighborhood retail, there was a small dip for large/big box space, going from 5.0% to 4.9% in the second quarter of this year.

**Rent:** Retail rent levels continue to climb in Virginia, at \$18.36 per sq ft in the second quarter, up 4.6% from the same time last year. Large/big box retail saw a small decline in rent going from \$14.59 to \$14.45 in the second quarter of this year. Prices rose 8.5% for small/neighborhood retail spaces with the average rent at \$22.68 per sq ft. The markets with the sharpest rise in retail rent this quarter were Blacksburg at 13.6% and Charlottesville at 12.3%. Lynchburg was the only area to experience a decline in rental prices (-6.1%).

**Supply+ Deliveries:** There was 930,552 sq ft of retail space under construction statewide in Q2, the lowest amount of construction since the first quarter of 2023. Deliveries rose 71.7% from a year ago with large/big box retail accounting for most of the space on the market. Northern Virginia had the highest amount of new construction activity (329,975 sq ft) while Hampton Roads led the way in deliveries (230,000 sq ft).

Retail-Supporting Job Sectors (% Chg Apr-25 to May-25 seasonally adjusted)

JOB TRACKER (VIRGINIA)



## VIRGINIA (Statewide)

### Market Indicator Dashboard

	YoY Chg	Q2-2025	Indicator
% chg	0.2%	456,268,917	Total Inventory (sq. ft)
sq. ft	-393,991	11,771	Net Absorption (sq. ft)
pct point	0.1%	3.9%	Vacancy Rate (%)
\$ per sq. ft	\$0.80	\$18.36	Full Service Rent (\$ per sq. ft)
sq. ft	201,701	482,851	New Supply Delivered (sq. ft)
sq. ft	-416,047	930,552	Under Construction (sq. ft)

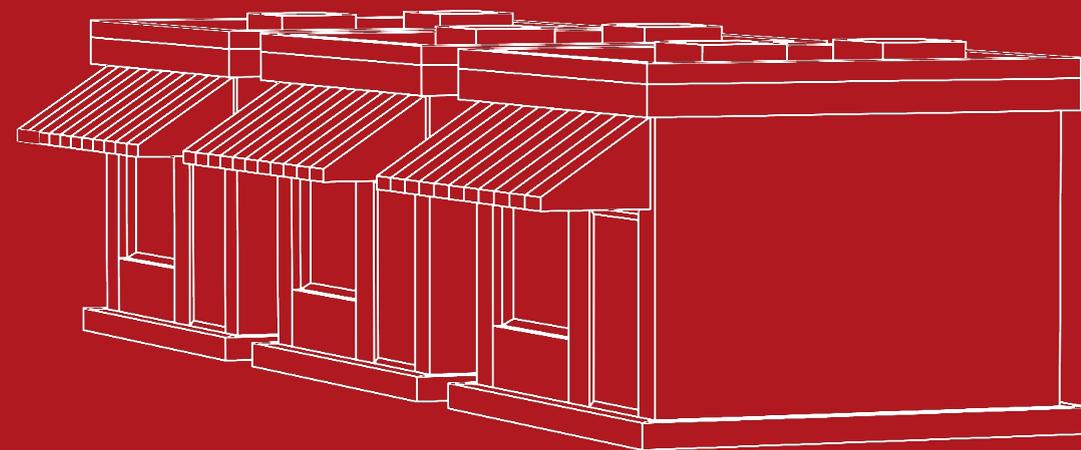
### Economic Indicator Dashboard

	MoM % Chg	May-25	Indicator
% chg	0.0%	4.3	Total Jobs (in millions, seasonally adjusted)
% chg	0.1%	812.6	Retail-Supporting Jobs (in thousands, seasonally adjusted)
pct point	0.1%	3.4%	Unemployment Rate (% seasonally adjusted)
	QoQ Chg	Q1-2025	
pct point	-2.6%	-0.2	Gross Domestic Product (% chg from prior year)

## Virginia Retail Market

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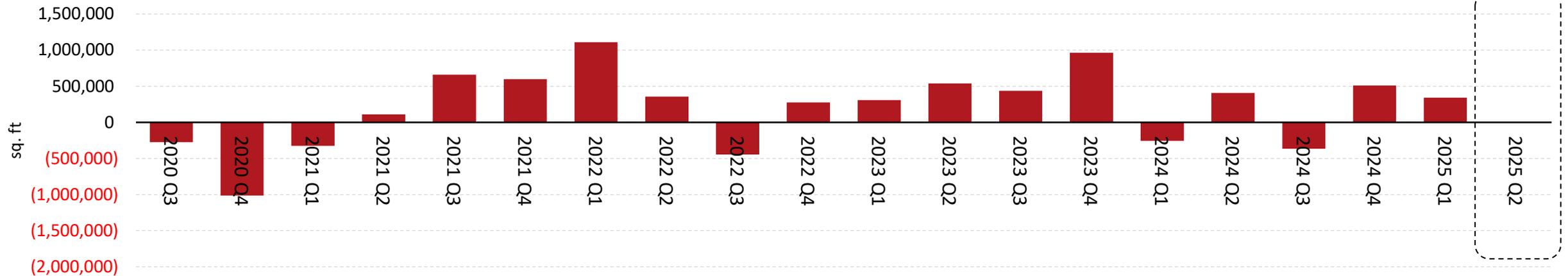
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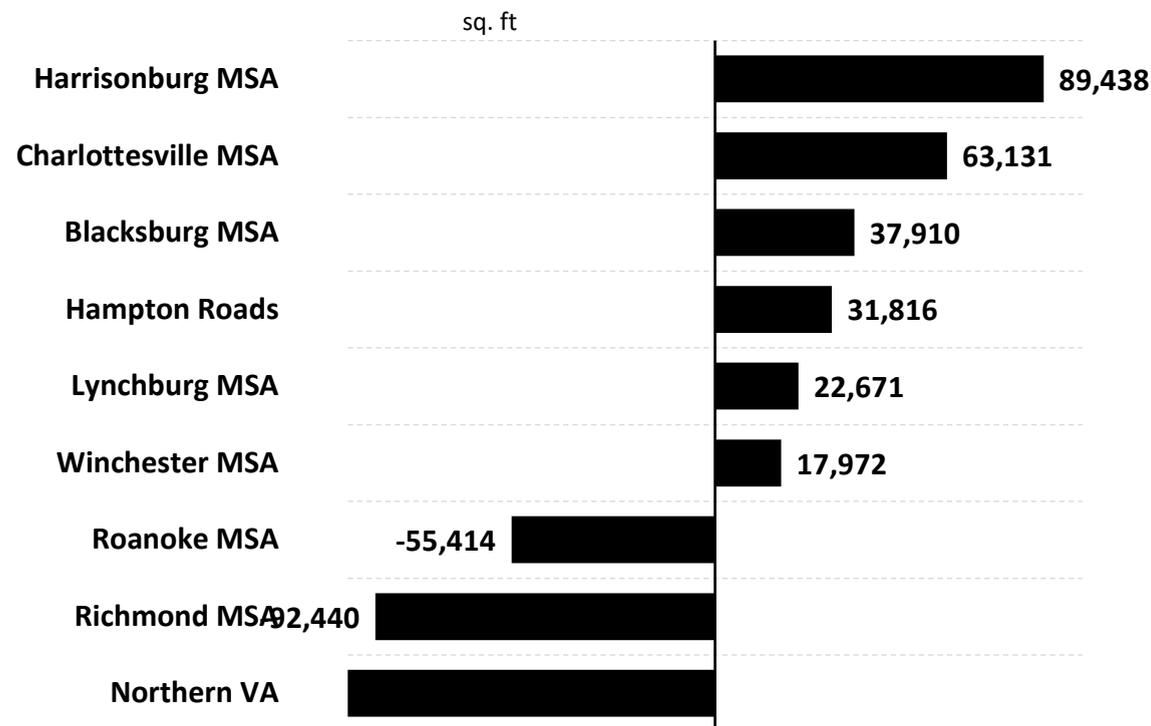
# Retail Market - Absorption & Construction Trends

## VIRGINIA (Statewide)

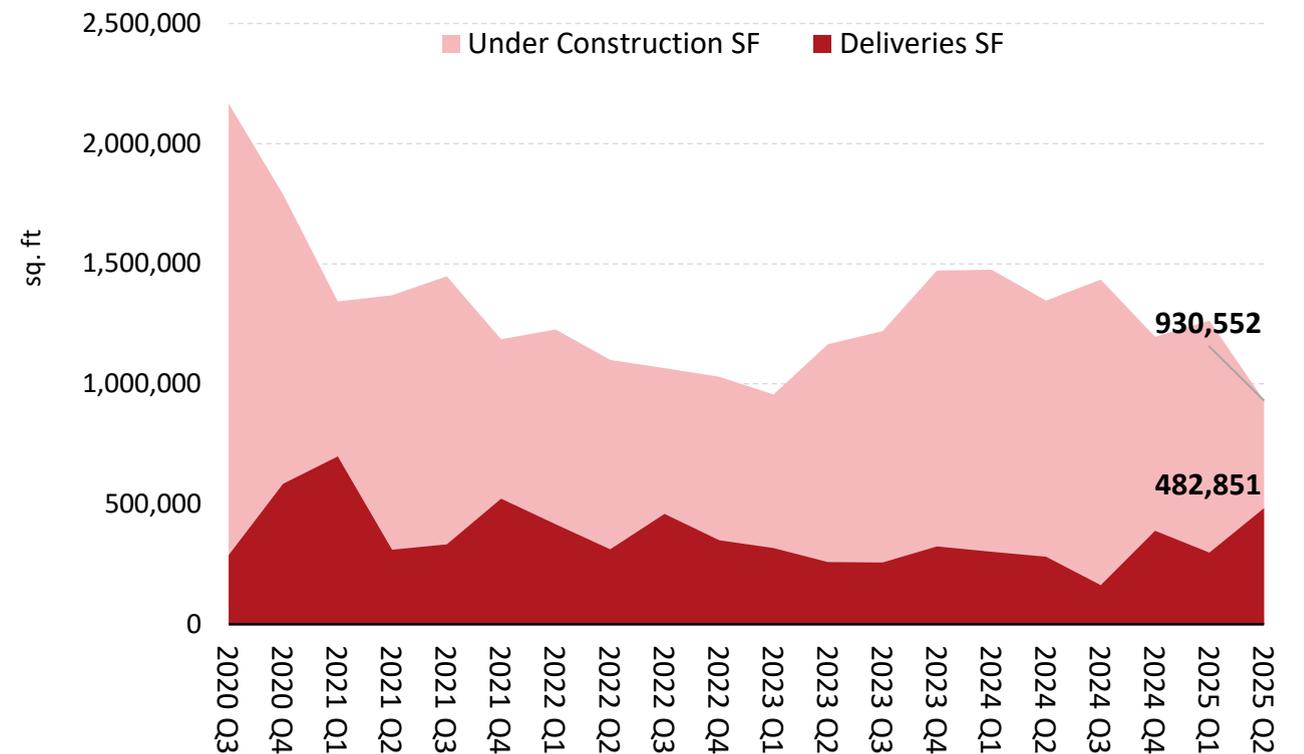
Net Absorption (sq. ft)



