

trends

Richmond Industrial Market

In the next six months look for vacancy, rental rates and net absorption to remain relatively flat and construction to trend up slightly.

Slow, steady growth should continue

Year-to-Date

The industrial market finished on an optimistic note, ringing up 766,000 sq. ft. of absorption for the quarter and more than 2 million sq. ft. for the year. Absorption was spread out both geographically and by product type, although the I-295/Parham/I-95 flex submarket continued to enjoy the most activity. Also on the verge of several announcements was the Lewistown interchange north on I-95 and the Walthall interchange south on I-95. The year's biggest investment and construction news came when Infineon (formerly White Oak) Semiconductor began immediate construction of a long awaited 500,000 sq. ft. expansion to its plant near I-295 at I-64 East.

Going Forward

Although absorption was high in the fourth quarter, the number of deals in the pipeline slowed, signaling a likely continuation of slower, but steady growth. The supply of older industrial buildings will grow as more closings and consolidations are announced. Local companies will be the most likely candidates to fill them. Absorption will continue to come from a variety of segments including distribution and R&D/Tech intensive companies. On the other hand, there will be continuing pressure in the general industrial sector to control labor, inventory and other overhead which will dampen the overall need for manufacturing facilities.

Richmond Industrial Market Trends

is a newsletter published quarterly by Grubb & Ellis | Harrison & Bates. To obtain additional copies or other Grubb & Ellis publications, please contact:

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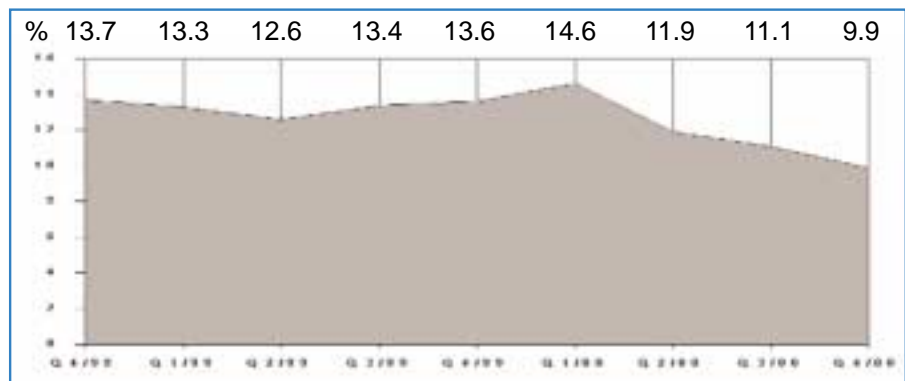
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Richmond Industrial Vacancy Rate*

* All Product Types & Submarkets

Market Snapshot

Richmond, VA Industrial Market

By Submarket (All Types)	Total SF(1)	Vacant SF	Vacant %	Net Absorption		Under Construction(2)	Asking Rent(3)	
				Current Qtr.	Year-to-date		Wh/Dist	R&D/Flex
Northeast	8,326,444	770,550	9.3%	(7,694)	502,912	114,792	\$4.07	\$5.71
Northwest	15,296,350	2,001,300	13.1%	184,783	801,126	122,800	\$5.13	\$7.67
Southeast	11,283,475	682,554	6.0%	236,768	(163,806)	1,100,000	\$5.36	\$7.67
Southwest	29,267,629	2,912,817	10.0%	352,453	895,162	548,621	\$3.52	\$7.26
Total	64,173,898	6,367,221	9.9%	766,310	2,035,394	1,886,213	\$4.52	\$7.08

By Product Type (All Submarkets)	Total SF(1)	Vacant SF	Vacant %	Current Qtr.	Year-to-date	Under Construction(2)	Asking Rent By Product Type	
							Wh/Dist	R&D/Flex
General Industrial	35,751,622	2,757,847	7.7%	173,836	361,196	1,340,000	\$4.45	
Incubator	338,899	43,569	12.9%	7,325	2,594	0	\$6.83	
R&D/Flex	7,213,151	762,121	10.6%	161,370	400,848	261,492	\$7.08	
Whse/Distribution	20,870,226	2,803,684	13.4%	423,779	1,270,756	284,721	\$4.52	
Total	64,173,898	6,367,221	9.9%	766,310	2,035,394	1,886,213		

(1) Inventory includes primarily multi-tenant, single tenant and owner occupied buildings with at least 10,000 sq. ft.

(2) Space under construction includes speculative, build-to-suit for lease and design-build projects.

(3) Asking rates are per square foot per year triple net. Rates for each building are weighted by the amount of available space within the building.

Recent Transactions

Grubb & Ellis | Harrison & Bates is pleased to announce the following industrial transactions during the fourth quarter of 2000.

