

# trends

## Richmond Industrial Market

### Manufacturing sector weakest, distribution probably rebounding

# Industrial market searching for the bottom

### 3rd Quarter Highlights

Vacancy continued its upward drift with a spike contributed by the closing of the 650,000 sf Viasystems plant. A silver lining to this development is this special-purpose property doesn't really compete with most of the remaining inventory. Although asking rents in the multitenant market have remained stable, transactions are occurring 10-30% below quotes. The manufacturing sector (general industrial) is weakest with the bottom expected later in 2002. The flex and incubator markets appear to have already found the bottom. The warehouse/distribution market actually had good absorption and is probably rebounding, albeit at weak rents. Sale activity continues to be strong, particularly for 10-30,000 sf buildings, precipitated by falling prices and interest rates. There were few notable end user transactions due to the traditional summer slowdown and generally slow economy.

### Looking Ahead

With little new speculative construction planned for the foreseeable future, most absorption will go to the "bottom line", reducing the rising trend in vacancy and stemming the slide in prices. However, the healing will be slow and sporadic in the near term due to continued downsizing by firms of all kinds. Buyers and tenants should have leverage with sellers and landlords who cannot afford to be patient. On the other hand, distribution space users may see vacancy shrink finally and should plan on moving more quickly to secure current attractive deals.

Manufacturing building owners may need to induce transactions indefinitely.

#### Richmond Industrial Market Trends

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#### Lynn McDaniel

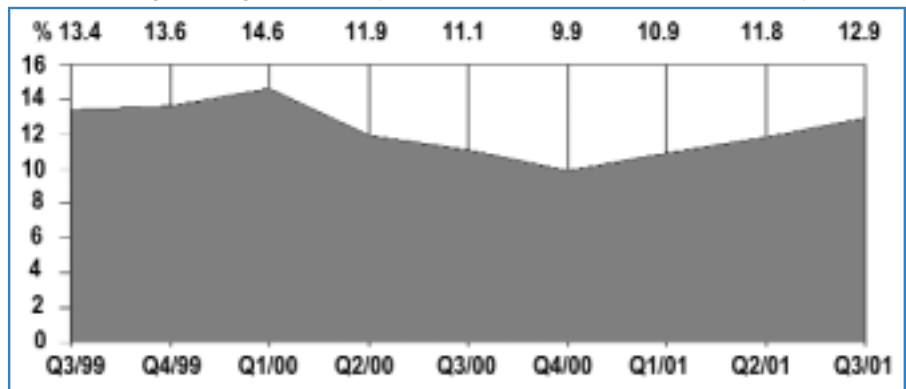
##### Marketing Director

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](mailto:lynn.mcdaniel@harrison-bates.com)

Internet: [www.harrison-bates.com](http://www.harrison-bates.com)



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	8,837,890	1,176,019	13.3%	(38,252)	(226,960)	179,000	\$4.13	\$7.59
Northwest	15,276,027	2,515,338	16.5%	(243,319)	(486,356)	277,000	\$3.36	\$8.17
Southeast	12,081,847	1,607,017	13.3%	(522,397)	(173,998)	500,000	\$5.17	\$7.70
Southwest	29,743,053	3,195,833	10.7%	134,092	(55,728)	56,700	\$3.54	\$9.31
<b>Total</b>	<b>65,938,817</b>	<b>8,494,207</b>	<b>12.9%</b>	<b>(669,876)</b>	<b>(943,042)</b>	<b>1,012,700</b>	<b>\$3.90</b>	<b>\$8.37</b>
By Product Type (All Submarkets)							Asking Rent By Product Type	
General Industrial	36,206,491	4,387,027	12.1%	(715,843)	(828,347)	600,000	\$4.31	
Incubator	517,794	47,084	9.1%	(3,012)	8,806	52,000	\$7.68	
R&D/Flex	7,762,725	974,033	12.5%	(82,345)	51,066	230,700	\$8.37	
Whse/Distribution	21,451,807	3,086,063	14.4%	131,324	(174,567)	130,000	\$3.90	
<b>Total</b>	<b>65,938,817</b>	<b>8,494,207</b>	<b>12.9%</b>	<b>(669,876)</b>	<b>(943,042)</b>	<b>1,012,700</b>	<b>\$4.86</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 representative transactions during the third quarter of 2001.

### Triton PCS Property Co.

19,200 SF Lease  
7505 Ranco Road, Henrico  
Jason Hetherington, Dawn Carson

### Hughes Supply, Inc.

17,044 SF Lease  
1510-12 Belleville St., Richmond  
Jason Hetherington

### Servitex

6,319 SF Lease  
Atlee Commerce Center, Hanover  
Jason Hetherington, Dawn Carson

### Filter Fresh, Inc.

5,085 SF Lease  
8516 Sanford Drive, Henrico  
Jason Hetherington, Andrew Ferguson

### Krispy Kreme Doughnut

15,750 SF Lease  
116 Sylvia Road, Ashland  
Stuart Cary, Dawn Carson

### SnagAJob.com

6,153 SF Lease  
5300 Eubank Road, Henrico  
Dawn Carson, Stuart Cary

### Gym Quest LLC

8,430 SF Lease  
3004 Impala Place, Henrico  
Stuart Cary, Jason Hetherington, Dawn Carson

### Carrier Corporation

5,525 SF Lease  
Dabney Trade Center, Henrico  
David Williams, Jason Hetherington

### Muncie Power Products

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

### Homewurks

2,886 SF Lease  
5319 Distributor Drive  
Andrew Ferguson

### 1200 Dinwiddie Ave

152,995 SF Sale  
City of Richmond  
Bill Mattox, Kit Tyler

### Viasystems

17,500 SF Lease  
Stony Point III, Richmond  
John Gentry, David Williams, Bill Mattox