Q2-2025 Net Absorption by Metro Area (sq ft)

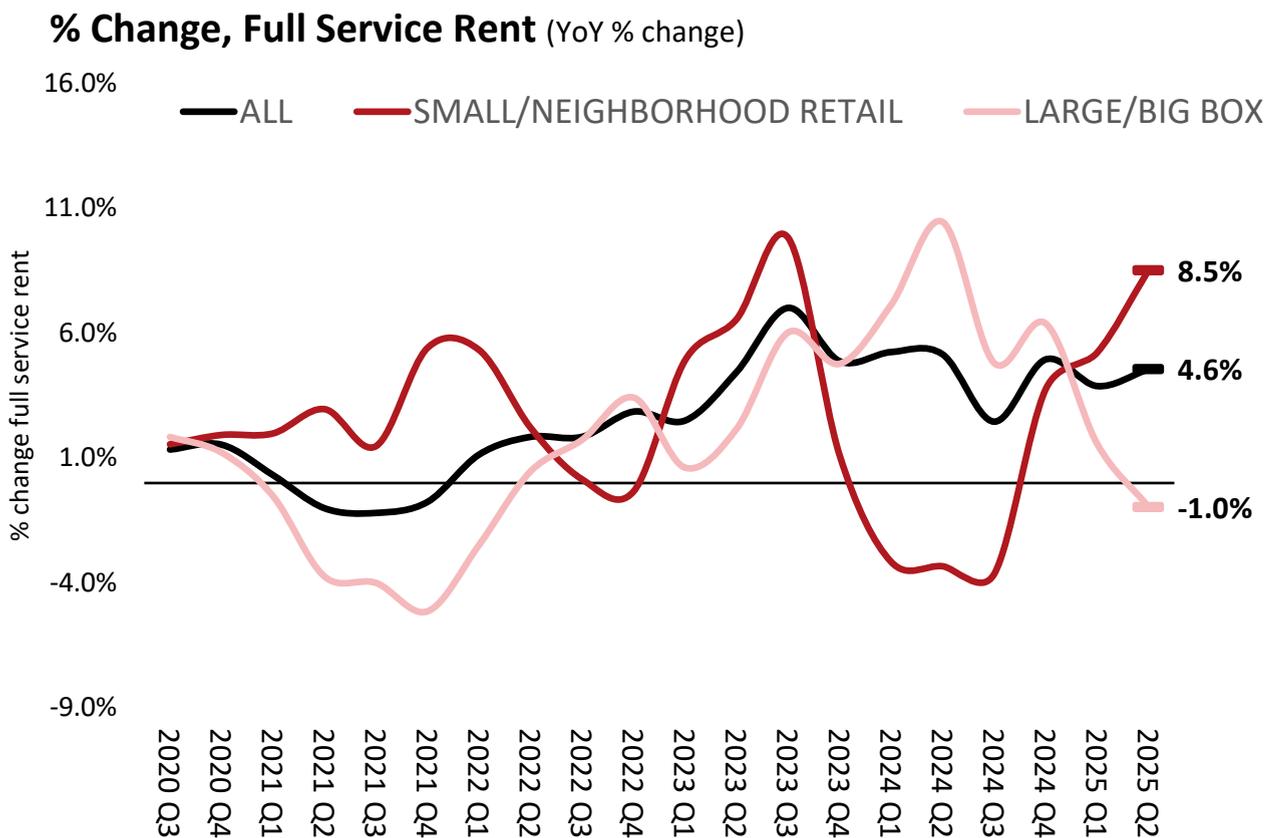


Under Construction & Net Deliveries (sq. ft)

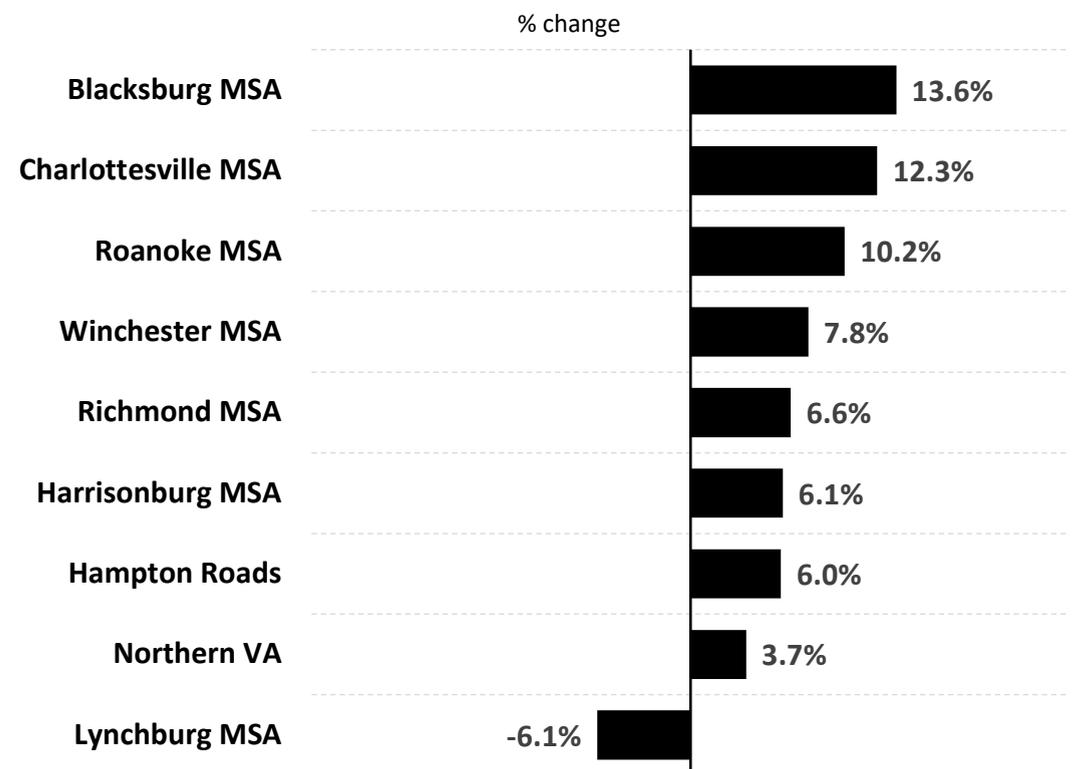


# Retail Market - Rent Trends

## VIRGINIA (Statewide)

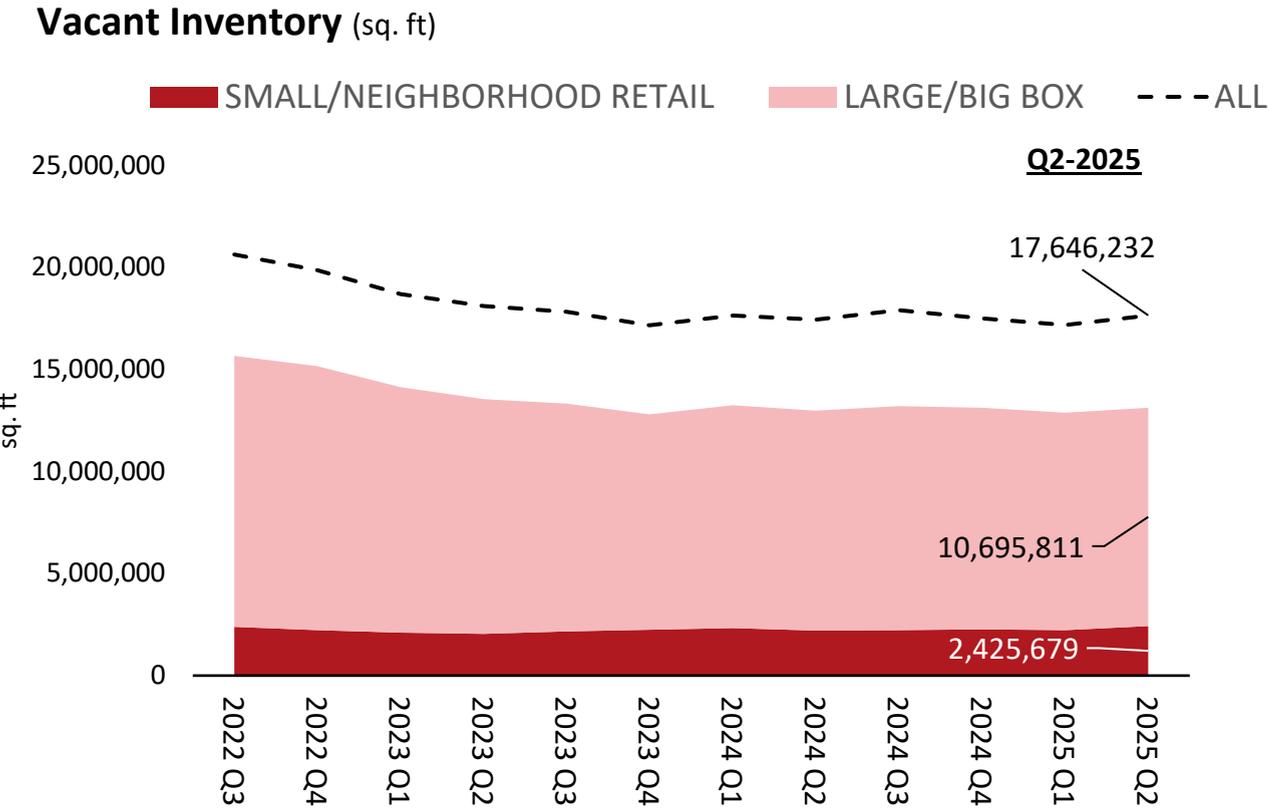
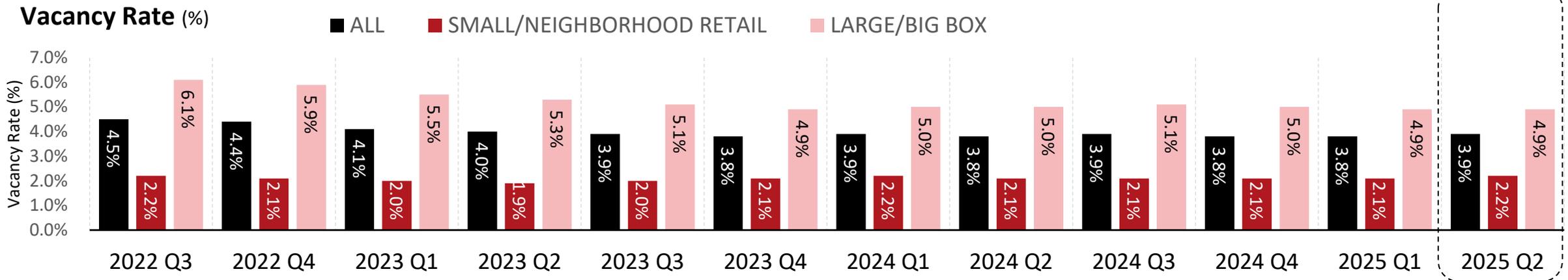


