

trends

Richmond Retail

The strong home buying market is helping to minimize the recession's impact on retail.

Big box development winding down

Executive Summary

The retail market weakened predictably in the first quarter as vacancy rose slightly to 8.3 percent. Construction diminished due to the slowing economy and apparent near saturation of power centers. Following a weak holiday season, Service Merchandise announced it would close both area stores, but neither is likely to remain vacant long. K-Mart's bankruptcy will eventually result in the closing of two area locations - Jefferson Davis Highway and Ivymont Square on Midlothian Turnpike. On a positive note, BJ's Wholesale, a new retailer in the market, purchased a 15.8-acre site at Hanover Square South in Mechanicsville with plans to build a 108,000 square foot store. The former Homeplace and Sears Home Life stores on West Broad Street were sold to Kroger and Haverty's Furniture respectively. The "poker game" continued between the developers of Short Pump Town Center and Stony Point Fashion Park with Stony Point moving a step closer at its groundbreaking ceremony. Construction began on the 33,000 square foot Market at Tobacco Row, promising downtown residents a neighborhood grocery store by the end of the year. Land prices for small retail sites are generally priced too high for buyers except at fringe areas outside of the hubs of retail activity. Sales/leasing challenges remain at both former Home Quarters.

Richmond Retail 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:

Lynn McDaniel

Marketing Director

Grubb & Ellis | Harrison & Bates

830 E. Main Street, 5th Floor

Richmond, VA 23219-2725

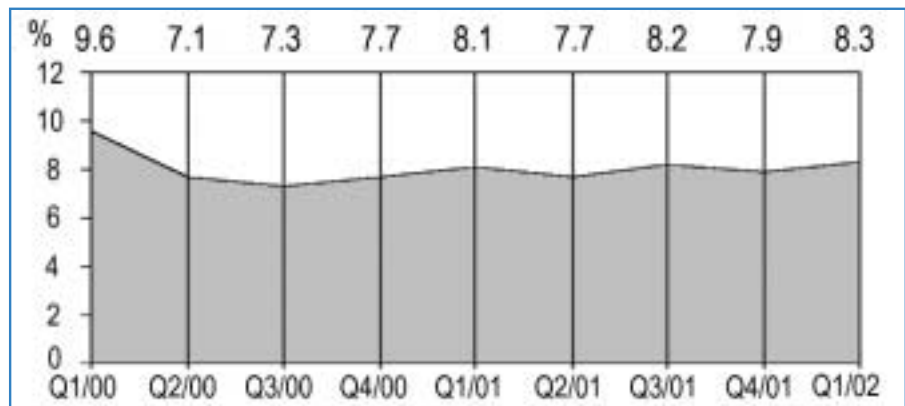
Phone: 804.788.1000 Fax: 804.782.1145

E-mail: lynn.mcdaniel@harrison-bates.com

Internet: www.grubb-ellis.com

www.harrison-bates.com

Independently owned and operated



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	3,637,377	440,346	12.1%	(3,300)	(3,300)	55,600	\$9.02	
Northwest	11,931,040	681,030	5.7%	(93,981)	(93,981)	0	\$13.14	
Southeast	277,186	11,807	4.3%	(1,440)	(1,440)	0	\$12.13	
Southwest	13,930,823	1,424,040	10.2%	(41,718)	(41,718)	448,500	\$13.02	\$22.00
Tri-Cities	3,988,370	261,655	6.6%	20,200	20,200	0	\$8.06	
Total	33,764,796	2,818,878	8.3%	(120,239)	(120,239)	504,100	\$11.17	\$22.00
By Product Type (All Submarkets)							Asking Rent By Product Type	
Community	6,768,407	980,273	14.5%	(69,275)	(69,275)	173,500	\$10.73	
Freestanding	7,627,839	538,312	7.1%	(50,531)	(50,531)	55,600	\$7.96	
Neighborhood	7,779,360	648,346	8.3%	22,978	22,978	0	\$11.17	
Power	2,889,651	37,750	1.3%	(36,550)	(36,550)	275,000	\$22.00	
Regional	4,746,108	321,008	6.8%	0	0	0	\$32.15	
Strip	3,953,431	293,189	7.4%	13,139	13,139	0	\$10.29	
Total	33,764,796	2,818,878	8.3%	(120,239)	(120,239)	504,100	\$12.95	

(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 first quarter of 2002.

