

trends

Richmond Retail

Discounters performed well during the holidays, but mall specialty stores did not.

Limited damage seen so far

Executive Summary

Overall vacancy dropped slightly but remained in the same general eight percent range it stayed in all year. So far, the only fallout from poor holiday sales was the announcement of the closing of the two area Service Merchandise stores. Neither should be difficult to re-lease as their size and locations should appeal to a variety of retailers. Absorption was strong for the quarter as additional stores opened in time for holiday shoppers . As often happens during recessions, there was an increase in franchise activity as the year closed with franchisees in several categories including fast food, pet supplies, tanning and furniture looking for space.

With the holiday selling season behind us and consumer confidence beginning to lift, there is optimism that Richmond's retail market won't be hurt too badly by the recession. There is very little new product expected to come on line in 2002, and most of the activity will be of the "Mom and Pop" variety. There are, however, a few national chains such as Ross Dress for Less, BJ's Wholesale Club and Cost Plus looking for suitable space locally. Rents should remain flat or trend slightly downward during the next six to twelve months.

Richmond Retail Trends

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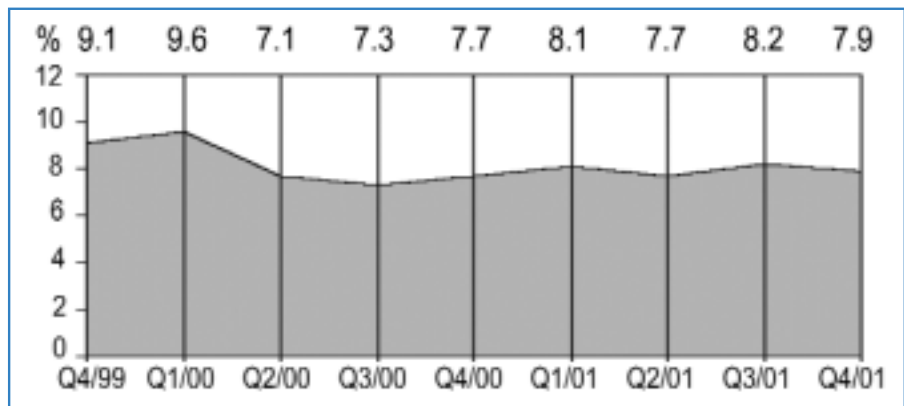
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Richmond Retail Vacancy Rate*

* 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	3,584,789	437,046	12.2%	(4,986)	7,354	55,600	\$9.02	
Northwest	11,906,040	587,049	4.9%	113,494	299,048	0	\$13.13	
Southeast	315,869	10,367	3.3%	0	1,517	0	\$13.00	
Southwest	13,935,224	1,350,123	9.7%	173,495	282,024	173,500	\$12.52	\$22.00
Tri-Cities	3,988,370	282,315	7.1%	2,000	99,382	0	\$7.50	
Total	33,730,292	2,666,900	7.9%	284,003	689,325	229,100	\$11.11	\$22.00

By Product Type (All Submarkets)	Total SF	Vacant SF	Vacant %	Net Absorption		Under (2) Construction	Asking Rent By Product Type	
				Current Qtr.	Year-to-date			
Community	6,768,407	910,998	13.5%	(112,103)	250,790	173,500	\$9.44	
Freestanding	7,554,415	453,262	6.0%	111,420	128,242	55,600	\$7.79	
Neighborhood	7,771,680	663,644	8.5%	13,621	23,980	0	\$11.11	
Power	2,889,651	1,200	0.0%	304,290	288,907	0	\$22.00	
Regional	4,746,108	321,008	6.8%	0	0	0	\$32.13	
Strip	4,000,031	316,788	7.9%	(33,225)	(2,594)	0	\$10.98	
Total	33,730,292	2,666,900	7.9%	284,003	689,325	229,100	\$12.79	

(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 fourth quarter of 2001.