### Q2-2025 by MSA: % Change, Full Service Rent (YoY % change)

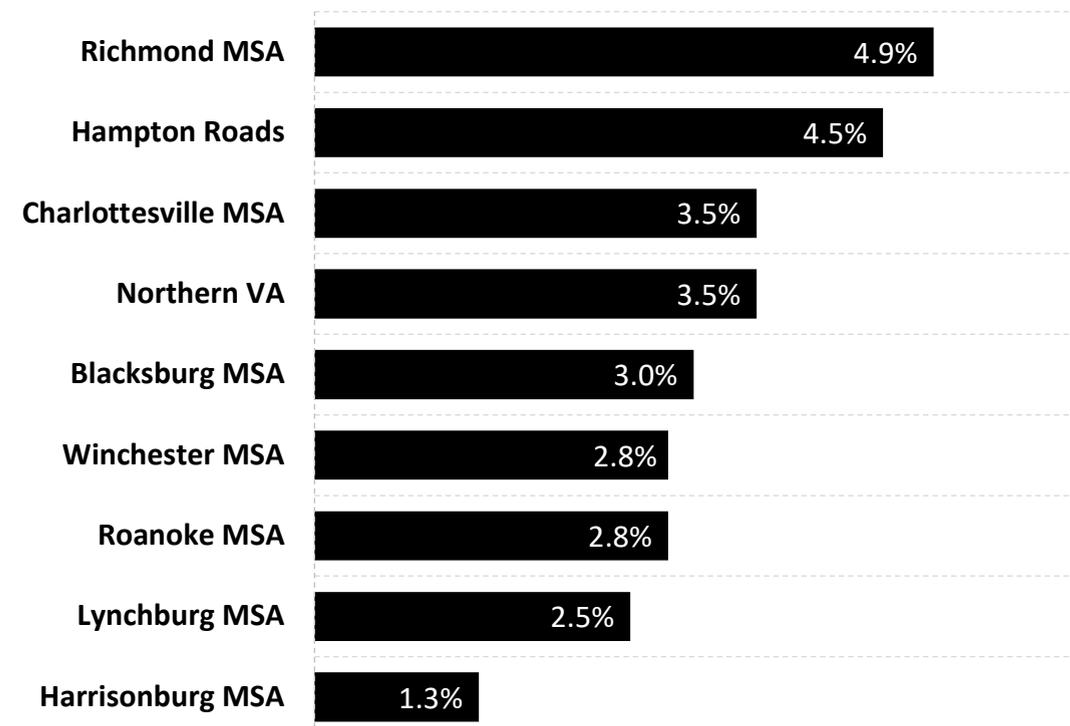


# Retail Market - Vacancy Trends

## VIRGINIA (Statewide)



### Q2-2025 Retail Vacancy Rate by MSA



# MSA TRENDS

METROPOLITAN STATISTICAL AREA



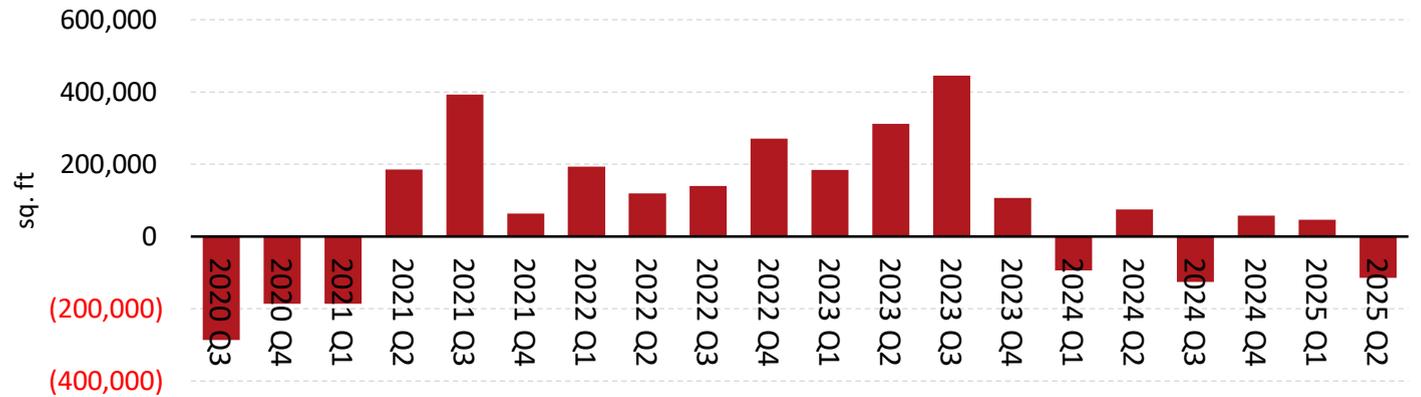
*Snapshot of Retail Market Conditions Around Virginia*

## NORTHERN VIRGINIA

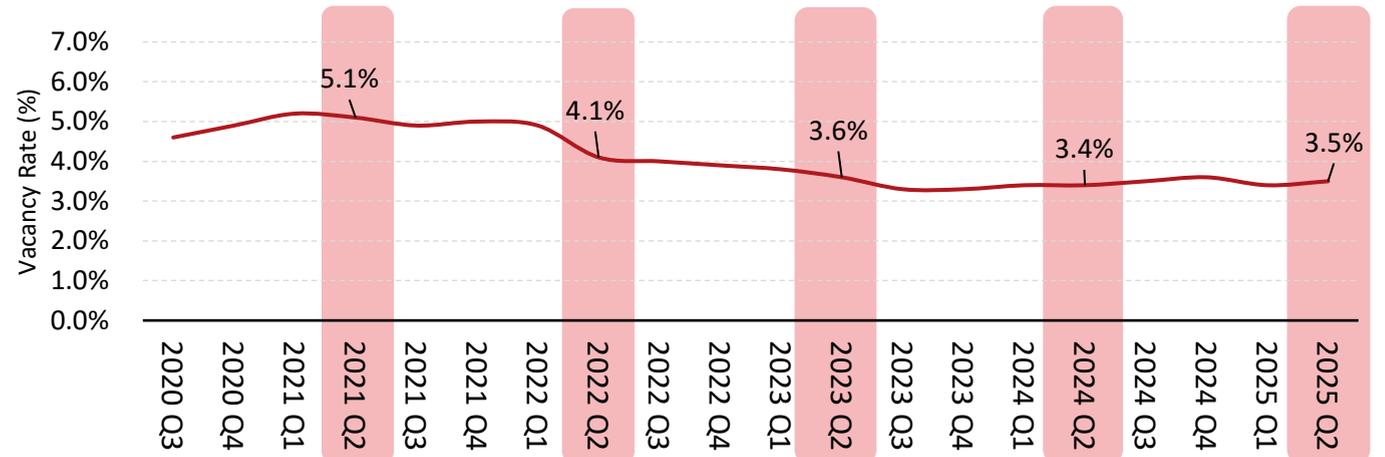
### Local Market Indicator Dashboard

	Q2-2025	YoY Chg
Total Inventory (sq. ft, millions)	<b>135.8</b>	<b>0.1%</b> % chg
Vacancy Rate (%)	<b>3.5%</b>	<b>0.1%</b> pct points
Net Absorption (sq. ft)	<b>(114,734)</b>	<b>-189,546</b> sq. ft
Avg Full Service Rent (\$ / sq. ft)	<b>\$28.02</b>	<b>\$0.99</b> \$ per sq. ft
Deliveries (sq. ft)	<b>15,000</b>	<b>-28,696</b> sq. ft
Under Construction (sq. ft)	<b>329,975</b>	<b>-96,340</b> sq. ft

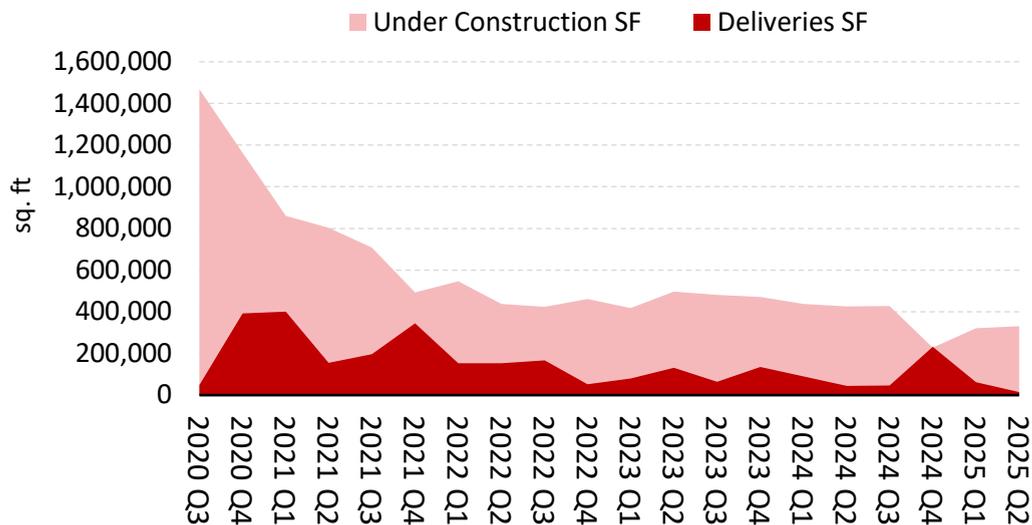
### Net Absorption (sq. ft)



