

trends

Richmond Industrial

The industrial market hopefully found the bottom in the fourth quarter of 2001.

The worst may be over

Executive Summary

When looking back on the 4th quarter, it is likely the statistics soon will show it to be the end of the general industrial market decline which started at the beginning of 2001. The national tragedy of September 11th contributed to gridlock in decision-making in Greater Richmond, as it did nationwide, thus delaying the beginning of a rebound. As the year ended, however, there were signs that 2002 might provide a quicker than expected turnaround in absorption. Only one major plant closing (Waverly Textiles at 136,000 square feet in Chesterfield) was announced while several expansions that had been put on hold came back to life with decisions expected in the first quarter of 2002. The R&D/flex and distribution markets experienced the largest loss of occupancy, but both segments seem to be firming.

Going forward, general industrial and warehouse/distribution buildings will sell as long as sellers reduce prices to market levels brought on by increased vacancy and functional obsolescence. Landlords will need to reduce or hold depressed rents in the short term to fill vacancies, or offer other incentives such as rent abatement or more liberal tenant improvement allowances. Occupancy should improve, albeit at lower rents than a year ago. Smaller properties in triple A locations along interstates will continue to be most popular due to the current interest rate environment and small tenant desire to expand and own. Positive absorption should occur across the board as companies expand or relocate to handle the expected improvement in the local economy.

Richmond Industrial Trends

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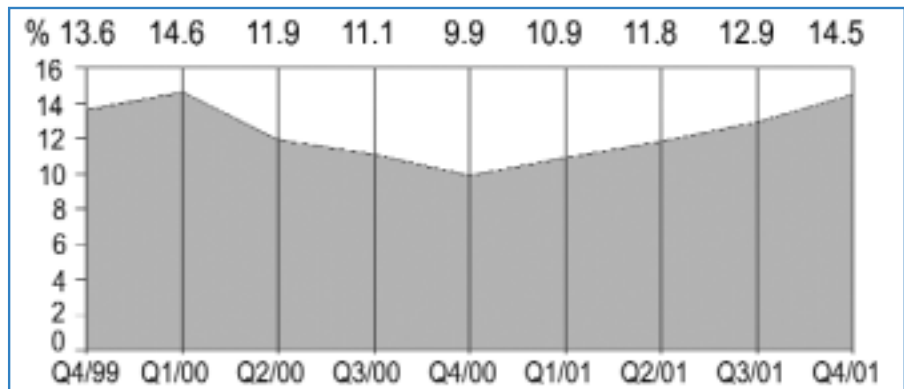
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Richmond Industrial Vacancy Rate*

* 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	9,314,006	1,026,329	11.0%	245,671	33,019	130,000	\$4.07	\$7.58
Northwest	15,415,633	2,504,740	16.2%	112,398	(349,958)	102,000	\$3.33	\$8.49
Southeast	12,343,647	2,229,970	18.1%	(122,953)	(296,951)	85,000	\$5.23	\$7.41
Southwest	29,742,821	3,955,940	13.3%	(703,407)	(759,135)	800,000	\$3.36	\$9.33
Total	66,816,107	9,716,979	14.5%	(468,291)	(1,373,025)	1,117,000	\$3.71	\$8.38
By Product Type (All Submarkets)							Asking Rent By Product Type	
General Industrial	36,012,312	4,774,753	13.3%	191,130	(637,217)	85,000	\$4.43	
Incubator	614,618	97,792	15.9%	(8,783)	23	52,000	\$6.78	
R&D/Flex	7,895,755	1,199,911	15.2%	(107,178)	(17,804)	50,000	\$8.38	
Whse/Distribution	22,293,422	3,644,523	16.3%	(543,460)	(718,027)	930,000	\$3.71	
Total	66,816,107	9,716,979	14.5%	(468,291)	(1,373,025)	1,117,000	\$4.79	

(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 fourth quarter of 2001.

Voicestream Wireless

25,000 SF Lease
177 Industrial Blvd, Williamsburg
David Williams

Ashland Business Park

7.85-Acre Land Sale
Hanover County
David Williams, Bill Mattox

Hertz Equipment Rental

Lease - 7,000 SF on 3 Acres
9300 Burge Avenue, Chesterfield County
Stuart Cary, Dawn Carson

Office Furniture Clearance

20,750 SF Lease
2501 Hermitage Road, Richmond
Stuart Cary, Jason Hetherington, Dawn Carson

Dabney Corporate Center

24,535 SF Investment Sale
2034-2036 Dabney Road, Henrico
David Williams, Andrew Ferguson