Bellini Juvenile Design Furniture

3,806 SF Lease
9011 W. Broad Street, Henrico
Jeff Williams, Brian Glass

Dollar General

7,003 SF Lease
Centralia Crossing, Chesterfield
Jerry Yospin, Mike Weisberg

H. L. Reed Design Group

2,590 SF Lease
2006 E. Franklin St., Richmond
Susan Jones

Carrington Music

3,000 SF Lease
Emporia Shopping Center, Emporia
Jackie Noel

Homespun Home Fashions

2,000 SF Lease
Southgate Square, Colonial Heights
Jerry Yospin

Kinko's

7,242 SF Lease Renewal
Shops at the Arboretum, Chesterfield
Brian Glass

Helten - Best of Design

2,400 SF Lease
3103 W. Cary Street, Richmond
Jackie Noel

Advance America

1,250 SF Lease
6100 W. Broad Street, Henrico
Susan Jones

Advance Technologies

Lease Expansion
Carytown Square, Richmond
Jackie Noel

YMCA

7,375 SF Lease
Emporia Shopping Center, Emporia
Jackie Noel

Blimpie

Leases
Chesterfield Towne Center (Chesterfield)
& College Station (Richmond)
Jackie Noel, Brian Glass

Casual Male

5,000 SF Lease Renewal
11003 Midlothian Tpke, Chesterfield
Jerry Yospin

Il Bacio, Inc.

2,100 SF Lease
Hungarybrook Shopping Center, Henrico
Susan Jones, Mike Weisberg

FEATURED

Listings

Partial Listing of Retail Properties Currently Available

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



Former Peaches Music
8018 W. Broad Street
2,000 - 14,842 SF
Lease - \$20.00 NNN
Mike Weisberg

NEW



Former Denny's Restaurant
803 E. Parham Road
5,000 SF
Lease - \$10.00
Susan Jones, Sam Worley

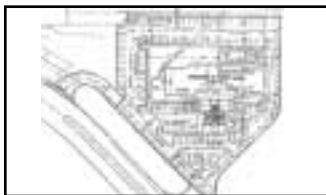
NEW



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



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

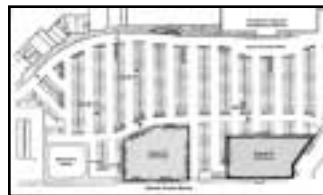


Virginia Center Hotel Site
Telegraph Road
3.5 Acres
Sale - \$1,250,000
Susan Jones



New Retail Development
Pepper's Ferry Road
Christiansburg, VA
Up to 8,000 SF
Lease - \$25/SF NNN
Susan Jones

NEW



Pinehill Plaza
S. Crater Road, Petersburg
Outparcels for Sale
.75 ac - \$275,000
.86 ac - \$285,000
Brian Glass

NEW



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



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



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



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



Gas/Convenience/Car Wash
11811 Hull Street Road
2,400 SF on .87 Ac
Sale - \$780,000
Jerry Yospin

PRICE REDUCED



Former Sofas Plus Bldg
9015-9017 W. Broad Street
6,000 - 12,300 SF
Lease - \$15.00 - \$16.00 NNN
Jeff Williams



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



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



Mechanicsville Car Lot
8130 Elm Drive
.5 Acre + 400 SF Office
Lease - \$2,500/month
Susan Jones

NEW

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.

brian.glass@harrison-bates.com
susan.jones@harrison-bates.com
jackie.noel@harrison-bates.com

mike.weisberg@harrison-bates.com
jeff.williams@harrison-bates.com
jerry.yospin@harrison-bates.com



Harrison & Bates Incorporated
One Capitol Square
830 E. Main Street, 5th Floor
Richmond, VA 23219-2725
Independently Owned and Operated

1st Quarter 2002

trends

Richmond Retail