

FIGURES | HAMPTON ROADS RETAIL | Q4 2025

Home Goods and Fitness Tenants Lead Leasing During a Quiet Quarter

2.0M 803,317 \$80,837 35.9%
 Total Population Number of Households Median Household Income Bachelor's Degree or Higher

Overall retail vacancy across the Hampton Roads market remains steady at just 4.5%, up only 10 basis points (bps) from the prior quarter. Leasing activity slowed slightly, with 129 transactions totaling 485,998 sq. ft.

The largest lease during the fourth quarter was a renewal/contraction by Burlington Coat Factory at 103 Market Place Drive. The retailer is reducing its footprint in the shopping center and remodeling the storefront as part of a national renovation initiative that emphasizes smaller floorplans, new layouts, and refreshed branding.

The fitness sector was also active during the quarter, with Planet Fitness signing a new lease for 29,293 sq. ft. at 456-476 Wythe Creek Road in Poquoson. They will occupy the anchor space at Poquoson Shopping Center and are expected to open for operation in early 2026. Additionally, Palace of Pickleball is opening its first location, leasing 17,728 sq. ft. at 4239 Holland Road in Virginia Beach. The indoor pickleball court facility is expected to open in 2026 and will offer both memberships and open-play opportunities.

FIGURE 1: Q4 2025 Select Notable Lease Transactions

Tenant	Address	City	Lease Type	SF
Burlington Coat Factory	103 Market Place Dr	Hampton	Renewal	34,302
Planet Fitness	456-476 Wythe Creek Rd	Poquoson	New Lease	29,293
Harygul Halloween	1412 Greenbrier Pky	Chesapeake	New Lease	26,785
Schewels Home	932-1000 N Main St	Suffolk	Renewal	26,651
Northern Tool & Equipment	1120 N Military Hwy	Norfolk	Renewal	20,695
Palace of Pickleball	4239 Holland Rd	Virginia Beach	New Lease	17,728

Source: CBRE

Development Spotlight

In Q4, two significant retail developments were completed: The Point at Sherwood Lakes, a 20,500 sq. ft. property located at 2128 Locksley in Virginia Beach, and 3090-3098 Godwin Boulevard in Suffolk, which features 19,181 sq. ft. of retail space. In Norfolk, 45,000 sq. ft. of retail space that is part of the mixed-use development called St. Paul’s Transformation also delivered.

Capital Markets

The largest retail investment sale during the fourth quarter was a former Regal Cinemas located at 100 Regal Way in Newport News. The former theater is 62,838 sq. ft. and sold for \$7.38 million to Signature Management. Redevelopment plans have already been approved for the construction of several apartment buildings and townhouse units.

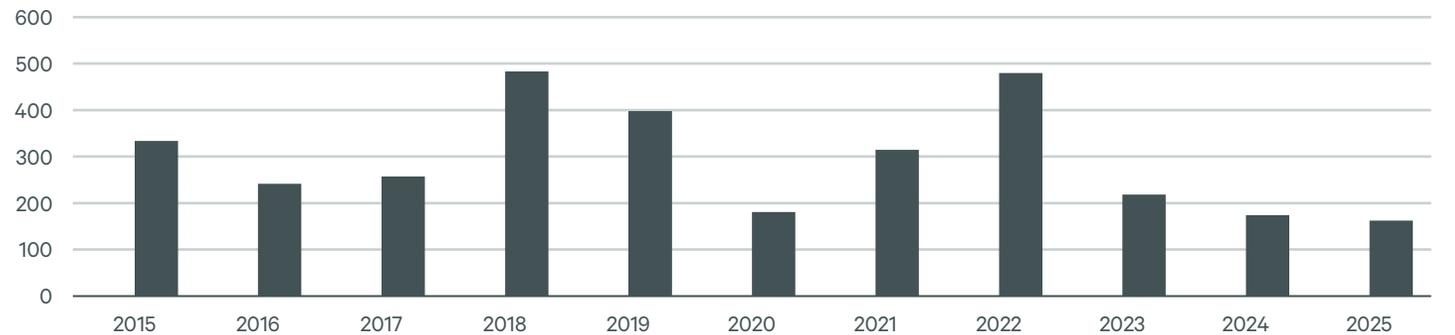
Additional sales include the transaction of Castle Shops in Chesapeake and an urban storefront located in Downtown Norfolk at 325 Granby Street, which sold for \$5.4 million and \$2.5 million, respectively. Overall, the Hampton Roads market recorded \$162 million of investment sales volume in 2025.