### Vacancy Rate (%)



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



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

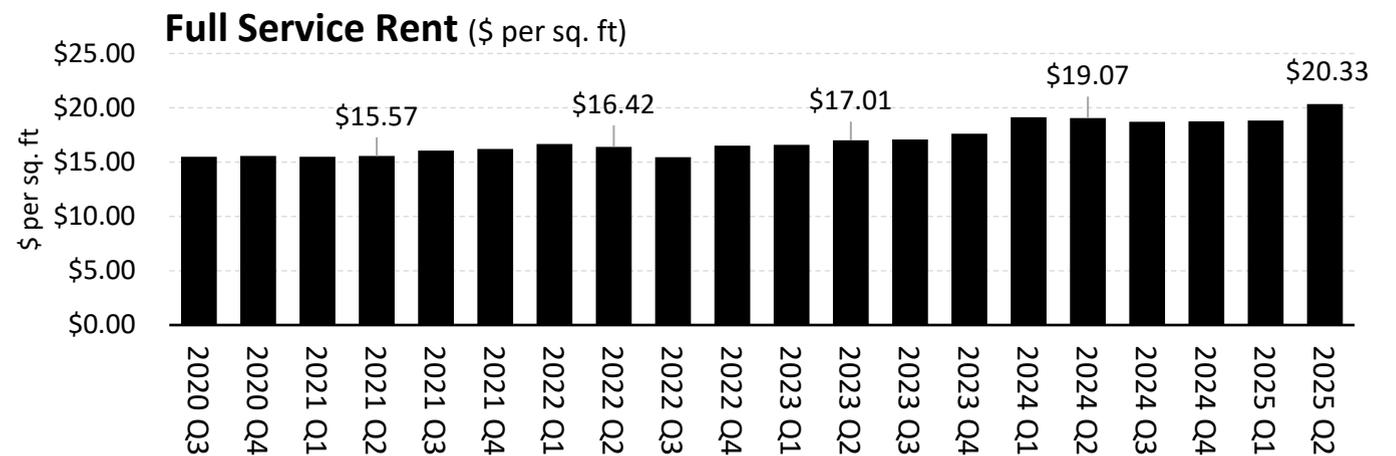
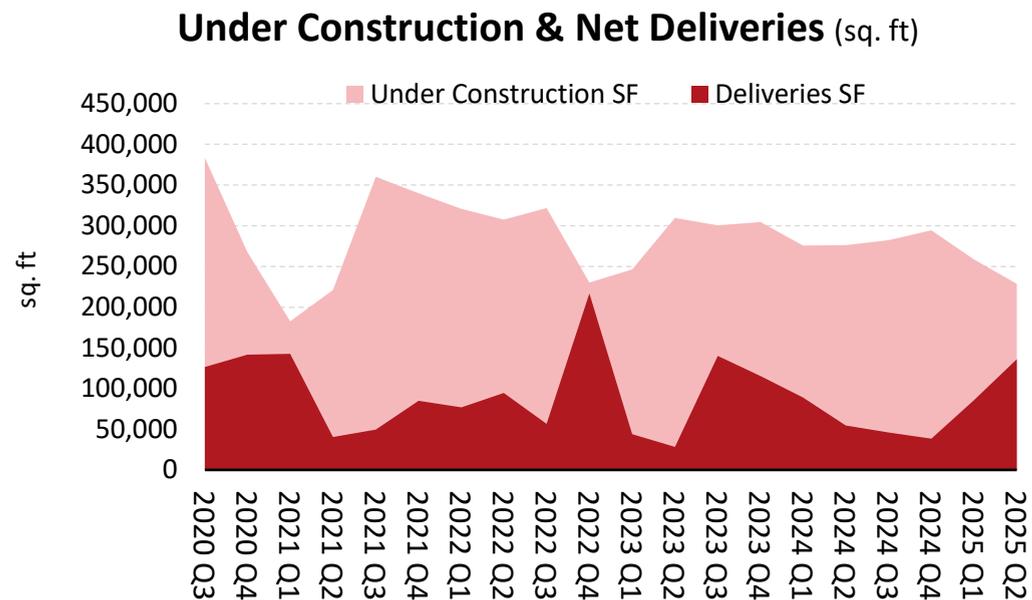
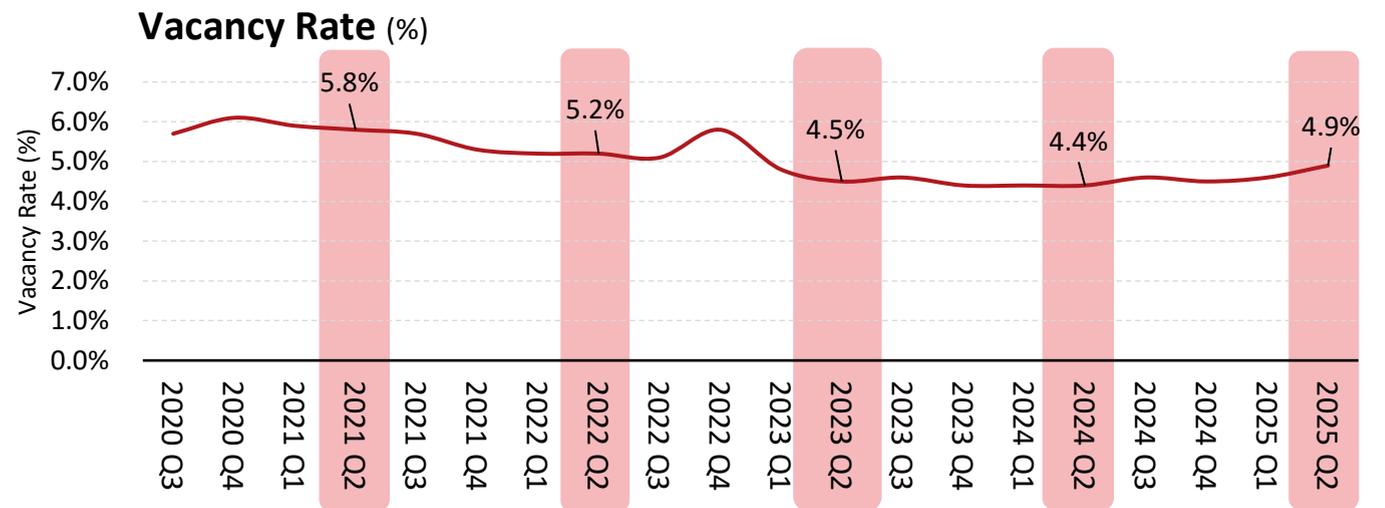
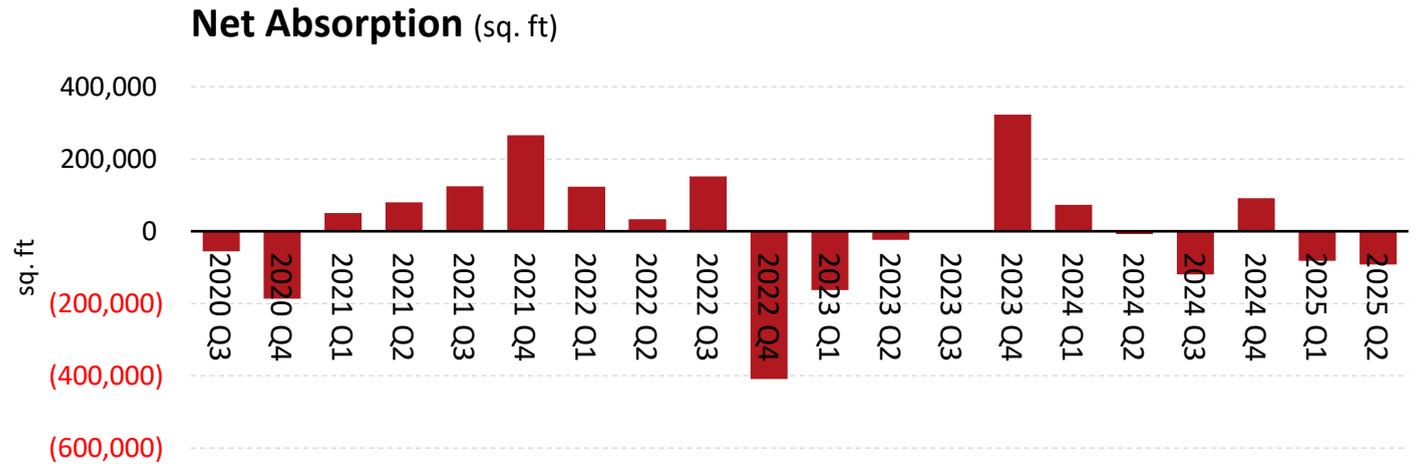


# Retail Market - MSA Trends

## RICHMOND MSA

### Local Market Indicator Dashboard

	Q2-2025	YoY Chg	
Total Inventory (sq. ft, millions)	<b>78.8</b>	<b>0.2%</b>	% chg
Vacancy Rate (%)	<b>4.9%</b>	<b>0.5%</b>	pct points
Net Absorption (sq. ft)	<b>(92,440)</b>	<b>-84,647</b>	sq. ft
Avg Full Service Rent (\$ / sq. ft)	<b>\$20.33</b>	<b>\$1.26</b>	\$ per sq. ft
Deliveries (sq. ft)	<b>135,896</b>	<b>81,114</b>	sq. ft
Under Construction (sq. ft)	<b>228,641</b>	<b>-47,510</b>	sq. ft