### Relizon

65,000 SF Lease  
Interport Business Center, Henrico  
David Williams

### 5311-19 Distributor Drive

12,200 SF Sale  
City of Richmond  
Andrew Ferguson

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*



*Willis Road Business Center  
9301 & 9401 Burge Ave  
3,200 - 7,200 SF  
Lease - \$4.00/\$9.00  
Stuart Cary, Dawn Carson*



*1804 Coyote Drive  
5,951 SF  
Sale - \$425,000  
Lease - \$7.50 NNN  
Andrew Ferguson*



*Waverly Textiles  
8401 Fort Darling Road  
136,017 SF  
Sale - \$3,157,925  
Bill Mattox, Dawn Carson,  
Jason Hetherington*

**NEW**



*8401 Jefferson Davis Hwy  
164,440 SF  
Sale - ~~\$3,900,000~~ \$2,900,000  
Lease - \$3.25 NNN  
Stuart Cary, David Williams*

**Price Slashed**



*14500 Jefferson Davis Hwy  
36,000 SF  
Sale - \$1,380,000  
Lease - \$11,850/mo NNN  
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*

## HANOVER COUNTY



*11013-37 Research Court  
2,250 to 6,250 SF  
Lease - \$7.00 MGRS  
Jason Hetherington, Dawn Carson*



*Air Park Office Suites  
11139-59 Air Park Road  
2,125 - 8,500 SF  
Lease - \$10 MGRS  
Stuart Cary*

**NEW**



*100 Ashcake Road  
1,560 - 2,880 SF on 3.61 Ac  
Sale - \$500,00  
Lease - \$50,000/year  
Stuart Cary*



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



*Presidential Business Center C  
319 Business Lane, Ashland  
Up to 9,382 SF or  
build-to-suit on 2-4 acres  
Lease - \$5.00 NNN  
Stuart Cary, David Williams*

**NEW**



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



*Commerce Center at Kings  
Charter  
9555 Kings Charter Drive  
2,240 - 38,308 SF  
Lease - \$5.50 / \$11.50 NNN  
Stuart Cary, Dawn Carson,  
Jason Hetherington*

**NEW**



*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*



*Hanover Industrial Park  
10986 Leadbetter Road  
3,000 SF  
Lease - \$10 MGRS  
Stuart Cary*

**NEW**



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



*Telecommunications Center  
10463 Wilden Drive  
64,064 SF  
Sale - \$2,900,000  
Dawn Carson, Stuart Cary,  
Steve Gentl*

**HENRICO COUNTY**



*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*



*1804 Dabney Road  
7,540 SF  
Lease - \$4.00 MGRS  
Available 3rd Qtr 2002  
Scott White*



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

**UNDER CONTRACT**



*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*



*Former Show Best  
2400 Magnolia Road  
25,000 SF  
Lease - \$4.10 NNN  
Jason Hetherington, Dawn  
Carson*

**NEW**



*Mayland Place I  
9830 Mayland Drive  
2,100 SF Flex  
Lease - \$12.00 NNN  
Chris Wallace, John Gentry,  
David Williams*



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



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

**MAKE OFFER!**



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

## RICHMOND CITY



1221 Admiral Street  
23,350 SF  
Sale - \$875,000  
Lease - \$3.00  
Jason Hetherington, Scott  
Boyers



Castlewood Industrial Park  
3903 Castlewood Road  
42,500 SF  
Sale - \$895,000  
Lease - \$2.45 MGRS  
David Williams



5311-19 Distributor Drive  
12,200 SF  
Sale - \$329,500  
Andrew Ferguson



Former Pine Tree Press  
2410 Ownby Lane  
18,640 SF  
Sale/Lease - \$5.50 NNN  
Jason Hetherington, Dawn  
Carson

**MAKE  
OFFER!**

**SOLD**

**NEW**

## OTHER



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



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



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

## INDUSTRIAL LAND

Size Location	City/County Price	Contact	Comments
50 to 450 Acres Enon Church Road	Chesterfield \$4,225,000	David Williams	Zoned I-3, priced from \$10,000/ac Rail, extensive road frontage.
3 to 65 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 MAKE OFFER
10 to 30 Acres Telcourt Rd, Ashland	Hanover \$40,000/ac	David Williams	NEQ I-95 @ Rt. 54 Zoned M-1, Interstate frontage
10 to 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
1 to 9 Acres Airport Drive & Audubon Drive	Henrico From \$95,000/ac	David Williams	Airport Center East @ I-64/Airport Dr Zoned M-1, Interstate frontage
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 MAKE OFFER
6.54 Acres Fort Darling Road	Chesterfield \$360,000	Bill Mattox D. Carson, J. Hetherington	I-3, Enterprise Zone Adjoining distribution facility available.
4.3 Acres 4720 Richneil Road	Henrico \$400,000	Bruce Milam Bill Mattox	M-1, Richmond Industrial Interport
2 Acres - Ashland Business Park Hill Carter Pkwy @ Business Lane	Hanover Build-to-Suit	David Williams Stuart Cary	M-1, ready to develop Build-to-suit sale possible, or lease

# 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.*

dawn.carson@harrison-bates.com    jason.hetherington@harrison-bates.com  
 stuart.cary@harrison-bates.com    andrew.ferguson@harrison-bates.com  
 bill.mattox@harrison-bates.com    david.williams@harrison-bates.com

Grubb & Ellis | Harrison & Bates is proud to be the only real estate service provider offering complete industrial real estate information on more than 66 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.



Harrison & Bates Incorporated  
 One Capitol Square  
 830 E. Main Street, 5th Floor  
 Richmond, VA 23219-2725  
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3rd Quarter 2001

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