



SPRING 2021 MARKET UPDATE



Greater Richmond
Commercial Real Estate

Multifamily Rents Are Growing at Record Levels in Richmond



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Following a banner year in 2020, Richmond, Virginia’s multifamily market hasn’t slowed one bit.

By the close of the first quarter, the market set new four-quarter trailing records for units completed and units absorbed, both on a net basis. Each was a notable feat in its own right, but the demand story has been even more pronounced, which has allowed for additional vacancy compression and rent growth in 2021.

Richmond’s under-construction pipeline has been exceeding historical norms ever since the beginning of 2017. Thus, even before the pandemic, it was known that the market was expected to see a flurry of units open in the years to come. What wasn’t known was just how many of those units were going to be absorbed over the past four quarters, especially during one of the most trying times in history, both economically and socially.

Given the steadfast demand for apartments in Richmond, property managers have been pushing asking rents at an above-average pace. Among the 50 largest U.S. multifamily markets, Richmond was one of just 11 markets to register a greater-than-6% rate of growth from April 2020 through March 2021. In addition, the percentage of properties offering a concession in the first quarter dipped to its lowest rate since prior to the pandemic.

A looming question surrounds the longevity of these outsize rates of growth. With multifamily development still soaring, it will likely take yet another above-average year of demand in order to prevent any sort of vacancy expansion in the coming quarters. If that does not happen, rent gains will likely slow from their current pacing.

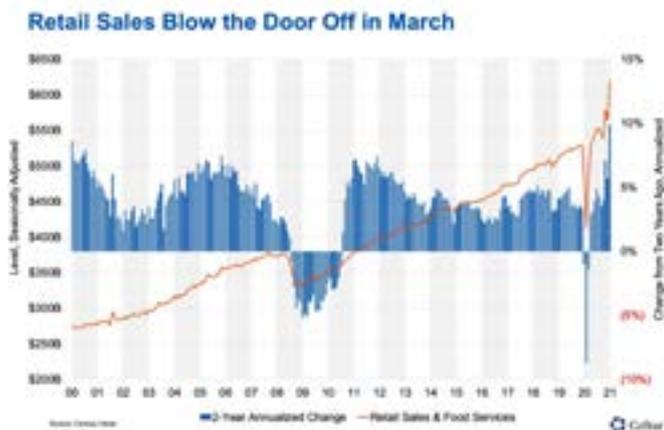
Nonetheless, even if a slowing does take place, year-over-year gains are still expected to remain above the market’s long-term annual average.

Source: Multifamily Rents Are Growing at Record Levels in Richmond, Virginia | Michael Cobb | CoStar | April 6, 2021

How the Latest Retail Sales Figures Might Be a Microcosm of Recovery

There have been few clearer signs that things are getting back to normal than March's retail sales report released last week. In fact, not only have retail sales easily cleared pre-pandemic levels, but they are now up a staggering 17% from that point.

As the pandemic ruined almost every year-over-year comparison (anything will look good against March and April 2020 when stay-at-home orders were first implemented), the trend among economic data watchers has been to use a two-year percentage change instead. The graph showing total retail sales alongside its two-year annualized change looks just as staggering:



Some store types have reported sales up by 20% or more, and in some cases much more. These include many that were among the worst hurt by the early months of the pandemic. The most drastic example is the hobby store category, encompassing sporting goods, book, toy and game stores.



But the gains have been widespread across all stores since the nadir of April 2020. The only store type that remains down from pre-recession levels is restaurants and bars, with sales down 5% from last February but still recovering quickly: March's 13% gain was the sector's largest since last summer, and it's already up 22% year to date.

A rise in discretionary spending is one of the clearest possible signs of improving conditions, meaning households are confident enough in their future employment situation to spend out of their savings. This has not materialized yet and shows some underlying fragility in the economy. Our working assumption is that as the virus fades, discretionary spending will pick up and help drive the next stage of economic growth. But it remains a question mark.

Almost all indicators have improved drastically in 2021, and data for the next couple months should remain staggeringly strong. But the indicators that haven't are telling a story: Perhaps there's still more vulnerability to the recovery than we think.

Source: How the Latest Retail Sales Figures Just Might Be a Microcosm of the Recovery | CoStar | April 19, 2021

SOLD/LEASED IN Q1 2021

See all our listings at:
JoynerCommercial.net/Property-Search

Recently Sold:

- 6223 Lakeside LLC purchased a 3,360 office building on 0.045 acre at 6223 Lakeside Ave in Henrico for \$378,600 from Sporich Properties, LLC. Bill Phillips represented the Seller.
- Amelia County purchased a 4,357 sf office building at 9100 Virginia St in Amelia Court House for \$375,000. Bill Phillips represented the Seller in this transaction.
- True Family Services, LLC purchased a 2,275 sf duplex at 3010 Chamberlayne Ave in Richmond for \$245,000 from Andre Small. Susan Haas represented the Seller.