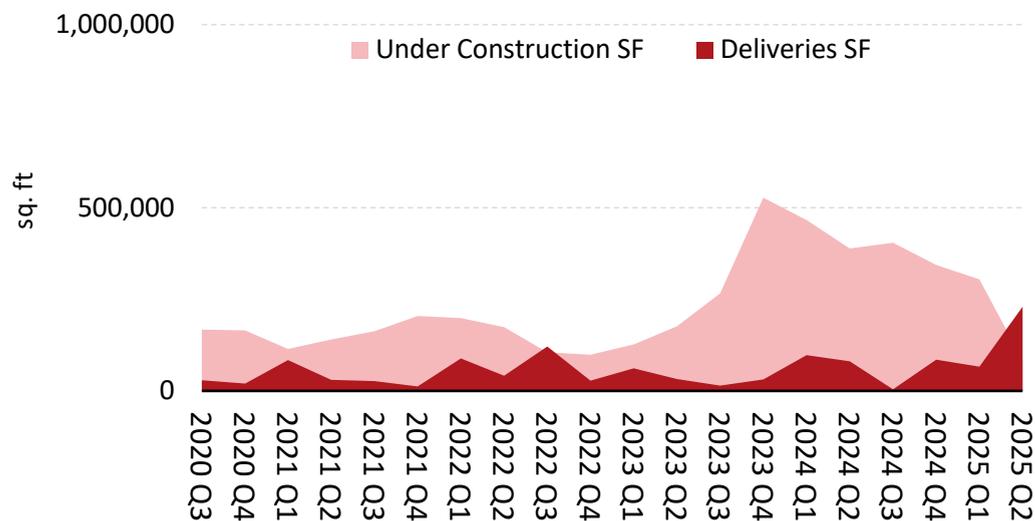
# Retail Market - MSA Trends

## HAMPTON ROADS

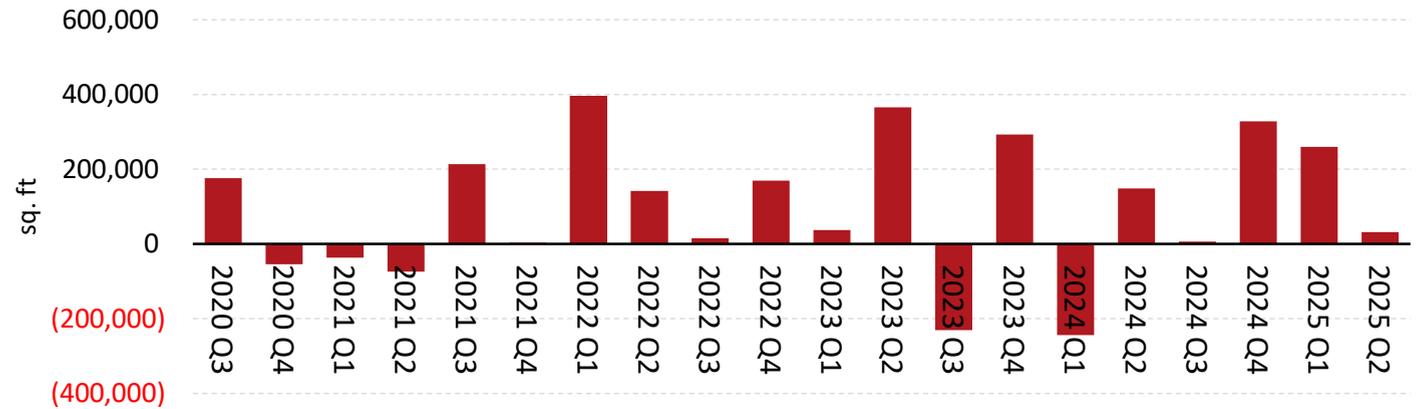
### Local Market Indicator Dashboard

	Q2-2025	YoY Chg
Total Inventory (sq. ft, millions)	<b>107.0</b>	<b>0.3%</b> % chg
Vacancy Rate (%)	<b>4.5%</b>	<b>-0.3%</b> pct points
Net Absorption (sq. ft)	<b>31,816</b>	<b>-116,812</b> sq. ft
Avg Full Service Rent (\$ / sq. ft)	<b>\$16.70</b>	<b>\$0.94</b> \$ per sq. ft
Deliveries (sq. ft)	<b>230,000</b>	<b>149,435</b> sq. ft
Under Construction (sq. ft)	<b>83,949</b>	<b>-304,531</b> sq. ft

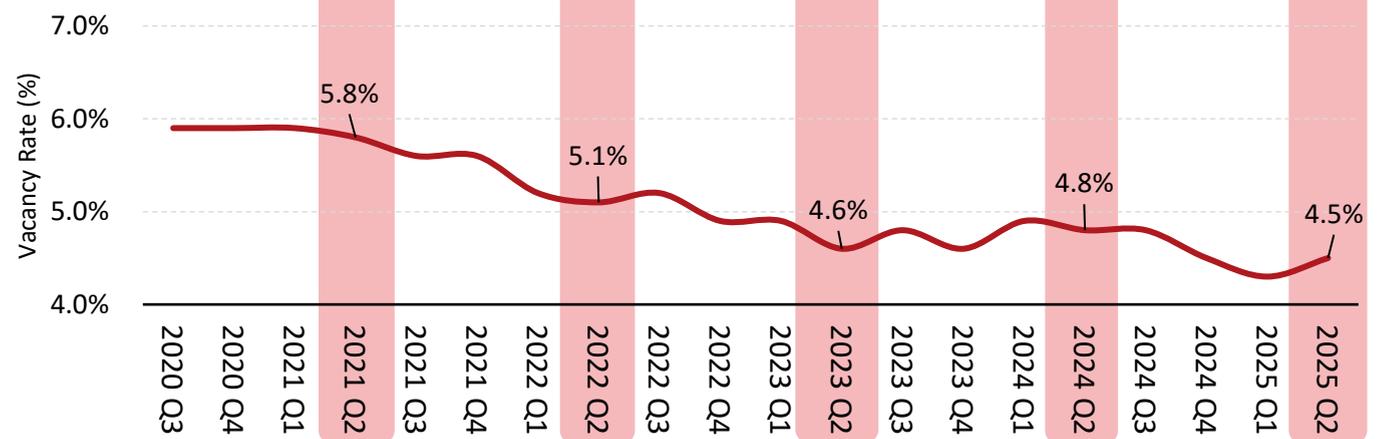
### Under Construction & Net Deliveries (sq. ft)



### Net Absorption (sq. ft)



### Vacancy Rate (%)



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

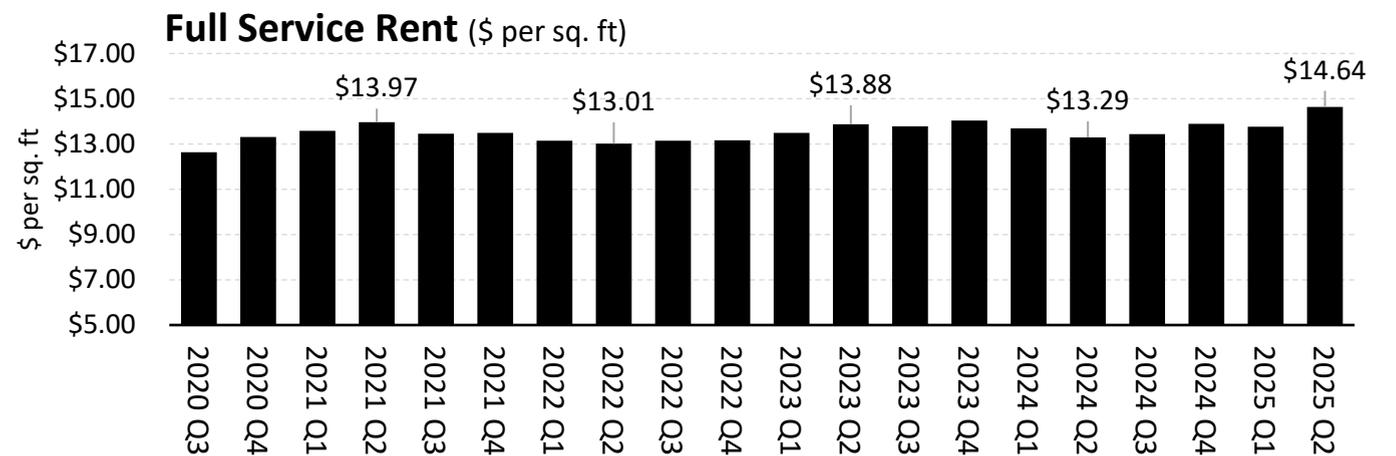
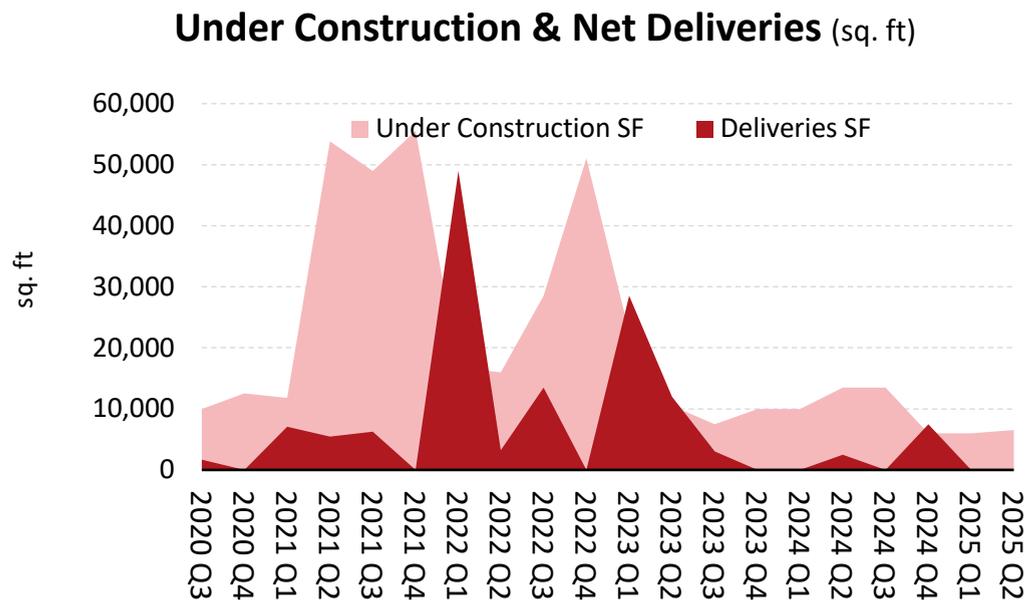
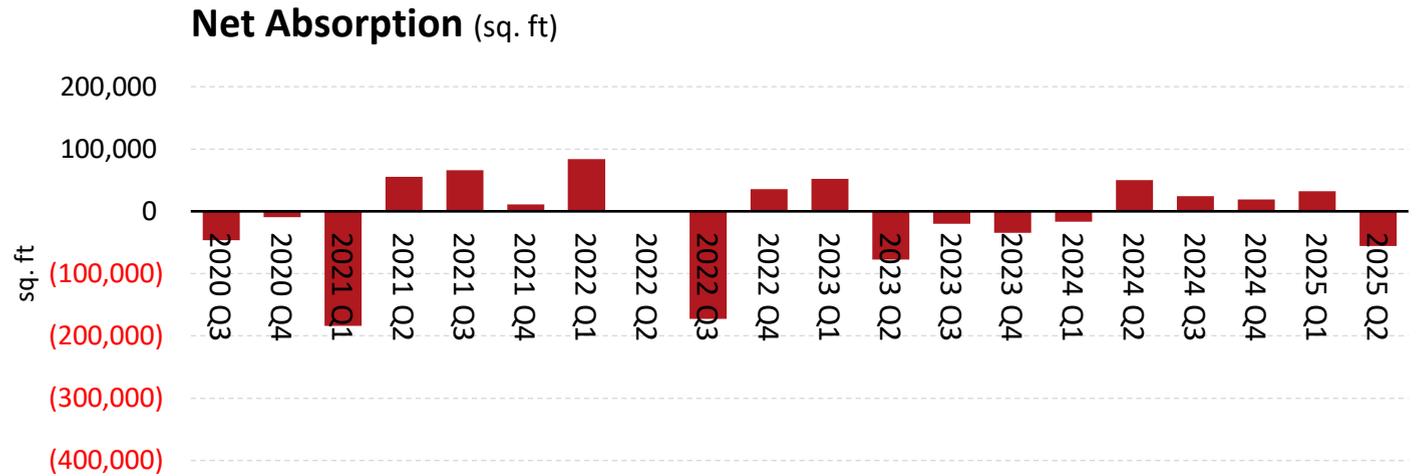


# Retail Market - MSA Trends

## ROANOKE MSA

### Local Market Indicator Dashboard

	Q2-2025	YoY Chg	
Total Inventory (sq. ft, millions)	24.0	0.0%	% chg
Vacancy Rate (%)	2.8%	-0.1%	pct points
Net Absorption (sq. ft)	(55,414)	-105,189	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$14.64	\$1.35	\$ per sq. ft
Deliveries (sq. ft)	0	-2,500	sq. ft
Under Construction (sq. ft)	6,510	-6,990	sq. ft

