

# trends

Richmond Industrial

**The most likely prospect for overall growth is in the distribution sector.**

## Industrial demand increasing, but erratic

The best news for the industrial market was positive absorption that helped vacancy peak during Q1/02. Conversely, demand remained generally soft despite growing signs of improvement. Several large manufacturing buildings are for sale as prices have not yet dropped enough to generate interest -- and more will be coming to market. Leasing improved, but is still sluggish as larger companies continue to keep a tight reign on inventories. Significant demand remains, however, for smaller buildings for sale in the 10-40,000 sf range. First quarter activity included logistics company U.S. Merchants' acquisition of 120,000 square feet at Southpoint for \$26 psf, United Power/Danaher's 72,000 sf flex/light manufacturing lease at the airport, and commencement of Alfa Laval's 85,000 sf expansion also near the airport. Prices generally range from \$15 to \$50 psf for sales depending on size, while asking lease rates average \$3.77 for Warehouse/Distribution and \$8.36 psf for R&D/Flex.

Development opportunities exist for distribution in the Tri-Cities and eastern Henrico County near the airport, and for flex product in the I-295/Parham sub-market. Opportunities are also available for development or sale/lease-backs on smaller buildings for tax-deferred exchanges or user purposes. Challenges include the reduced number of companies looking regionally to grow here or relocate to the area and the competition for those new jobs and investment. With pressure on local manufacturers to maintain the status quo at best, the most likely prospect for overall growth is in the distribution sector.

### Richmond Industrial Trends

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

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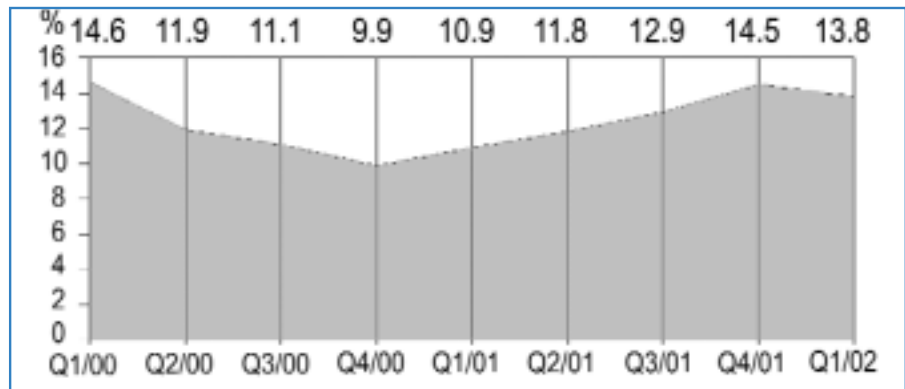
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Richmond Industrial Vacancy Rate\*

\* 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	9,355,750	918,460	9.8%	288,725	288,725	45,300	\$4.19	\$7.60
Northwest	15,935,419	2,624,839	16.5%	75,544	75,544	0	\$3.55	\$8.30
Southeast	12,258,933	2,141,880	17.5%	72,840	72,840	85,000	\$4.94	\$8.00
Southwest	29,910,215	3,611,377	12.1%	406,693	406,693	800,000	\$3.36	\$8.87
<b>Total</b>	<b>67,460,317</b>	<b>9,296,556</b>	<b>13.8%</b>	<b>843,802</b>	<b>843,802</b>	<b>930,300</b>	<b>\$3.77</b>	<b>\$8.36</b>

By Product Type (All Submarkets)	Total SF(1)	Vacant SF	Vacant %	Current Qtr.	Year-to-date	Under Construction(2)	Asking Rent By Product Type	
							Wh/Dist	R&D/Flex
General Industrial	36,346,966	4,804,165	13.2%	172,558	172,558	85,000	\$4.14	
Incubator	578,956	98,025	16.9%	0	0	0	\$6.36	
R&D/Flex	7,961,685	1,246,940	15.7%	18,901	18,901	45,300	\$8.36	
Whse/Distribution	22,572,710	3,147,426	13.9%	652,343	652,343	800,000	\$3.77	
<b>Total</b>	<b>67,460,317</b>	<b>9,296,556</b>	<b>13.8%</b>	<b>843,802</b>	<b>843,802</b>	<b>930,300</b>	<b>\$4.67</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 first quarter of 2002.