FIGURE 2: Select Notable Projects Under Construction

Project Name	Address	City	Retail SF	Delivery	Owner / Developer
Target Ward’s Corner	201 E Little Creek Rd	Norfolk	125,000	Q1 2026	Kotarides
434 Chapel St	434 Chapel St	Norfolk	17,000	Q2 2027	-
4744 Old News Rd	4744 Old News Rd	Williamsburg	8,000	Q1 2026	Wick Smith (Individual Owner)
Dollar Tree	7516 Richmond Rd	Williamsburg	8,000	Q1 2026	Dollar Tree
Wawa	12835 Jefferson Ave	Newport News	6,800	Q2 2026	SKS Holdings

Source: Costar

FIGURE 3: Retail Investment Sales (\$/millions)



Source: Real Capital Analytics, CBRE Research

FIGURE 4: Select Notable Shopping Center Sales

Property Name	Address	City	Property Size (SF)	Sale Price (\$ M)	Price (\$/SF)	Buyer	Seller
Former Regal Cinemas	100 Regal Way	Newport News	62,838	7.38	117	Signature Management	Regal Cinemas
Castle Shops	1107 S Military Hwy	Chesapeake	37,464	5.4	144	Prudent Growth Partners	National South Coast Group
325 Granby St	325 Granby St	Norfolk	21,285	2.5	117	Terrapact Digital Assets LLC	Partners IN Dance LLC

Source: Real Capital Analytics; CBRE Research

Economic Outlook

The U.S. economy is sending some mixed signals. Financial markets are focused on the upside, particularly AI's sizable contribution to growth in recent quarters. Some indicators of business activity, such as capital goods orders, are improving, and strengthening credit markets are helping to usher real estate into a new cycle.

The picture gets more melancholy when looking at households. Consumer confidence remains weak, with spending reportedly driven by a smaller segment of affluent households. This mosaic of data suggests that annual average GDP growth will be steady in 2026, at 2%, but a touch softer than in 2025. A key catalyst is a softer labor market, as companies are 'slow to hire, slow to fire'—a trend that is likely to last a few quarters. A consequence of this outlook is softer inflation and long-term bond yields trending just below 4% by H2 2026.