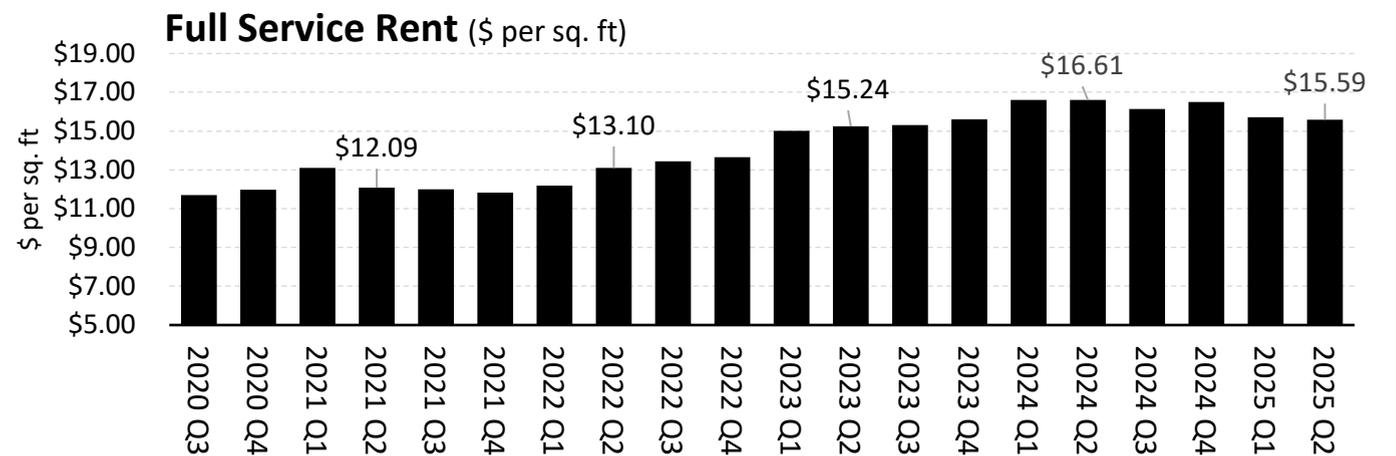
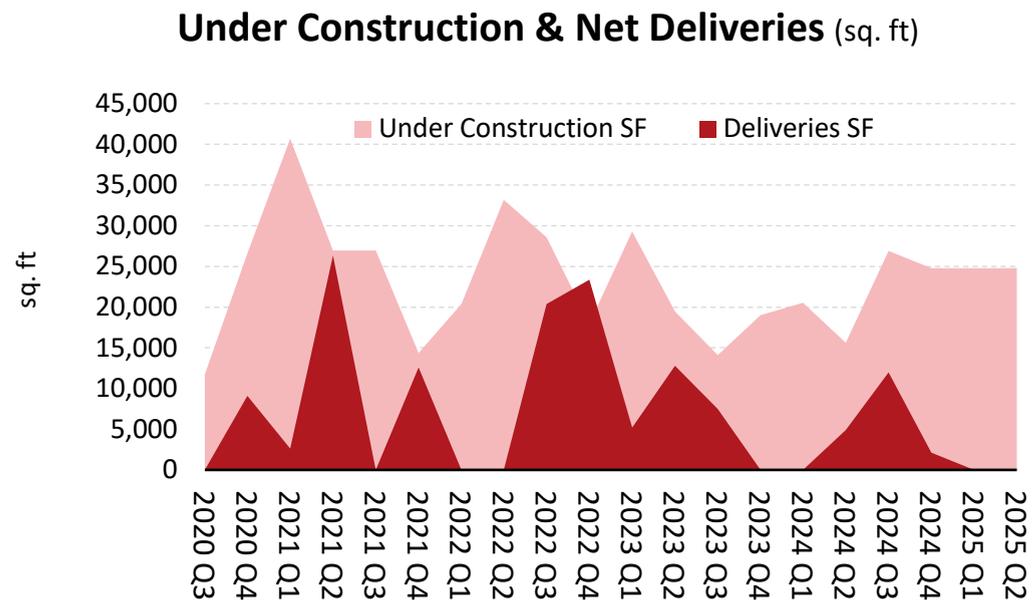
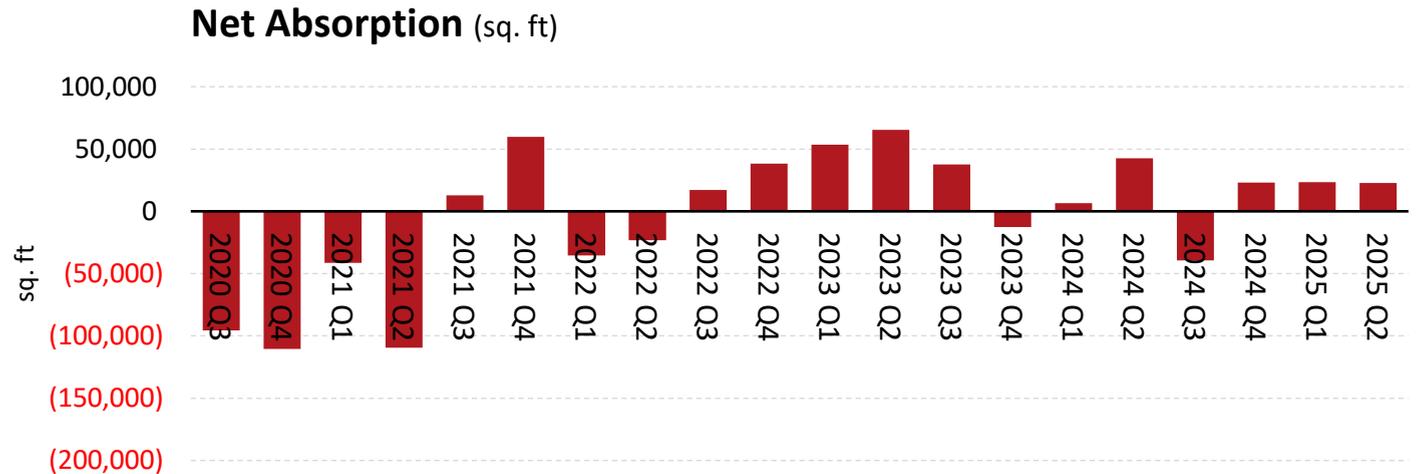


# Retail Market - MSA Trends

## LYNCHBURG MSA

### Local Market Indicator Dashboard

	Q2-2025	YoY Chg	
Total Inventory (sq. ft, millions)	14.4	0.1%	% chg
Vacancy Rate (%)	2.5%	-0.1%	pct points
Net Absorption (sq. ft)	22,671	-20,057	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$15.59	-\$1.02	\$ per sq. ft
Deliveries (sq. ft)	0	-4,922	sq. ft
Under Construction (sq. ft)	24,800	9,164	sq. ft



# Retail Market - MSA Trends

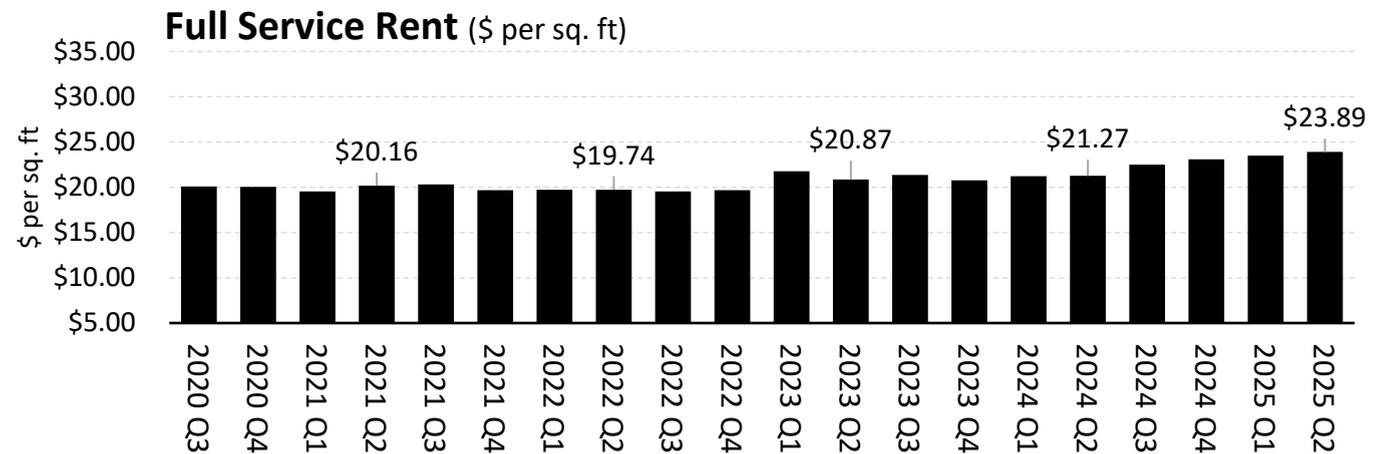
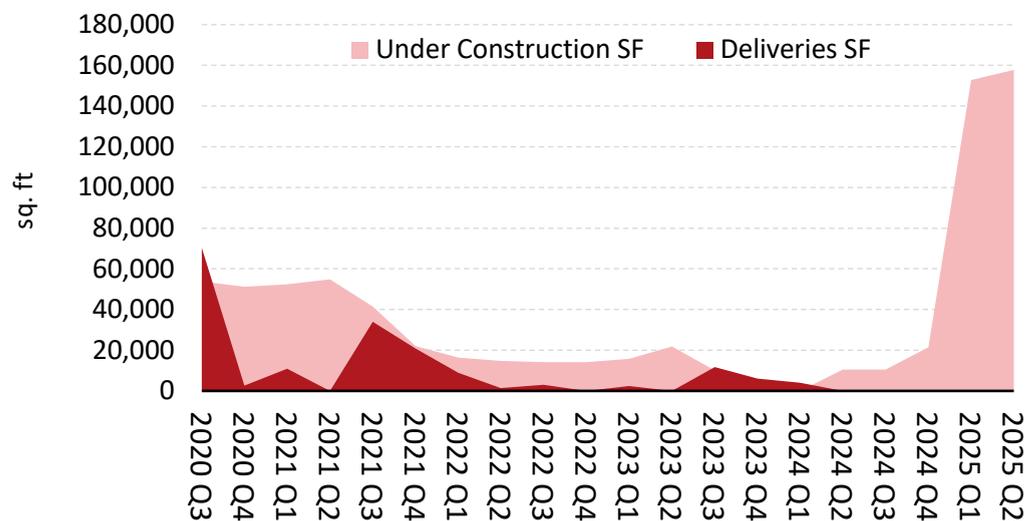
## CHARLOTTESVILLE MSA

