

# Retail Snapshot Q1 2016

Hampton Roads, Virginia

## ECONOMIC INDICATORS

### National

	Q1 15	Q1 16	12-Month Forecast
GDP Growth	2.9%	2.1%	▲
CPI Growth	-0.1%	1.1%	▲
Consumer Spending Growth	3.3%	2.8%	▲
Retail Sales Growth	2.7%	2.8%	▲

### Regional

	Q1 15	Q 16	12-Month Forecast
Household Income	\$59,869	\$61,252	▲
Population Growth	1.0%	1.0%	■
Unemployment	5.3%	4.7%	▼

Source: Moody's Analytics

## Economy

The Hampton Roads market is ahead of the national unemployment rate and it still improving. The drop in the unemployment rate over the past year shows that the market is still heading in the right direction. The educational and health service industry are reporting the biggest employment growth since first quarter of last year, while the increase in financial, construction and hospitality jobs is slower.

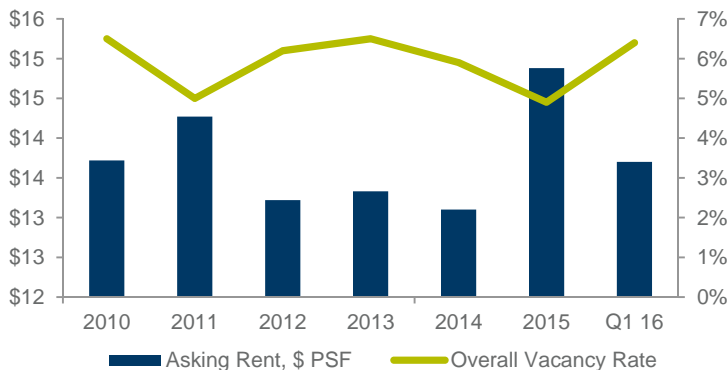
## Market Overview

A few stores closed their doors during first quarter, but there were more stores opening to the start the year off right in 2016. With the announcements from last year, the market will now notice three gaping holes where Macy's has left regional mall locations. In addition, Sports Authority announced plans to close its three stores in Hampton, Norfolk and Virginia Beach.

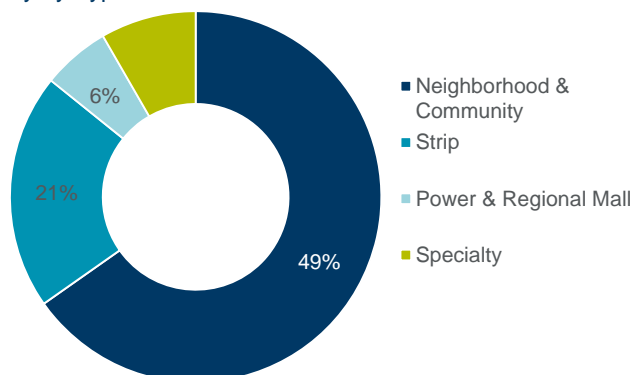
Plans are circulated for newcomers to the market such as Publix, Wegmans, Conn's and Bob's Discount Furniture. Ahold (Martin's Grocery store) and Delhaize (Food Lion) are merging to compete in the ever growing battle for dominating the grocery market and there is talk of Publix acquiring 13 Martin's stores in Richmond.

A portion of the Sear's store in the Pembroke Mall was converted into a Nordstrom Rack, The Fresh Market and DSW. Nordstrom Rack and The Fresh Market opened during first quarter, while DSW and REI, which are under construction, plan to open in the second quarter. Other openings include Texas Roadhouse in Harbour View, Suffolk; Rite Aid in Harbour View and Downtown Suffolk; Starbucks and Fuddrucker's in Norfolk; and Ashley Furniture in Newport News.

## Rental Rate vs. Overall Vacancy



## Availability by Type



## Outlook

Looking ahead to the second quarter and beyond, the Hampton Roads retail market will continue to see new grocery developments coming out of the ground, the redevelopment of the closed Macy's and Sports Authority stores, and new restaurants coming into the market followed by some new national retailers.

