

# trends

## Richmond Industrial Market

**Sales activity continues to be good for industrial buildings under 50,000 square feet in size.**

# Sales activity continues to outpace leasing

### 2nd Quarter Highlights

Overall vacancy increased from 10.9% to 11.8% due to some large buildings coming back on the market. Average rental rates dropped dramatically in the warehouse/distribution category where vacancy now exceeds 15%. Sales activity continues to outpace leasing and consists primarily of local companies taking advantage of attractive interest rates and a good supply of product. Prices for mid-size buildings are high but are declining for larger buildings over 50,000 SF primarily due to the functional obsolescence of many of those facilities. On the positive side, notable lease transactions included 240,000 SF for Whitehall Robins at Interport Business Center, 116,000 SF for U. S. Logistics at Enterchange Center, and 150,000 SF for ICM at Fairgrounds Distribution Center.

### Looking Ahead

The industrial market should start to stabilize in the second half of the year. With the exception of the 650,000 SF that has come on the market due to Viasystems' plant closing, expect absorption to improve. Landlords will still have to cut rents further to compete for any large tenants in the market and there will continue to be downward pressure on large vacant buildings. Hunton Business Park, a flex park at I-295 & Staples Mill Road in the northwest quadrant is the only new park expected to open in 2002.

#### Richmond Industrial Market Trends

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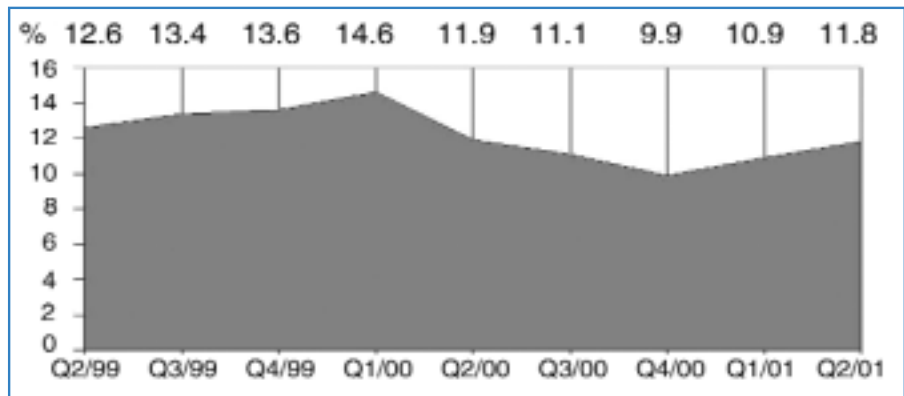
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**Richmond Industrial Vacancy Rate\***

\* 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	8,683,279	1,142,517	13.2%	1,847	(228,458)	130,000	\$4.14	\$8.27
Northwest	15,541,544	2,298,584	14.8%	(201,352)	(243,037)	251,000	\$3.63	\$7.75
Southeast	11,988,533	1,039,114	8.7%	(112,161)	348,399	500,000	\$4.30	\$7.71
Southwest	29,829,719	3,287,325	11.0%	(22,428)	(198,120)	72,700	\$3.65	\$9.97
<b>Total</b>	<b>66,043,075</b>	<b>7,767,540</b>	<b>11.8%</b>	<b>(334,094)</b>	<b>(321,216)</b>	<b>953,700</b>	<b>\$3.90</b>	<b>\$8.42</b>

By Product Type (All Submarkets)	Total SF(1)	Vacant SF	Vacant %	Net Absorption		Under Construction(2)	Asking Rent By Product Type	
				Current Qtr.	Year-to-date		Wh/Dist	R&D/Flex
General Industrial	36,609,243	3,606,084	9.9%	(569,973)	(120,804)	600,000	\$3.75	
Incubator	517,794	44,072	8.5%	34,201	11,818	0	\$7.55	
R&D/Flex	7,593,638	899,997	11.9%	219,943	93,661	223,700	\$8.42	
Whse/Distribution	21,322,400	3,217,387	15.1%	(18,265)	(305,891)	130,000	\$3.90	
<b>Total</b>	<b>66,043,075</b>	<b>7,767,540</b>	<b>11.8%</b>	<b>(334,094)</b>	<b>(321,216)</b>	<b>953,700</b>	<b>\$4.92</b>	

(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 transactions during the second quarter of 2001.