**Cost Plus**  
500,000 SF Build-to-Suit  
Isle of Wight, VA  
Jason Hetherington, Bill Mattox

**Former Garden South**  
Sale - 16,000 SF on 3 Acres  
6078 Mechanicsville Tpk, Hanover  
Bill Mattox, Jason Hetherington, Dawn Carson

**Alstom Power**  
4,000 SF Lease  
Willis Road Business Center,  
Chesterfield County  
Stuart Cary

**Chesapeake Window  
Products**  
79,773 SF Lease  
Dumbarton Businss Center, Henrico  
David Williams, Steve Gentil

**Oak Lake Business Park**  
11,850 SF Office/Warehouse Sale  
2701 Oak Lake Blvd, Chesterfield  
Jason Hetherington, Andrew Ferguson

**ProCraft**  
2,100 SF Lease  
Tomlynn Business Ctr, Henrico County  
Bill Mattox, David Williams

**Lakeridge Trade Center**  
19,350 SF Office/Warehouse Sale  
10470 Wilden Drive, Hanover County  
Stuart Cary, Dawn Carson, Jason Hetherington

**General Dynamics  
Government**  
9,600 SF Lease  
6507 Old Warwick Road, Richmond  
Stuart Cary, Jason Hetherington, Dawn Carson

**Creative Surfaces**  
1,500 SF Lease  
11026 Air Park Road, Hanover County  
Stuart Cary

FEATURED

# Listings

Partial Listing of Industrial Space & Buildings Currently Available

Go to [www.harrison-bates.com/properties.htm](http://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 - \$385,000  
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



*Granite Spring Trade Center*  
225-301 Granite Spring Road  
2,225 SF  
Lease - \$6.20 MGRS  
Bill Mattox, Jason Hetherington



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



*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

## HANOVER COUNTY



*DVP Chester Vehicle Center*  
11601 Old Stage Road  
8,148 SF on ±16 Acres  
Sale - \$1,200,000  
David Williams



*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



*Presidential I*  
319 Business Lane, Ashland  
4,500 to 9,382 SF or  
build-to-suit on 2-4 acres  
Lease - \$5.25 NNN  
Stuart Cary, David Williams



*Presidential Business Center*  
325 Hill Carter Parkway  
Suite D - 2,500 SF  
Sublease - \$7.50 NNN  
Dawn Carson, Stuart Cary



*Hanover Air Park*  
11242 Hopson Road  
6,000 SF  
Lease - \$4.00 NNN  
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



*Includes 20x40 Subzero Freezer  
9975 Lickinghole Road  
13,900 SF  
Lease: \$5.25 - 7.10 NNN  
Stuart Cary, Jason Hetherington*

**NEW**



*Sale/Leaseback  
9998 Lickinghole Road  
10,950 SF  
Sale - \$675,000  
Stuart Cary, Sam Worley*

**NEW**



*Hanover Air Park  
10975 Richardson Road  
4,500 SF  
Lease - \$7.40  
Stuart Cary*



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

**PRICE  
REDUCED**

**HENRICO COUNTY**



*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*



*Investment Opportunity  
2116 Dabney Road  
12,000 SF Office Bldg  
Sale - \$690,000  
Dawn Carson, Jason  
Hetherington*

**NEW**



*Dabney Trade Center  
2281 Dabney Road  
Two suites of 2,625 SF  
Lease - \$6.25 to \$7.75 NNN  
David Williams, Jason  
Hetherington*



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



*Flex/Warehouse/Production  
2300 Magnolia Road  
36,361 SF  
Lease - \$3.75 Gross  
Sale Possible  
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 - 7,000 SF Flex/Office  
Lease - \$10 - 12.75 NNN  
Chris Wallace, John Gentry,  
David Williams*



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

## 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



Honeywell Churchill Plant  
Hopewell, VA  
239,540 SF on 37.45 ac  
Sale - \$1,500,000  
Bill Mattox, Jason Hetherington,  
David Williams



Thimble Shoals Business Center  
Newport News, VA  
4,000 SF Office + 14,000 SF  
Conditioned Mfg/Assembly  
Available 10/1/02  
Lease - \$8.50 NNN  
Mac Bates

**PRICE REDUCED**

**NEW**

## 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 <b>MAKE OFFER!</b>
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
13 Acres Charles City & Miller Roads	<b>NEW</b> Henrico \$950,000	David Williams Jason Hetherington	Zoned M-2, Level, Cleared, All Utilities, Partially Fenced
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 <b>MAKE OFFER</b>
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.*

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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 67 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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1st Quarter 2002

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