### Local Market Indicator Dashboard

	Q2-2025	YoY Chg	
Total Inventory (sq. ft, millions)	10.5	-1.0%	% chg
Vacancy Rate (%)	3.5%	-1.2%	pct points
Net Absorption (sq. ft)	63,131	30,787	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$23.89	\$2.62	\$ per sq. ft
Deliveries (sq. ft)	0	0	sq. ft
Under Construction (sq. ft)	157,762	147,262	sq. ft



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

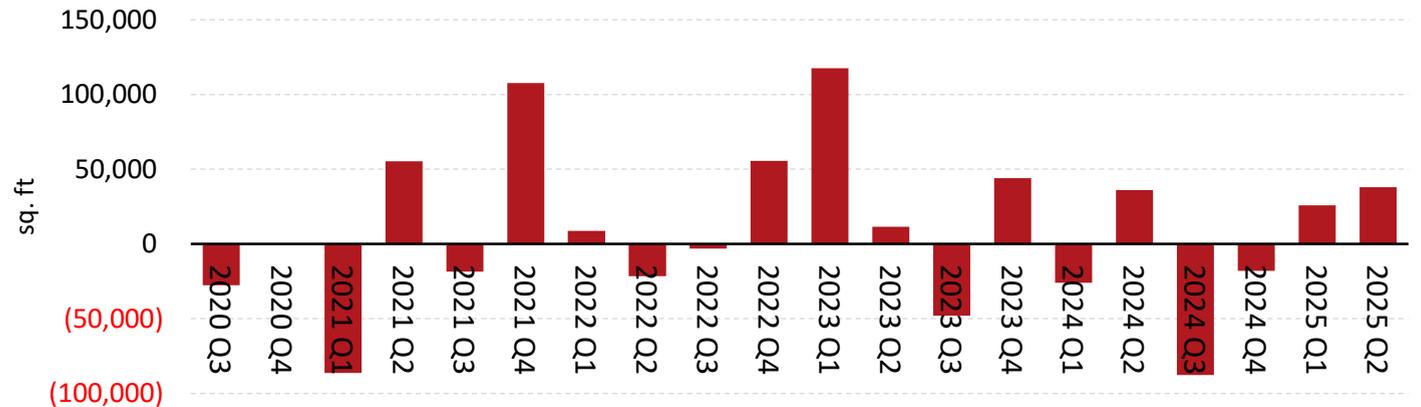


## BLACKSBURG MSA

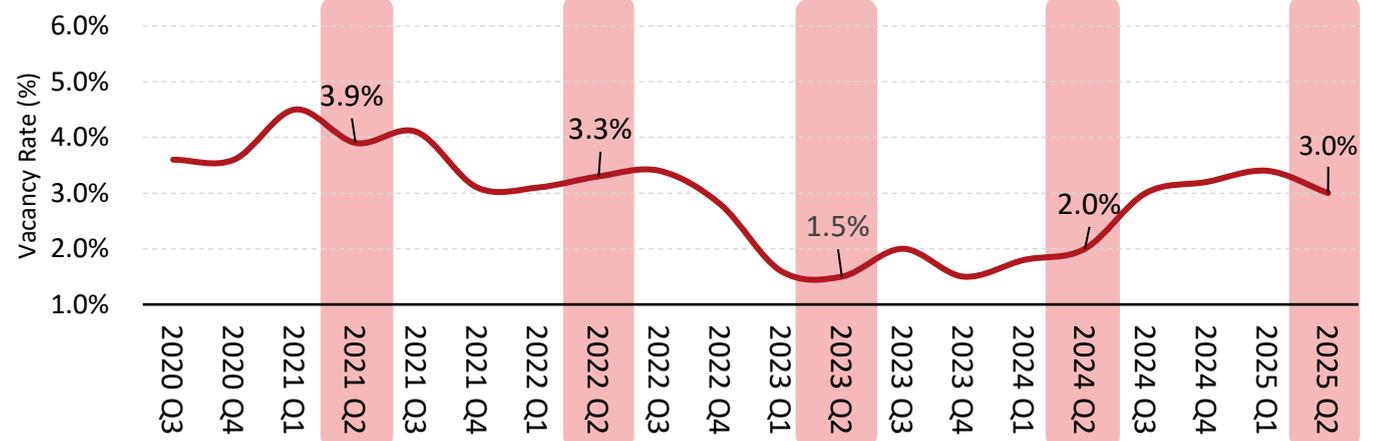
### Local Market Indicator Dashboard

	Q2-2025	YoY Chg
Total Inventory (sq. ft, millions)	9.5	0.5% % chg
Vacancy Rate (%)	3.0%	1.0% pct points
Net Absorption (sq. ft)	37,910	1,897 sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$11.63	\$1.39 \$ per sq. ft
Deliveries (sq. ft)	2,500	-60,730 sq. ft
Under Construction (sq. ft)	0	-30,690 sq. ft

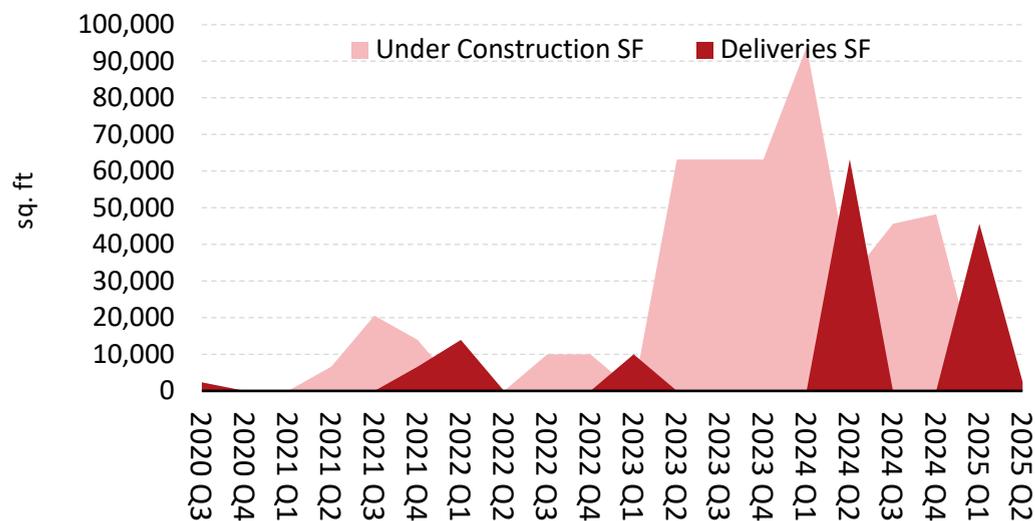
### Net Absorption (sq. ft)



### Vacancy Rate (%)



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



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



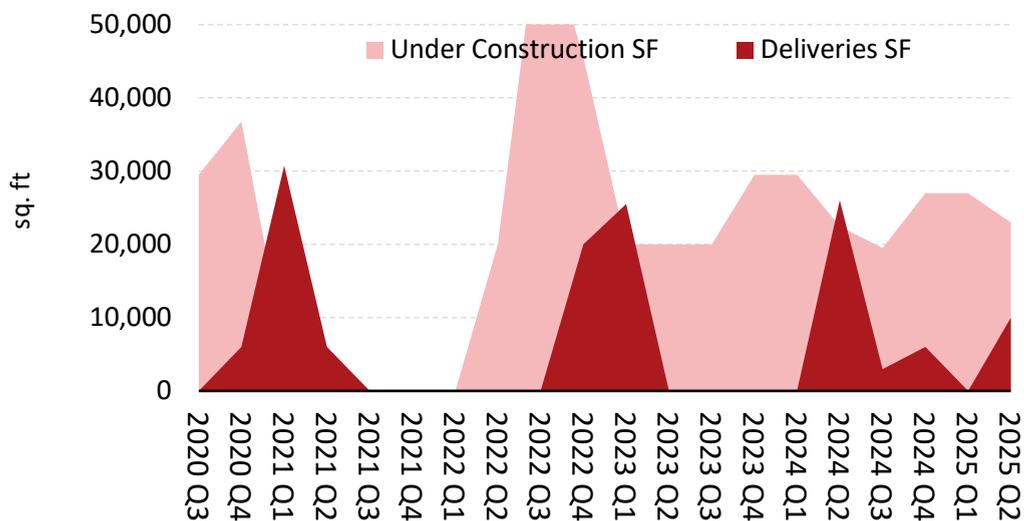
# Retail Market - MSA Trends

## WINCHESTER MSA

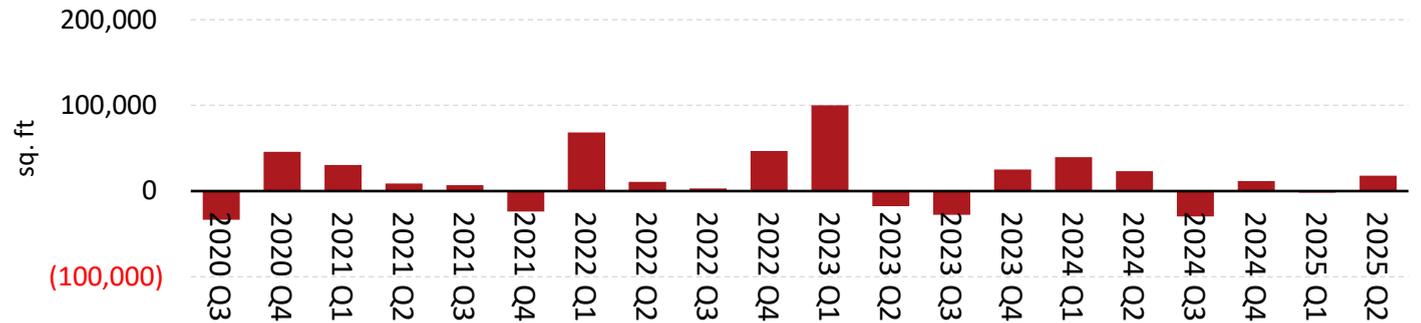
### Local Market Indicator Dashboard

	Q2-2025	YoY Chg
Total Inventory (sq. ft, millions)	8.9	0.2% % chg
Vacancy Rate (%)	2.8%	0.2% pct points
Net Absorption (sq. ft)	17,972	-5,226 sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$16.10	\$1.16 \$ per sq. ft
Deliveries (sq. ft)	10,000	-16,011 sq. ft
Under Construction (sq. ft)	23,000	500 sq. ft