MARKETBEAT

# Retail Snapshot Q1 2016

Hampton Roads, Virginia



SUBMARKET	TOTAL BLDGS	INVENTORY	VACANCY RATE	CURRENT NET ABSORPTION	YTD NET ABSORPTION	UNDER CONSTRUCTION	AVERAGE ASKING RENT (NNN)
Gloucester	154	1,798,102	7.2%	0	0	0	\$11.96
Williamsburg	476	8,025,198	7.6%	6,805	6,805	72,175	\$15.36
York/Poquoson	252	2,227,093	6.2%	(4,100)	(4,100)	0	\$14.72
Newport News	663	8,938,228	6.6%	10,699	10,699	150,000	\$13.15
Hampton	1,076	13,260,113	7.2%	16,415	16,415	5,024	\$12.13
Smithfield/Isle of Wight/Suffolk/Franklin	573	5,794,061	9.5%	5,923	5,923	0	\$8.62
Harbourview/Churchland/Western Branch	196	2,931,797	6.4%	96,442	96,442	12,268	\$15.18
Portsmouth	584	4,746,850	6.1%	(1,659)	(1,659)	13,000	\$11.88
Chesapeake	524	10,548,538	4.2%	10,666	10,666	125,000	\$17.20
Norfolk	1,309	15,973,381	6.7%	(38,979)	(38,979)	130,000	\$13.38
Virginia Beach	1,948	27,769,133	5.4%	(2,768)	(2,768)	101,263	\$15.57
<b>HAMPTON ROADS TOTALS</b>	<b>7,755</b>	<b>102,012,494</b>	<b>6.2%</b>	<b>99,444</b>	<b>99,444</b>	<b>608,730</b>	<b>\$13.70</b>

\*Rental rates reflect gross asking \$psf/year

## Key Lease Transactions Q1 2016

PROPERTY	SF	TENANT	PROPERTY TYPE	SUBMARKET
Southern Shopping Center	35,550*	Food Lion	Community Center	Norfolk
Triangle Shopping Center	25,000	HR Portsmouth	Neighborhood Center	Portsmouth
632 First Colonial Rd.	6,200	RNR of Virginia, LLC	Strip Center	Chesapeake
Walmart Way Crossing	5,600	US Army Navy Marines & Air Force Recruiters	Neighborhood Center	Chesapeake

\*Renewal

## Key Sales Transactions Q1 2016

PROPERTY	SF	SELLER/BUYER	PRICE / \$ PSF	SUBMARKET
Denbigh Village Shopping Center	128,995	DDR Southeast Denbigh Village, LLC / Mark Gold	\$10,688,000 / \$83	Newport News
3852 Virginia Beach Blvd.	10,151	McKnight Family Partnership, LLLP / Panda Kitchen & Bath of VA, LLC	\$1,600,000 / \$158	Virginia Beach
3645 Virginia Beach Blvd.	8,500	3645 Virginia Beach Boulevard, LLC / CAF Associates, LLP	\$1,850,000 / \$218	Virginia Beach

## About Cushman & Wakefield

Cushman & Wakefield is a global leader in commercial real estate services, helping clients transform the way people work, shop, and live. The firm's 43,000 employees in more than 60 countries provide deep local and global insights that create significant value for occupiers and investors around the world. Cushman & Wakefield is among the largest commercial real estate services firms in the world with revenues of \$5 billion across core services of agency leasing, asset services, capital markets, facilities services (branded C&W Services), global occupier services, investment management (branded DTZ Investors), tenant representation and valuations & advisory. To learn more, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com) or follow @Cushwake on Twitter.

### Brad McGetrick

Director of Brokerage Services  
 1100 W Broad St  
 Glen Allen, VA 23060  
 Tel: +1 804 697 3558  
 Fax: +1 804 697 3479  
 Brad.mcgetrick@thalhimer.com