Former Jumbo Sports
40,205 SF Sale
9530 Midlothian Tpke, Chesterfield
Brian Glass, Mike Lowry, Morrie Piersol

Midlothian Turnpike & Huguenot Springs Road
14.75-Acre Sale
Chesterfield County
Jerry Yospin, Kit Tyler

2575 Homeview Drive
17,400 SF Office Sale
Henrico County
Jackie Noel, Dawn Carson

Market Place Shopping Center
69,724 SF Sale
Ocean City, MD
Jerry Yospin, Mike Weisberg, Mike Lowry, Morrie Piersol

Richmond Fitness, Inc.
31,900 SF Lease
The Shops at the Arboretum,
Chesterfield
Brian Glass

Chinese Restaurant Group
16,080 SF Lease
7635 Granby Street, Norfolk, VA
Mike Weisberg, Jerry Yospin

First Union National Bank
2,340 SF Lease
Fredericksburg Shopping Center,
Fredericksburg, VA
Brian Glass

Colortyme
6,570 SF Lease
Ballou Park Shopping Center, Danville
Jerry Yospin

Morton's of Chicago
7,500 SF Lease
The Turning Basin, Richmond
Brian Glass

Advance America
1,500 SF Lease
Tappahannock Towne Center,
Tappahannock, VA
Susan Jones

Subway Real Estate Corp
1,455 SF Lease
1110 W. Broad Street, Richmond
Brian Glass

The Eyewear Company, Inc.
1,200 SF Lease
Triangle Park Retail Center, Henrico
Jackie Noel

FEATURED

Listings

Partial Listing of Retail Properties Currently Available

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



Carytown
3103 W. Cary Street
2,400 SF
Lease - \$18.00 NNN
Jackie Noel

NEW



Chester Rental Center
4515 W. Hundred Road
4,800 SF
Sale \$350,000
Mike Weisberg, Jerry Yospin

NEW



Creighton Crossing
Mechanicsville Tpke
1,200 - 7,400 SF
Lease - \$22.50
Susan Jones

NEW



7017 Staples Mill Road
4,008 SF
Lease - \$12 to \$14 NNN
Jackie Noel

NEW



Virginia Center Hotel Site
Telegraph Road
3.5 Acres
Sale - \$1,250,000
Susan Jones

NEW



Former Food Lion
515 College Drive
Bluefield, VA
29,000 SF
Sublease - \$7.50
Mike Weisberg, Jerry Yospin

NEW



Former Food Lion
3955 E. Cumberland Road
Bluefield, WV
29,000 SF
Sublease - \$7.50
Mike Weisberg, Jerry Yospin

NEW



Village of Mechanicsville
8071-8077 Mechanicsville Tpk
4,376 SF
Lease - \$7.95
Brian Glass

NEW



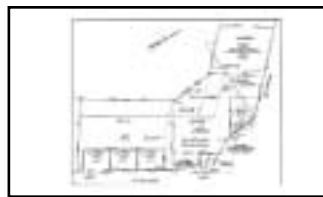
11001-11005 Midlothian Tpke
3,200 SF
Lease - \$10 to \$12 NNN
Jerry Yospin

NEW



Tappahannock Towne Center
US 17/360 & SR 617
1,050 to 24,000 SF
Lease - \$6 to \$12
2 Outparcels Available
Susan Jones

NEW



Central Garage Outparcels
Route 360 & Route 30
Sites from 1 to 8 acres
Food Lion anchored center.
Call for pricing.
Susan Jones

NEW



9007 Jefferson Davis Hwy
875 SF
Lease - \$9.50
Jerry Yospin

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



Former Food Lion
1252 S. Craig Street
Covington, VA
27,440 SF
Sublease
Mike Weisberg, Jerry Yospin

NEW



Former Food Lion
1101 Brookdale Street
Martinsville, VA
34,777 SF
Sublease - \$2.45 NNN
Mike Weisberg, Jerry Yospin

NEW

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

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.

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