AERC

12,000 SF Lease
116 Sylvia Rd, Ashland Business Park
Stuart Cary, Dawn Carson

Lancaster Bingo Company

12,000 SF Lease
4307-09 November Ave, Henrico County
Jason Hetherington

Oasis Management Systems

4,295 SF Lease
Atlee Commerce Center, Hanover
Jason Hetherington

2575 Homeview Drive

17,400 SF Office Sale
Henrico County
Dawn Carson, Jackie Noel

Eastern Aluminum Supply

11,850 SF Lease
2211 Station Road, Chesterfield County
Stuart Cary, Jason Hetherington, Dawn Carson

Northlake Business Park

8.5-Acre Sale
Hanover County
Bill Mattox

Coalfield Road

3.39-Acre Land Sale
Chesterfield County
Dawn Carson, Jackie Noel

FEATURED

Listings

Partial Listing of Industrial Space & Buildings Currently Available

Go to www.harrison-bates.com/properties.htm to view all listings including land.

CHESTERFIELD COUNTY



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



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 - Lease \$3.25
Bill Mattox, Dawn Carson,
Jason Hetherington



RP Industries
1351 W. Hundred Road
30,060 SF
Sale - \$875,000
David Williams, Andrew
Ferguson

NEW

HANOVER COUNTY



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



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



Mega Office Furniture
8401 Midlothian Tpke
12,629 SF
Warehouse Sublease - \$4.00
Dawn Carson, Jason
Hetherington

NEW



Air Park Office Suites
11139-59 Air Park Road
2,125 - 12,750 SF
Lease - \$10 MGRS
Stuart Cary



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
2,080 SF Office Space
\$12.00 PSF
Stuart Cary



Presidential Business Center 1
319 Business Lane, Ashland
4,500 to 9,382 SF or
build-to-suit on 2-4 acres
Lease - \$5.00 NNN
Stuart Cary, David Williams



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



Presidential Business Center
325 Hill Carter Parkway
Suite D - 2,500 SF
Sublease - \$7.50 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



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

LEASED

MAKE OFFER

NEW

HENRICO COUNTY



*Telecommunications Center
10463 Wilden Drive
64,064 SF
Sale - \$2,500,000
Dawn Carson, Stuart Cary,
Steve Gentl*

**PRICE
REDUCED**



*Lakeridge Trade Center
10470 Wilden Drive
10,200 SF
Sale - \$875,000
Stuart Cary*

**UNDER
CONTRACT**



*Airport Center East
Audubon & Trampton
3,000 - 17,000 SF
Lease: \$5.00 - 10.50 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*

**MAKE
OFFER!**



*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*



*Former Stanley Hardware Plant
5710 S. Laburnum Avenue
316,000 SF on 20.94 Ac
Sale - \$10,700,000
Short Term Lease: \$2-3 NNN
David Williams, Bill Mattox*



*Highwood Airport Center
5401 Lewis Road, Ste B
9,000 SF
Sublease - \$4.25 NNN
Dawn Carson, Jason
Hetherington*

NEW



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



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



*Mayland Place I
9830 Mayland Drive
2,017 - 7,188 SF Flex/Office
Lease - \$10 - 12.75 NNN
Chris Wallace, John Gentry,
David Williams*



*Flex Building - Dabney Area
2100 Maywill Street
6,790 SF
Sale - \$525,000
Lease - \$7.75 NNN
Jason Hetherington*



*4325 Sarellen Road
11,200 SF
Sale - \$455,000
Lease - \$5.50 NNN
Jeff Williams, Jason
Hetherington*

NEW



*Elite Electrical Supply Bldg
2020 Tomlynn Street
18,000 SF
Sale - \$990,000
Lease - \$6.25 NNN
David Williams, Jason
Hetherington*

NEW



*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 - \$5,850,000
David Williams, Bill Mattox
Steve Gentl*

**PRICE
REDUCED**

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



2107 Loumour Avenue
8,000 SF
No office, 1 dock
Sublease - \$4.35 Gross
Andrew Ferguson



Retail or Office Rehab
2010-2026 E. Main Street
25,572 SF
Sale - \$1,150,000
Scott Boyers, Jason
Hetherington

MAKE OFFER!

NEW

NEW

OTHER



Former Pine Tree Press
2410 Ownby Lane
18,640 SF
Sale \$750,000 - Lease \$5.00
Jason Hetherington, Dawn
Carson



1212 Westover Hills Blvd
5,000 SF
Sale - \$300,000
Lease - \$7.20 NNN
Stuart Cary

NEW



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 Richeil 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.

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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.



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4th Quarter 2001

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