Recently Leased:

- 5,448 sf of office space leased by Joyner Fine Properties in Westhampton Commons at 5800 Patterson Ave in Richmond. Bill Phillips represented the Tenant.
- 4,200 sf of flex space leased to Central Virginia Gymnastics, LLC at 1564 Oakbridge Dr, Powhatan, VA 23139. Bill Phillips represented the Tenant.
- 2,642 sf of office/retail space leased by CRA Communications, LLC at 104 Shockoe Slip, Suite A in Richmond. Bill Phillips represented the Landlord.

What's New in RVA



A dozen townhomes in Highland Park

Richmond-based Dorado Capital, led by developer Harsh Thakker, is planning a dozen modern townhomes on just over an acre at 2705 Fifth Ave. in the neighborhood, also known as the Chestnut Hill/Plateau Historic District.

The for-sale homes would replace an existing building to be razed and would be divided between two six-unit buildings bookending a central lawn with community amenities including a fire pit and tree swing.



Amazon Fulfillment Center

The governor's office announced that Amazon will locate a robotics fulfillment center in the 2.6 million-square-foot industrial complex that Texas-based Hillwood Enterprises is planning on land north of Richmond Raceway.

The center is expected to create 1,000 jobs, despite the robotics technology involved with the facility. It's slated to start operations in 2022.



New-To-Market Cookie Shop Chain

Following an expansion trail from out West, a chain that specializes in oversized cookies is expected to make its Central Virginia debut with several locations this summer.

Utah-based Crumbl Cookies has an initial wave of stores in the works from two different franchisees in Bon Air, Mechanicsville, Colonial Heights and Glen Allen.

Source: Richmond BizSense | 2021

FEATURED PROPERTIES



Land | For Sale

10330 MEMORY LANE
\$225,000 | 0.98 ACRES

TODD BUTTNER | (410) 382-7109

This is the last lot on the street of office buildings already zoned O-2 and ready for your office to join the neighborhood.



Retail | For Sale

802 E NINE MILE RD
\$195,000 | 1,462 SF ON 0.273 ACRES

ROB BROWN | (804) 651-5685

BERNARD HEYWARD | (804) 317-7777

This great, functional freestanding building on corner of E Nine Mile Rd and N Pine Ave is ideal for retail/office user/investor.

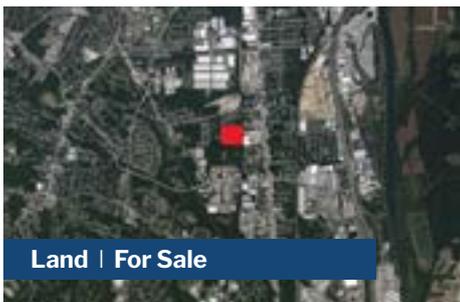


Land | For Sale

4790, 4794, 4796 & 4810 POUNCEY TRACT RD
\$2,000,000 | 7.324 ACRES

BILL PHILLIPS, CCIM | (804) 967-2739

Four parcels for a total of 7.324 acres in Henrico County's West End. Located in Henrico's Suburban Mixed Use comp plan.



Land | For Sale

3211 REAR SCOTTSDALE ST

\$150,000 | 8.58 ACRES

SUSAN HAAS | (804) 349-5788

Located 5 miles to downtown and zoned R-4 with 12-14 single or 2-family building lots. See expired zoning confirmation letter for 28 single-family building lots.



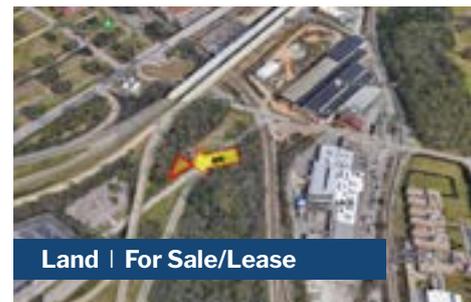
Office | For Lease

6701 JANWAY RD

\$7.75 PSF | 410 - 3,747 SF

BILL PHILLIPS, CCIM | (804) 967-2739

2nd Floor office space available in this Office/Warehouse Building at the corner of Janway Road and Sanford Drive in Henrico, VA.



Land | For Sale/Lease

1010 N 7TH ST

\$750,000 | 0.068 ACRES

\$3,000 PER MONTH

TODD BUTTNER | (410) 382-7109
Land parcel with no wetlands and 199.75 feet of lot frontage. Option to buy or lease. Highly visible from major highways.



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