

trends

Richmond Retail Market

Landlords who want to keep their properties occupied may have to help their retail tenants get through the next couple of quarters.

Sagging economy hurting retail sector

3rd Quarter Highlights

An increase in vacancy of one-half of a percentage point and negative absorption in all geographic sectors was posted at the end of another difficult quarter for retailers. Bankruptcies and consolidations resulted in additional closings. Sears Home Life held liquidation sales in preparation for closing its two stores on West Broad Street and Midlothian Turnpike. Southern States closed several area Garden South stores including a 15,000 square-foot unit at Harbour Pointe Village in Midlothian.

Looking Ahead

The fourth quarter is the worst time to have lower consumer confidence, and this quarter in 2001 will be dismal unless consumer confidence picks up by Thanksgiving. Expect to see additional consolidations and bankruptcies. Some retailers may decrease their store size in order to reduce overhead and assure profits with the same or less sales than 2000. Rents are likely to decline at least until the middle of 2002. With little new construction, any oversupply of space should be absorbed quickly when the economy picks up. The great unknown is how consumers will respond to the terrorist events of September 11th and subsequent responses in the months ahead.

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:

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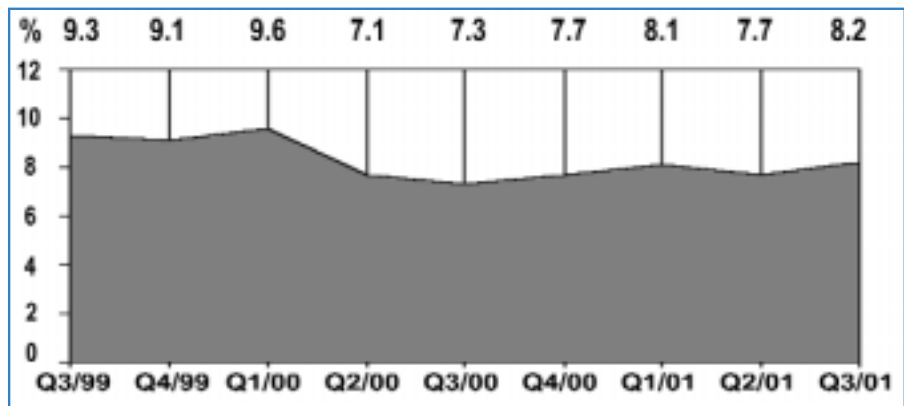
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Richmond Retail Vacancy Rate*

* 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	3,425,723	427,020	12.5%	(13,744)	12,340	0	\$8.42	
Northwest	11,938,598	733,101	6.1%	(64,915)	185,554	0	\$12.98	
Southeast	425,174	15,407	3.6%	(2,669)	1,517	0	\$12.35	
Southwest	13,905,807	1,294,623	9.3%	(12,340)	108,529	423,500	\$12.62	
Tri-Cities	3,968,870	284,315	7.2%	(20,088)	(32,618)	0	\$6.98	
Total	33,664,172	2,754,466	8.2%	(113,756)	275,322	423,500	\$10.81	
By Product Type (All Submarkets)							Asking Rent By Product Type	
Community	6,768,407	798,895	11.8%	12,640	362,893	173,500	\$9.39	
Freestanding	7,720,895	600,845	7.8%	(35,298)	(113,178)	0	\$7.63	
Neighborhood	7,771,680	677,265	8.7%	(46,147)	10,359	0	\$10.81	
Power	2,639,651	55,490	2.1%	(39,383)	(15,383)	250,000		
Regional	4,746,108	321,008	6.8%	0	0	0	\$32.13	
Strip	4,017,431	300,963	7.5%	(5,568)	30,631	0	\$11.91	
Total	33,664,172	2,754,466	8.2%	(113,756)	275,322	423,500	\$12.73	

(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 third quarter of 2001.

4300 W. Broad Street
Sale
Richmond, VA
Mike Weisberg, Bruce Milam

Advanced Technologies
2,377 SF Lease
Carytown Square, Richmond
Jackie Noel

Blockbuster Video
7,030 SF Lease
Gayton Crossing, Henrico
Brian Glass

5122 W. Broad Street
2,309 SF Sale
Richmond, VA
Mike Weisberg

Moon Garden Restaurant
2,500 SF Lease
3400 Williamsburg Rd, Henrico
Jerry Yospin

VA ABC Store
3,630 SF Lease
Ballou Park, Danville
Jerry Yospin

3301 Broad Rock Blvd
1,600 SF Sale
Richmond, VA
Jerry Yospin

Once Upon a Child
2,400 SF Lease
Southgate Square, Colonial Heights
Jerry Yospin

A Appliance Repair
2,470 SF Lease
8007 Mechanicsville Tpke, Hanover
Jackie Noel, Bill Mattox

Extreme Factory, Inc.
4,540 SF Lease
8007 Mechanicsville Tpke, Hanover
Jackie Noel, Bill Mattox

Robins Nest Learning Center
6,000 SF Lease
Shops at the Arboretum, Chesterfield
Brian Glass, Jackie Noel

Budget Rent-A-Car
1,150 SF Lease
4300 W. Broad St., Richmond
Mike Weisberg, Bruce Milam

El Paso Restaurant
3,400 SF Lease
2601 Tuckernuck Dr., Henrico
Jerry Yospin

Advance America
1,000 SF Lease
Ballou Park, Danville
Jerry Yospin

Former Bi-Lo Grocery
30,000 SF Sale
West Point, VA
Mike Weisberg

Listings

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



*Southgate Square
Colonial Heights, VA
4,000 SF & 5,000 SF
Lease - \$16 NNN
Jerry Yospin*



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



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



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



*Former Just for Feet
1101 Carmia Way
17,140 SF
Lease - \$17.00 NNN
Brian Glass, Jerry Yospin*



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



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



*Former Richmond Saddlery
10352 Washington Highway
1 Acre
Sale - \$225,000
Mike Weisberg*

NEW



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



*Fountain Square Sublease
8030 W. Broad Street
4,000 SF
Lease - \$9.50 NNN
Susan Jones*

NEW



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



*Garden South Sublease
Harbour Pointe Village
15,000 SF
Lease -
Jerry Yospin, Bill Mattox*

NEW

BROAD STREET

*9011 - Former Sofas Plus,
16,100 SF (up to 3 bays),
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, Susan Jones, Jackie Noel, CPM, CCIM, (bottom row) Mike Weisberg, Jeff Williams, and Jerry Yospin.

We are very pleased to welcome Susan Jones to the retail team as a Senior Associate. Susan's extensive experience includes not only retail real estate brokerage, but also corporate real estate and commercial development experience.



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Independently Owned and Operated

3rd Quarter 2001

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