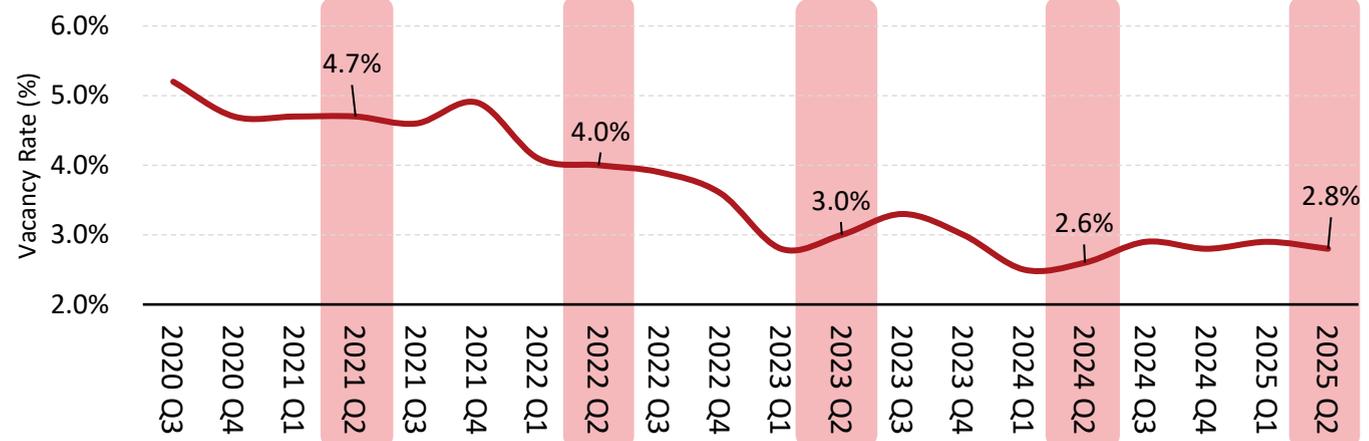
### Under Construction & Net Deliveries (sq. ft)



### Net Absorption (sq. ft)



### Vacancy Rate (%)



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

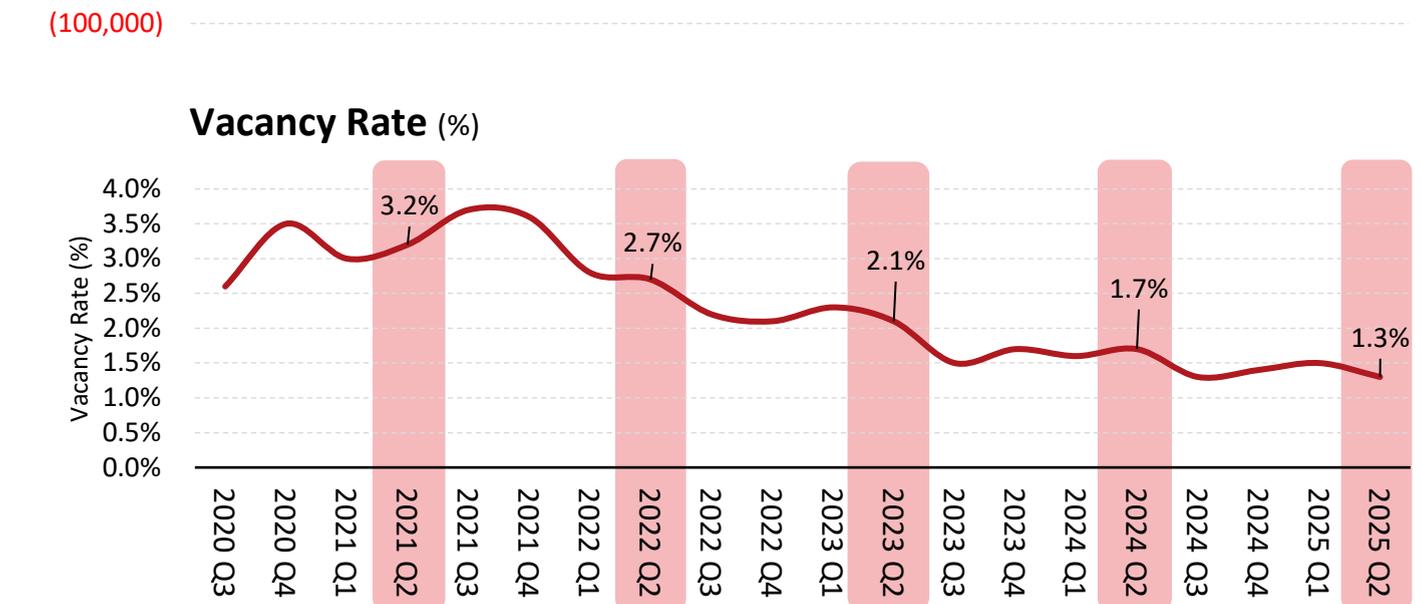
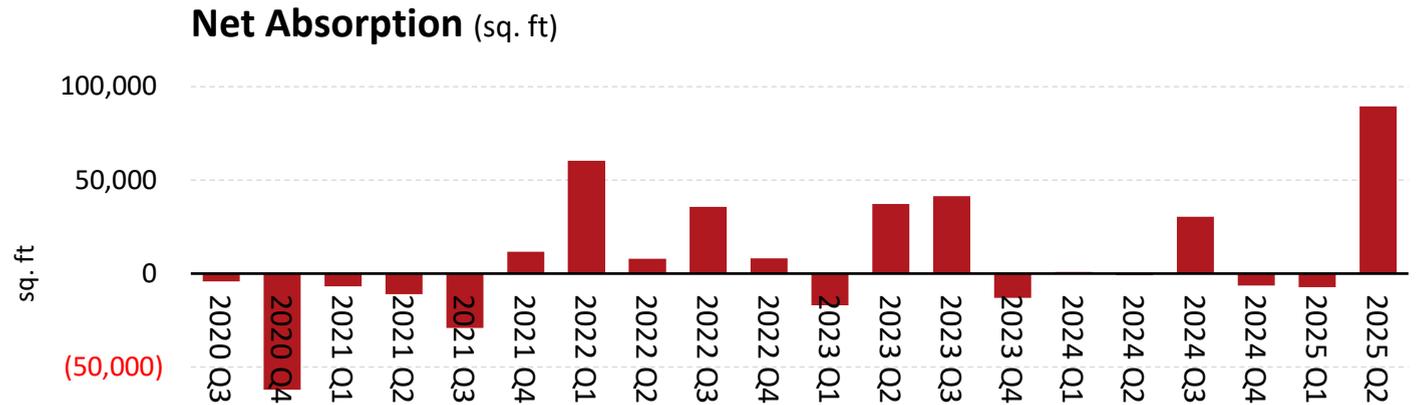


# Retail Market - MSA Trends

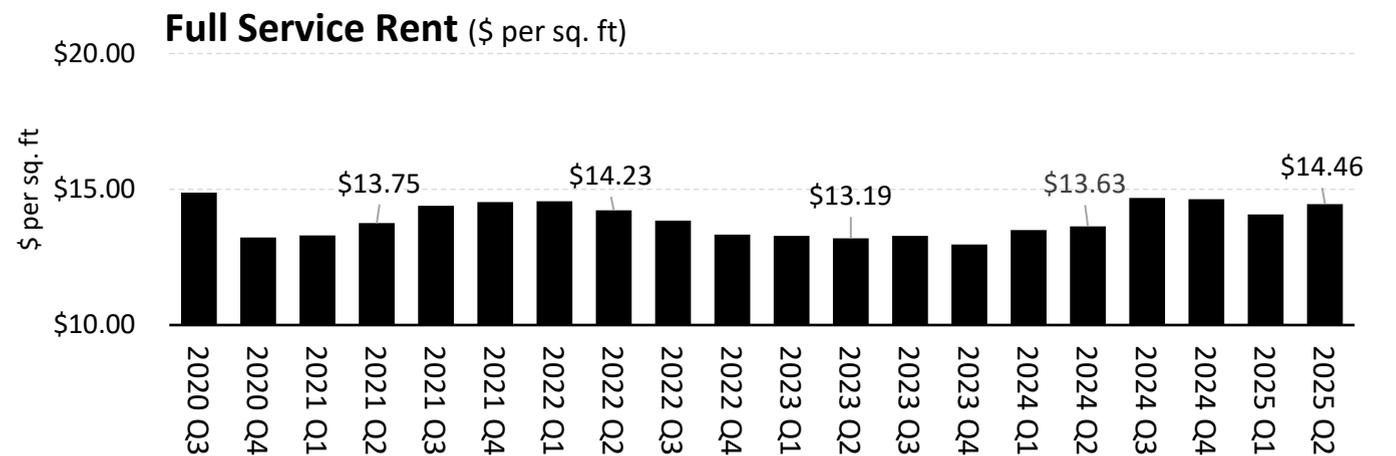
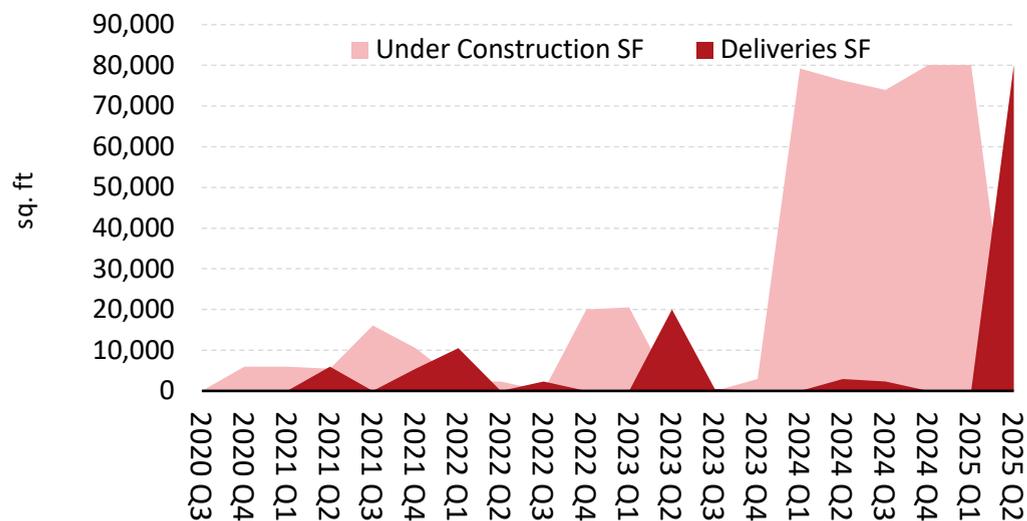
## HARRISONBURG MSA

### Local Market Indicator Dashboard

	Q2-2025	YoY Chg	
Total Inventory (sq. ft, millions)	6.9	1.2%	% chg
Vacancy Rate (%)	1.3%	-0.4%	pct points
Net Absorption (sq. ft)	89,438	90,399	sq. ft
Avg Full Service Rent (\$ / sq. ft)	\$14.46	\$0.83	\$ per sq. ft
Deliveries (sq. ft)	80,100	77,156	sq. ft
Under Construction (sq. ft)	0	-76,325	sq. ft



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



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