### RPS Pharmacy, Inc.

33,000 SF Sale  
5701 Midlothian Turnpike  
\$725,000  
David Williams, Dawn Carson

### 2504 Grenoble Road

5,026 SF Sale  
\$350,000  
Scott White, Jason Hetherington

### FedEx Distribution Facility

29,872 SF Sale  
\$2,095,000  
Harrisonburg, VA  
Neil Woolfolk

### Phillip Morris

34,347 SF Lease  
Bermuda Industrial Park, Chesterfield  
Stuart Cary, Andrew Ferguson, David Williams

### Rent-a-Station, LLC

28,590 SF Lease  
1070 Merchants Lane, Goochland  
Jason Hetherington, Bill Mattox

### Cavalier Telephone

14,208 SF Lease  
Crescent Business Center, Hanover  
Jason Hetherington, David Williams

### Skyreach, Inc.

7,350 SF Lease  
11052 Air Park Road, Hanover  
Jason Hetherington, Dawn Carson

### Ford Motor Company

6,000 SF Lease  
10975 Richardson Road, Hanover  
Stuart Cary

### American Furniture Rental

6,000 SF Lease  
8500 Sanford Drive, Henrico  
Jason Hetherington

### Reface, Inc.

3,200 SF Lease  
Willis Road Business Center  
Stuart Cary, Dawn Carson

### Extreme Factory, Inc.

2,850 SF Lease  
8007 Mechanicsville Tpke  
Bill Mattox

FEATURED

# Listings

Partial Listing of Industrial Space & Buildings Currently Available  
Go to [www.harrison-bates.com](http://www.harrison-bates.com) to view all listings including land.

## CHESTERFIELD COUNTY



*Tomahawk Truck*  
9300 Burge Avenue  
7,572 SF on 3 Acres  
Lease - \$6,500 per month  
Dawn Carson, Stuart Cary



*1804 Coyote Drive*  
5,951 SF  
Sale - \$425,000  
Andrew Ferguson



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



*14500 Jefferson Davis Hwy*  
36,000 SF  
Sale - \$1,380,000  
David Williams, Andrew Ferguson



*2725 Oak Lake Blvd*  
2,880 - 12,000 SF  
Lease - \$5.50 - \$10.50  
Jason Hetherington, Andrew Ferguson



*Investment Opportunity*  
11,520 SF - Fully Leased  
Sale - \$1,200,000  
Jason Hetherington, Andrew Ferguson



*11013-37 Research Court*  
2,250 to 6,250 SF  
Lease - \$7.50 MGRS  
Jason Hetherington, Dawn Carson



*Pella Windows Building*  
2211 Station Road  
11,850 SF  
Lease - \$3.75 MGRS  
Stuart Cary, Dawn Carson

## HANOVER COUNTY



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



*100 Ashcake Road*  
1,560 - 2,880 SF on 3.61 Ac  
Sale - \$500,000  
Lease - \$50,000/year  
Stuart Cary



*9410 Atlee Commerce Blvd*  
2,000 SF Office Space  
\$12.00 PSF  
Stuart Cary



*Cedar Park*  
10375 Cedar Lane  
3,900 SF  
Lease - \$5.25 NNN  
Dawn Carson



*Office/Production/Warehouse*  
205 Haley Rd, Ashland  
11,100 SF  
Lease - \$5.50 NNN  
Dawn Carson, Stuart Cary



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



*Hanover Industrial Park*  
10411 Leadbetter Road  
15,400 SF  
Sublease - \$5.50 NNN  
David Williams, Scott White



*Ashland Industrial Park*  
116 Sylvia Road  
3,000 - 12,000 SF  
Lease - \$5.25 NNN  
Dawn Carson, Stuart Cary

BACK ON MARKET

NEW

NEW

NEW

NEW

## HENRICO COUNTY



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



*Airport Center East  
Audubon & Trampton  
3,500 - 17,000 SF  
Lease: \$6.00 - \$11.00 MGRS  
David Williams, Andrew  
Ferguson, Dawn Carson*



*Dabney Area  
4825 Bethlehem Road  
Sale: 105,723 SF - \$2,500,000  
Lease: 76,170 SF - \$3.25 MGRS  
Dawn Carson, Stuart Cary,  
Jason Hetherington*



*Dabney Area  
4109 Clay Street  
12,040 SF  
Lease - \$3.75 MGRS  
Scott White*

**NEW**



*1804 Dabney Road  
7,540 SF  
Lease - \$4.00 MGRS  
Available 1st Qtr 2002  
Scott White*

**NEW**



*Dabney Corporate Center  
2034-2036 Dabney Road  
Sale - \$950,000, \$890,000  
Lease - 3,275 to 6,625 SF  
Andrew Ferguson, David  
Williams*



