

Construction and Real Estate Regional Snapshot

Office Vacancy Rates

Office vacancy rates are generally high as more workers opt for a hybrid or remote work arrangement. High vacancy rates are predicted to continue over the next several years. Building owners will need to explore how to use office space better and entice tenants back into the office with desirable upgrades.



Regional Vacancy Rates



Strategies:

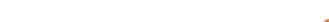
Split large areas of square footage into smaller but expandable leasable sections



Offer spec suites with move-in ready spaces



Repurpose existing floor plans for hybrid work models



Develop more adaptable, multi-use buildings



Looking Ahead for Growth

Some industry sectors are currently outperforming other segments...

- Industrial
- Multifamily
- Data centers
 - Northern Virginia is the nation's largest data center market by capacity

...while some sectors, like luxury hotels, are poised for a resurgence.

Regional Snapshots

Coastal Virginia:
higher demand for office space; lower demand for multi-family, industrial, and retail

Coastal North Carolina:
higher demand for office space, multifamily, industrial, and retail

Northern Virginia/Washington, D.C.:
higher demand for industrial and multifamily; lower demand for retail and office space



Emerging Sectors

- Senior housing, increasingly being viewed as a continuum on the long-term health care spectrum
- Student housing
- Medical office
- Retail
 - Niche and fast-casual restaurants
 - Grocery stores
 - Grocery-anchored retail in mixed-use, high-population centers



Moving You Forward

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