FIGURE 5: Employment Growth by Industry, 12-Month Percent Change

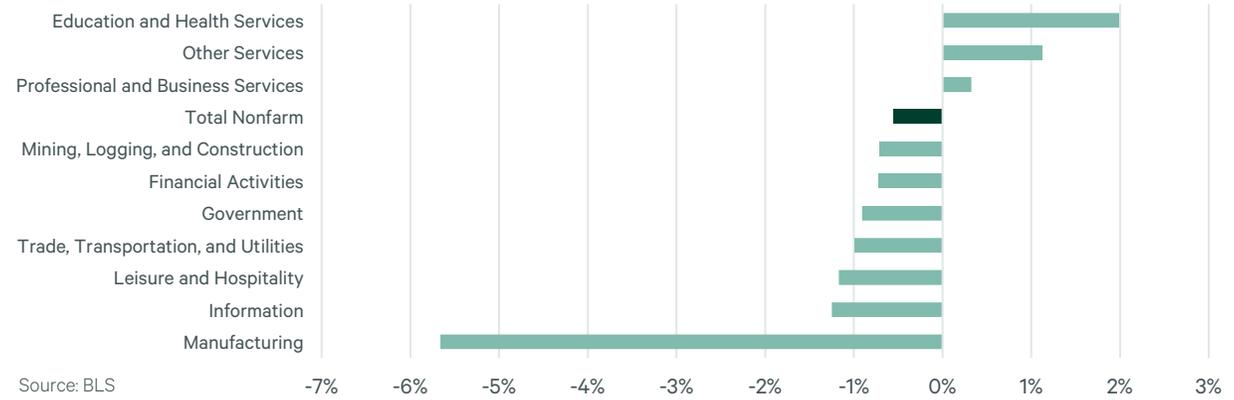


FIGURE 6: Unemployment Rate

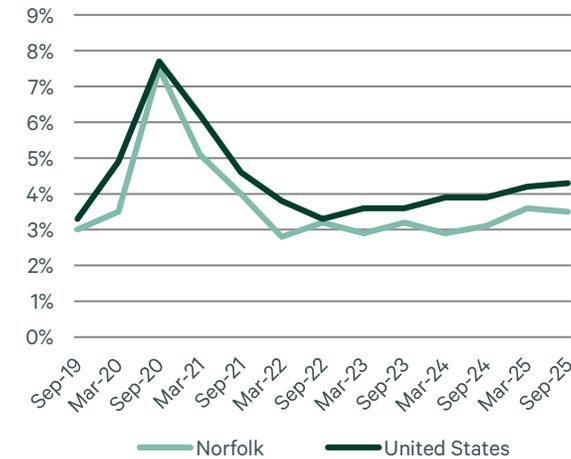


FIGURE 7: Consumer Price Index, 12-Month Percent Change

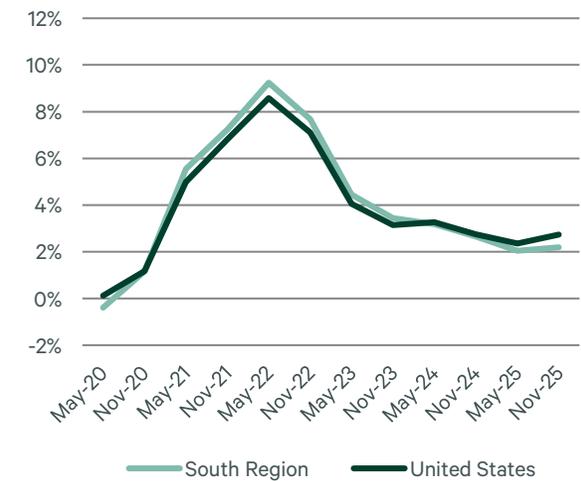
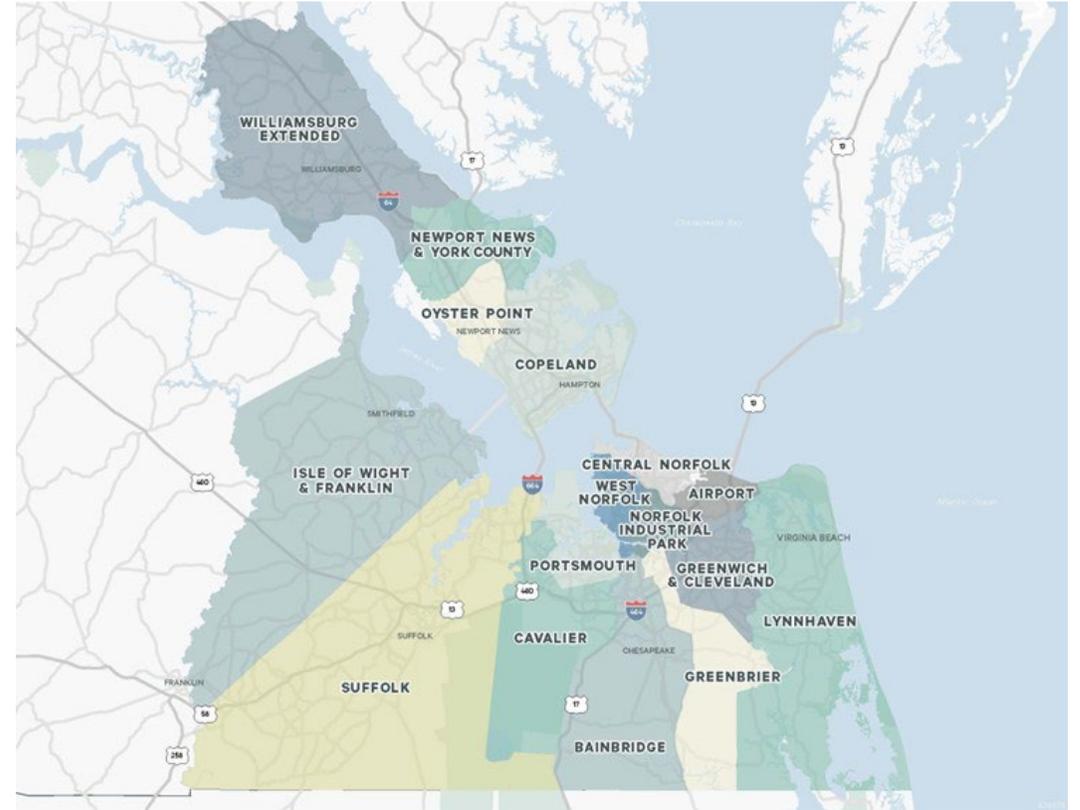


FIGURE 5: Q4 2025 Key Market Statistics

City	Inventory (SF)	Vacancy Rate (%)	Vacancy Rate PCT Quarter Change	Availability Rate (%)	Availability Rate PCT Quarter Change	Under Construction (SF)
Chesapeake	14,761,547	5.1	0.09	5.6	0.2	-
Franklin	1,674,978	3.6	-	3.8	0.0	-
Gloucester	1,341,525	4.1	0.1	4.2	0.1	-
Hampton	8,540,152	5.4	-0.08	6.2	0.02	-
Newport News	14,072,014	4.0	0.08	5.2	0.04	11,050
Norfolk	16,344,065	6.7	0.0	6.0	0.03	142,000
Poquoson	367,516	0.8	-0.9	0.8	-0.9	-
Portsmouth	5,512,015	3.8	0.2	5.0	0.1	-
Suffolk	4,774,506	4.9	0.2	5.0	0.5	4,250
Virginia Beach	26,683,188	3.4	0.1	3.9	0.05	1,500
Williamsburg	7,647,778	5.7	-0.08	7.0	0.2	16,000
Yorktown	2,682,245	1.6	-0.2	11.1	0.1	-
Overall	109,888,914	4.5	0.05	5.3	0.1	187,550

Source: CBRE Research; Costar



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