

trends

Richmond Retail Market

It's a questionable time to speculate on retail.

Stats contradict difficult quarter for retailers

2nd Quarter Highlights

Despite a slight drop in vacancy and good absorption compared to other property types, the Richmond retail market was not immune from the effects of the economic downturn. It was a difficult quarter for everyone. Most of the quarter's absorption occurred in the northwest quadrant where several additional stores opened at The Creeks at Virginia Center including Barnes & Noble, Bed Bath & Beyond, Petsmart and Michael's. Closing due to bankruptcy were two area Homeplace stores. Rents are notably high in the Short Pump area where some question whether demographics support the necessary sales volumes for retailers to earn profits. Prospective tenants for smaller spaces have been quoted upwards of \$50 per square foot, including pass-through charges, or potentially 20% higher than other area malls. Some retailers with multiple locations have decided to pass.

Looking Ahead

Most national chains are taking a cautious approach and cutting back on new store openings, however, each retailer looks at Richmond differently. Some will go ahead, some will delay and others will pass on Richmond altogether. Forest City recently announced it would push back the opening of Short Pump Towne Center by six months. It remains to be seen if additional delays or cancellations will be forthcoming.

Richmond Retail Market Trends

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

Lynn McDaniel

Marketing Director

Grubb & Ellis | Harrison & Bates

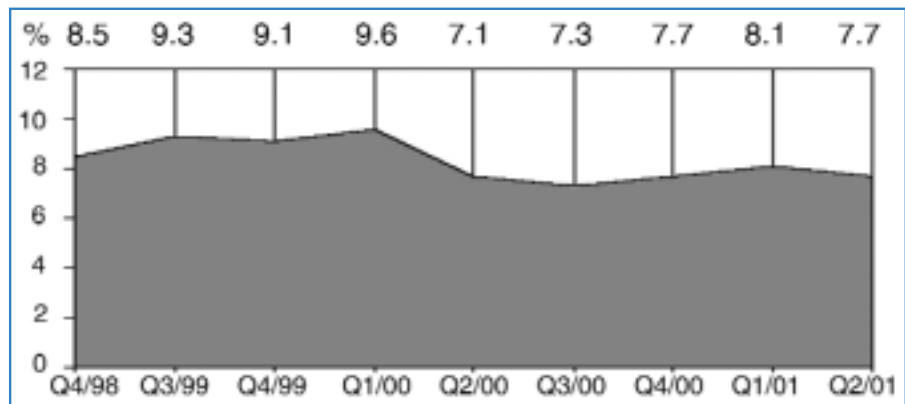
830 E. Main Street, 5th Floor

Richmond, VA 23219-2725

Phone: 804.788.1000 Fax: 804.782.1145

E-mail: lynn.mcdaniel@harrison-bates.com

Internet: www.harrison-bates.com



Richmond Retail Vacancy Rate*

* All Product Types & Submarkets

Market Snapshot

Richmond, VA Retail Market

By Submarket (All Types)	Total SF(1)	Vacant SF	Vacant %	Net Absorption		Under (2) Construction	Asking Rent(3) Neighborhood Power	
				Current Qtr.	Year-to-date			
Northeast	3,121,200	391,320	12.5%	26,300	27,424	0	\$8.25	
Northwest	12,427,395	654,279	5.3%	348,235	456,265	30,000	\$12.67	
Southeast	511,891	15,148	3.0%	4,184	7,576	0	\$12.50	
Southwest	13,866,605	1,282,283	9.2%	140,804	121,019	173,500	\$12.91	
Tri-Cities	3,922,270	253,767	6.5%	(2,030)	(12,530)	0	\$7.56	
Total	33,849,361	2,596,797	7.7%	517,493	599,754	203,500	\$11.19	
By Product Type (All Submarkets)							Asking Rent By Product Type	
Community	6,875,933	811,535	11.8%	427,479	457,779	173,500	\$9.38	
Freestanding	8,012,720	578,654	7.2%	45,610	25,120	0	\$8.17	
Neighborhood	7,771,680	631,118	8.1%	15,677	56,506	0	\$11.19	
Power	2,504,509	0	0%	24,000	24,000	0		
Regional	4,746,108	321,008	6.8%	0	0	0	\$32.13	
Strip	3,938,411	254,482	6.5%	28,727	36,349	30,000	\$11.50	
Total	33,849,361	2,596,797	7.7%	517,493	599,754	203,500	\$12.89	

(1) Inventory includes 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.

(4) Vacant space includes vacant sublease space.

RECENT Transactions

Grubb & Ellis| Harrison & Bates is pleased to announce the following transactions during the second quarter of 2001.

Farmer's Foods of Emporia

18,704 SF Lease
Emporia, VA
Jerry Yospin, Jackie Noel

Hong Kong Buffet

3,300 SF Lease
Fredericksburg, VA
Brian Glass

Baz-Tech Communications

4,400 SF Lease
1845 W. Broad Street, Richmond
Mike Weisberg

AK Dan, Inc.

