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Expert Column: What’s driving retail strength in Hampton Roads (and beyond)



Zephyr Hair Design has moved into one of the many Rite Aid stores closed in Hampton Roads. (Stephen M. Katz / The Virginian-Pilot)



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In times like these, it’s fair to ask how different asset classes are holding up, and retail real estate continues to show surprising strength. That’s true across the country, and it’s definitely true here in Hampton Roads.

I recently got back from the ICSC conference in Las Vegas, the largest retail real estate gathering in the country. This year brought together about 25,000 attendees — retailers, developers, investors, brokers and more. The overall vibe? Positive and energetic, and with good reason.

Locally, the numbers back it up. CoStar reports that retail vacancy in Hampton Roads is sitting at a near-record low of 4.4%, right at the national average. So what’s driving that resilience?

A few key factors:

- Very little new construction
- Vacant spaces getting backfilled quickly
- A growing mix of non-traditional tenants filling retail space



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At the same time, even with headlines about major retailers closing stores, [Rite Aid](#) being a recent example, those vacancies aren’t sitting idle for long. In many cases, they’re quickly repurposed, redeveloped or, yes, turned into car washes.

We’re also seeing a shift in who’s taking retail space. Medical and dental users are more common than ever in shopping centers, and experiential concepts (think indoor pickleball, fitness studios and entertainment uses) continue to gain traction.

On the investment side, demand remains strong across the board. There’s still plenty of capital looking for retail deals at all price points. The challenge? Finding product. Right now, the bigger story isn’t lack of buyers — it’s lack of sellers.

All in all, retail is proving to be more resilient than many expected. And for now, that momentum looks like it’s here to stay.

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