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



*Flex/Warehouse/Production  
2300 Magnolia Road  
36,361 SF  
Lease - \$3.75 Gross  
David Williams*

**NEW**



*Mayland Place  
Mayland Dr & Stillman Pkwy  
4,000 SF  
Lease - \$12.00 NNN  
David Williams, John Gentry*



*Flex Building - Dabney Area  
2100 Maywill Street  
6,790 SF  
Lease - \$7.75 NNN  
Jason Hetherington*



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



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

**MAKE OFFER!**

## RICHMOND CITY



*Villa Park Tech Service Center  
8000 Villa Park Drive  
108,000 SF  
Sale - \$6,600,000  
David Williams, Bill Mattox  
Steve Gentl*



*1221 Admiral Street  
23,350 SF  
Sale - \$950,000  
Lease - \$3.00  
Jason Hetherington, Scott  
Boyers*

**NEW**



*Castlewood Industrial Park  
3903 Castlewood Road  
42,500 SF  
Sale - \$895,000  
Lease - \$2.65 MGRS  
David Williams*

**NEW**



*Commonwealth of VA  
Warehouse  
1200 Dinwiddie Avenue  
152,995 SF  
Sale - \$1,225,000  
Bill Mattox, Kit Tober*

**UNDER CONTRACT**



5311-19 Distributor Drive  
12,200 SF  
Lease 2,886 SF/ \$3.75 MGRS  
Sale - \$329,500  
Andrew Ferguson



1207 & 1301 School Street  
750 SF Shop + 1,150 SF Office  
3 Acre Fenced Yard  
\$2,800/month  
Scott White

**NEW**



1320 Valley Road  
20,000 SF  
Lease - \$5.00 NNN  
Sale - \$650,000  
Stuart Cary, Dawn Carson

## OTHER



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

**MAKE OFFER!**



Westmoreland Industrial Park  
Montross, VA  
50,000 SF Shell Building  
Sale - \$630,000  
Stuart Cary, Dawn Carson,  
Jason Hetherington

**NEW**

## PROPERTY WANTED

- 35,000 - 45,000 SF of distribution space, central location.
- Tenant occupied industrial property for investor with tax deferred exchange: \$600,000 to \$900,000.
- 20,000 - 25,000 SF industrial property with outside storage.

## INDUSTRIAL LAND

Size Location	City/County Price	Contact	Comments
50 to 617 Acres Enon Church Road	Chesterfield \$5,550,000	David Williams	Zoned I-3, priced from \$10,000/ac
3 to 100 Acres Hill Carter Parkway, Ashland	Hanover \$65,000/ac	Bill Mattox David Williams	Ashland Business Park Zoned Light Industrial
2 to 94 Acres E. Hundred Road	Chesterfield Call for Pricing	Bill Mattox David Williams	Rivermont - Mixed Use Office/Retail/Industrial
86 Acres Rt 10 & Winston Churchill Rd	Hopewell \$1,500,000	Bill Mattox David Williams	Zoned Heavy Industrial
10 to 30 Acres Telcourt Rd, Ashland	Hanover \$40,000/ac	David Williams	NEQ I-95 @ Rt. 54 Zoned M-1
25.6 Acres Dry Bridge Rd & Old Williamsburg Rd	Henrico \$1,275,000	Andrew Ferguson David Williams	M-1C. Near Infineon (White Oak) SWQ I-64 @ Rt. 60
11.5 Acres Laburnum Ave & Eastport Blvd	Henrico \$1,725,000	Bill Mattox J. Hetherington, D. Williams	Eastport Business Park Pad ready for development. M-1C
10.849 Acres Rt. 1 North & Lewistown Road	Hanover \$1,700,000	S. Cary, D. Carson J. Hetherington	Zoned M-1
2 to 9 Acres Airport Drive & Audubon Drive	Henrico From \$95,000/ac	David Williams	Airport Center East Zoned M-1
2 to 8.975 Acres 10539 Hull Street Road	Chesterfield \$80,000/ac	Bruce Milam	Zoned I-1
7.83 Acres 7647 Hull Street Road	Chesterfield \$175,000	Bill Mattox	Zoned I-1
4.3 Acres 4720 Richneil Road	Henrico \$400,000	Bruce Milam Bill Mattox	M-1, Richmond Industrial Interport
1.32 Acres Aspen Avenue & School Avenue	Henrico \$132,000	Bill Mattox Andrew Ferguson	M-1, no proffers; will build-to-suit

# 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 complete industrial real estate information on more than 64 million square feet in Greater Richmond. This comprehensive database 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. Let us show you aggressive strategies to maximize value.



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