2,250 SF Lease
11005 Midlothian Tpke, Chesterfield
Jerry Yospin

James River Bank

1,250 SF Lease
Emporia, VA
Jackie Noel

Banner Investments

27,825 SF Lease
14339 Warwick Blvd, Newport News
Jerry Yospin, Mike Weisberg

YMCA of Emporia

7,375 SF Lease
Emporia, VA
Jackie Noel

New Fitness for Ladies

7,000 SF Lease
Hungarybrook Shopping Center, Henrico
Mike Weisberg

RTO Investment Properties

3,664 SF Lease
Fredericksburg, VA
Brian Glass

Dynamic Systems

6,841 SF Lease
8007 Midlothian Tpke
Jackie Noel, Bill Mattox

Price Club Boulevard & Genito Road

7.76 Acre Sale
Chesterfield County
Mike Weisberg

Starling Drive & Quioccasin Road

7,000 SF Sale
Henrico County
Mike Weisberg

4407 E. Nine Mile Road

3,920 SF Sale
Henrico County
Jerry Yospin

4825 S. Laburnum Avenue

1.31 Acre Sale
Henrico County
Mike Weisberg, Ben Burnett

Listings

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



*Former Family Dollar
Rt 360, Amelia
6,000 SF
Lease - \$8.00 NNN
Jerry Yospin*

NEW



*Hull Street Shell Station
11811 Hull Street Road
2 fuel islands, convenience store
and 6-bay car wash
Sale - \$925,000
Jerry Yospin*

NEW



*Virginia Center Commons
10089 Brook Road
2,500 SF
Lease - \$17 - \$25 NNN
Brian Glass*

NEW



*Former Just for Feet
10087 Brook Road
17,102 SF
Lease - \$17.00 NNN
Brian Glass, Mike Weisberg*

NEW



*Former Just for Feet
11112 Carmia Way
17,140 SF
Lease - \$17.00 NNN
Brian Glass, Jerry Yospin*

NEW



*Retail Site at The Grove
N. Woolridge Rd, Midlothian
7.41 Acres
Sale \$1,482,000
Jeff Williams*

NEW



*Retail Site - Midlothian Tpke &
Old Buckingham Road
2.184 Acres
Build-to-Suit, Sale, Lease
Jerry Yospin, Sam Worley*

NEW



*Texaco/Convenience Store
E. Williamsburg Road
Car Wash, 10 Pumps
Sale - \$1,400,000
Jackie Noel, Sam Worley*

PRICE REDUCED



*Colonnades West
W. Broad Street @ Cox Road
2,088 to 7,205 SF
Lease - \$24 NNN
Jackie Noel, Brian Glass*



*Branchester Lakes Shopping Ctr
Prince George, VA
1,050 SF & 1,400 SF
For Lease - Call for rate
Brian Glass, Jackie Noel*

NEW



*Virginia Center Commons
1.607 Acre Pad Site
Approved for 5,900 sf restaurant
Sale - \$875,000
Jerry Yospin, Sam Worley*

NEW



*Former Garden South
6078 Mechanicsville Tpke
16,000 SF on 3 Acres
Sale - \$1,400,000
Bill Mattox, Jason
Hetherington, Dawn Carson*

NEW

BROAD STREET

*9011 - Former Sofas Plus,
16,100 SF, Lease \$15 NNN,
Call Jeff Williams*

*Short Pump Area - 4.763 Ac
adjacent Short Pump Towne
Center. Ground Lease for
\$350,000/year. Call Jackie Noel
or Bill Mattox*



*Food Lion
984 Laskin Road, Va Beach
17,505 SF
Lease - \$9.00 NNN
Mike Weisberg, Jerry Yospin*



*Restaurant Row
Mall Dr & Koger Center Blvd
8.26 Acres
4 Pad Ready Sites
Jerry Yospin, Mike Weisberg*

MIDLOTHIAN TPKE

*11016 - former Waikiki
Restaurant; 4,000 sf on .69 ac;
all equipment; \$800,000*

*11800 - Nationwide Insurance;
1,032 sf on .55 ac at Alverser
Drive; \$560,000*

*11950 - adjacent EuroClassics;
1.34 ac; \$1,200,000*

Call Jerry Yospin

Services

Superior Service Through Innovative People With Traditional Values

The Retail Brokerage Group specializes in all facets of retail 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
- Broker's Price Opinion
- Buyer/Tenant Representation
- Highest & Best Use/Alternative Use Studies
- Investment Analysis
- Lease Review for Owners & Tenants
- Lease vs. Own Analysis
- Marketing Plans & Services
- Project Management
- Sales-Leasebacks
- Site & Facility Selection
- Strategic Real Estate Planning
- Tax Deferred Exchanges
- Tenant Retention



Grubb & Ellis / Harrison & Bates Retail Brokerage Group includes (top row) Brian Glass, Jerry Yospin, Jackie Noel, CPM, CCIM, (bottom row) Mike Weisberg and Jeff Williams.



Harrison & Bates Incorporated
 One Capitol Square
 830 E. Main Street, 5th Floor
 Richmond, VA 23219-2725
Independently Owned and Operated

2nd Quarter 2001

trends

Richmond Retail Market