Office Furniture Clearance

12,500 SF Lease
1400 Overbrook Road, Richmond
Jason Hetherington

All My Sons Moving

11,200 SF Lease
2522 Hermitage Road, Richmond
Jason Hetherington

Laidlaw Transit

9,660 SF Lease
2210 Magnolia Street, Richmond
David Williams

Ronson Communications

9,226 SF Lease
3100 W. Marshall Street, Richmond
Andrew Ferguson

Belt Trade Center

61,056 SF Investment Sale
133 E. Belt Boulevard, Richmond
Jackie Noel

Crittenden Drywall

4,450 SF Lease
237 Granite Springs Road, Chesterfield
Jason Hetherington, Bill Mattox

Universal Hospital Service

4,222 SF Lease
9830 Mayland Drive, Henrico
John Gentry, David Williams

Verizon Global

2,700 SF Lease
107 S. 5th Street, Richmond
David Williams, Dawn Carson

Bell Atlantic Properties

78,408 SF Sale
309 Quarles Road, Ashland
David Williams, Morrie Piersol, Steve Gentil

Villa Park Site

3.1 Acre Sale
Rt. 1 & Parham Road, Henrico
Bill Mattox

Leisure Foods Corporation

4,500 SF Lease
11024 Air Park Road, Hanover
Jason Hetherington, Stuart Cary

Aluminum Specialties Co.

5,000 SF Lease
10996 Leadbetter Road, Hanover
Stuart Cary

Listings

Partial Listing of Industrial Properties Currently Available
Go to www.harrison-bates.com to view all listings including land.



Former Stanley Hardware Plant
5710 S. Laburnum Avenue
316,000 SF on 20.94 Ac
Sale - \$10,700,000
David Williams, Bill Mattox



Honeywell Churchill Plant
Hopewell, VA
239,540 SF on 37.45 ac
Sale - \$2,950,000
Mattox, Hetherington, Williams



8401 Jefferson Davis Hwy
164,440 SF
Sale - \$3,900,000
Lease - \$3.25 NNN
Stuart Cary, David Williams



Eastport III
5700 Eastport Boulevard
100,366 SF
Sublease - \$4.50 NNN
Dawn Carson, David Williams



Telecommunications Center
10436 Wilden Drive
64,064 SF
Sale - \$3,300,000
Dawn Carson, Stuart Cary



Former Colonial Mechanical
3017 Vernon Road
38,342 SF on 3.04 acres
Sale - \$1,795,000
D. Williams, S. Boyers, S. White



Bermuda Park IV
1821 Battery Dantzler Road
34,347 SF
Lease - \$3.50 NNN
Williams, Cary, Ferguson



Pharmacy Distribution Bldg
5701 Midlothian Turnpike
33,000 SF
Sale - \$1,150,000
Dawn Carson, David Williams



Former Federal Express
2508 Mechanicsville Tpke
26,192 SF
Lease - \$5.25 NNN
J. Hetherington, D. Carson



Former Mrs. Fearnow's
8098 Shady Grove Road
20,000 SF
Lease - \$5.50 NNN
Stuart Cary, Sam Worley



Villa Park I
8040 Villa Park Drive
14,625 SF
Sublease - \$7.25 NNN
Dawn Carson, David Williams



Northridge I & II
10444 Lakeridge Parkway
8,185 - 11,981 SF
Lease - \$5.50 to \$7.25 NNN
David Williams



Willis Road Business Center
9301 & 9401 Burge Ave
3,200 - 19,200 SF
Lease - \$4.00/\$9.00
Stuart Cary, Dawn Carson



Dabney Corporate Center
2034 Dabney Road
Sale - \$950,000
Lease - 3,275 to 6,625 SF
A. Ferguson, D. Williams



Former Duquesne Energy
109 Terminal Street, Hopewell
9,700 SF on 6.2 Ac
Sale - \$275,000
David Williams



Hanover Industrial Park
10999 Richardson Road
8,000 SF with 2 Docks
Lease - \$5.00
Stuart Cary

Services

Superior Service Through Innovative People With Traditional Values

The Industrial Brokerage Group specializes in all facets of industrial real estate locally, as well as nationally, through our affiliation with Grubb & Ellis, one of the nation's largest commercial real estate services firms. Clients benefit from the depth of experience and superior market knowledge of these highly trained professionals. Services provided include:

- Acquisition/Disposition Services
- Buyer/Tenant Representation
- Feasibility Studies
- Highest & Best Use/Alternative Use Studies
- Investment Analysis
- Lease Review for Owners & Tenants
- Lease vs. Own Analysis
- Marketing Plans & Services
- Opinions of Value
- Project Management
- Sales-Leasebacks
- Site & Facility Selection
- Strategic Real Estate Planning
- Tax Deferred Exchanges
- Tenant Retention



Grubb & Ellis | Harrison & Bates Industrial Brokerage Group includes (top row) Dawn Carson, Stuart Cary, SIOR, Andrew Ferguson, (bottom row) Jason Hetherington, SIOR, Bill Mattox and David Williams, SIOR, CCIM.

Grubb & Ellis | Harrison & Bates is proud to be the only real estate service provider offering owners and users of industrial real estate complete market information on more than 64 million square feet in Greater Richmond. This comprehensive information can be used in a variety of ways such as to achieve the best value in a transaction, to position a property or portfolio for maximum gain, or to better determine where market opportunities are.



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Independently Owned and Operated

4th Quarter 2000

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