

trends

Richmond Retail

Small strips on pad site in good locations are attractive to both developers and retailers.

Retail losses balanced by newcomers, expansions

Negative absorption in the southwest quadrant from the closure of two Kmart stores was balanced by positive absorption in the northeast quadrant from the completion of a new Kroger supermarket and BJ's Wholesale, both with fuel centers. Competing regional malls comprise 1.69 million square feet of retail under construction, with delivery of both expected in September, 2003.

The balance of 2002 will see expansion by Staples, Kroger, and several restaurants. Cost Plus World will enter the market in early 2003 with a store at Brookhollow on West Broad Street, and CarMax announced plans for a second used car superstore to be built on a site under contract on Midlothian Turnpike in Chesterfield County. BMW and Mercedes also plan new showrooms adjacent to Moore's Volvo in the same area.

Developers are finding that the shortage of small retail spaces in the best locations affords opportunities for development of 8-10,000 square foot strips on small pad sites. Following legislation passed by this year's General Assembly allowing favorable financing of loans under \$500, "pay day loan" companies are leasing any small retail space available. Leading the pack is Advance America.

The biggest challenges remain with older malls and big boxes in less desirable locations.

Richmond Retail Trends

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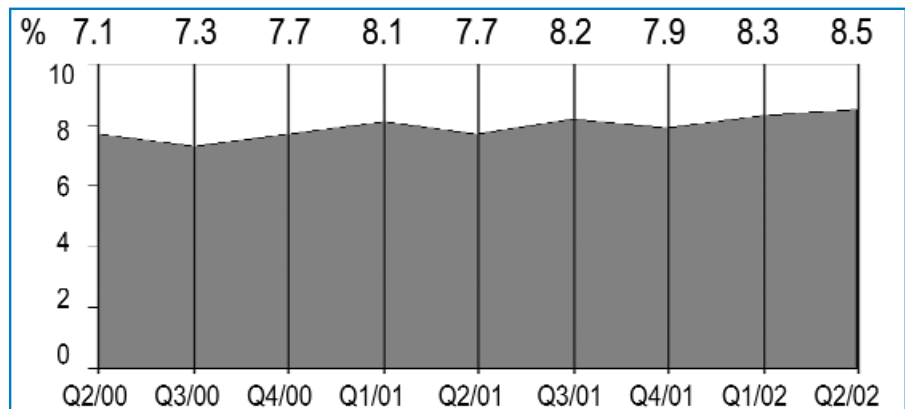
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Richmond Retail Vacancy Rate*

* All Product Types & Submarkets

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	3,801,509	331,350	8.7%	273,128	269,828	0	\$9.79	
Northwest	11,931,040	630,293	5.3%	50,737	(43,244)	1,057,680	\$13.08	
Southeast	277,186	8,607	3.1%	3,200	1,760	0	\$12.45	
Southwest	13,930,823	1,662,732	11.9%	(238,692)	(280,410)	863,500	\$12.53	\$22.00
Tri-Cities	3,988,370	258,455	6.5%	3,200	23,400	0	\$8.06	
Total	33,928,928	2,891,437	8.5%	91,573	(28,666)	1,921,180	\$11.32	\$22.00
By Product Type (All Submarkets)							Asking Rent By Product Type	
Community	6,768,407	819,155	12.1%	161,118	91,843	173,500	\$9.92	
Freestanding	7,791,971	680,064	8.7%	22,380	(28,151)	0	\$7.98	
Neighborhood	7,779,360	758,561	9.8%	(110,215)	(87,237)	0	\$11.32	
Power	2,889,651	37,750	1.3%	0	(36,550)	0	\$22.00	
Regional	4,746,108	321,008	6.8%	0	0	1,690,000	\$32.15	
Strip	3,953,431	274,899	7.0%	18,290	31,429	57,680	\$10.53	
Total	33,928,928	2,891,437	8.5%	91,573	(28,666)	1,921,180	\$12.84	

(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 second quarter of 2002.

2601 Tuckernuck Drive

6,700 SF Sale
Henrico County
Jerry Yospin

Rainbow Buffet

7,205 SF Lease
Colonnades West, Henrico
Brian Glass, Jackie Noel

T-Mobile Communications

2,000 SF Lease
1502 Parham Road, Henrico County
Jeff Williams

Carrington Music

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

Cash Advance Centers

1,500 SF Lease
Hungarybrook Center, Henrico
Susan Jones, Jim Ashby

Rt 1 & Old Telegraph Rd

1 Acre Sale
Hanover County
Mike Weisberg

DOTS, Inc.

5,000 SF Lease
Southgate Square, Colonial Heights
Jerry Yospin

4515 W. Hundred Road

4,800 SF Sale
Chesterfield County
Jerry Yospin, Mike Weisberg

Advance America

2,190 SF Lease
4501 Williamsburg Rd, Henrico
Susan Jones

Check Smart

2,600 SF Lease
7015 Staples Mill Road, Henrico
Jackie Noel

910 E. Parham Road

1,890 SF Sale
Henrico County
Jerry Yospin

Luxury Pools & Spas

4,200 SF Lease
10825 Midlothian Tpke, Chesterfield
Jerry Yospin

Ntelco

3,200 SF Lease
Audubon Crossing, Henrico
Brian Glass, Jackie Noel

Rose Uniforms

1,800 SF Lease
Steinmart Festival, Chesterfield
Mike Weisberg

Mediacom

4,000 SF Sublease
Fountain Square, Henrico
Susan Jones

FEATURED

Listings

Partial Listing of Retail Properties Currently Available

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



Aunt Sarah's Restaurant
806 England Street, Ashland
3,248 SF
Sublease - \$12.93 NNN
Jerry Yospin, Susan Jones

NEW



Downtown - VCU Area
612 W. Grace Street
2,550 SF
Lease - \$15 NNN
Brian Glass, Jim Ashby

NEW



Restaurant or Retail
911 W. Grace Street
4,411 SF
Lease - \$11.50 NNN
Brian Glass

NEW



Former Goodyear
6816 Hull Street Road
4,000 SF
Sale - \$395,000
Courtney Moore, Susan Jones

NEW



Amberleigh
Hull Street Rd @ Gregory Pond
Mixed Use Commercial
Development
1,000 to 16,000 SF @ \$16 NNN
Ground Lease @ \$50,000/acre
Susan Jones, Courtney Moore

NEW



Gas Station/C-Store
13530 Midlothian Tpk
Sale - \$850,000
Lease - \$6,000/month
Jerry Yospin,
Mike Weisberg

PRICE REDUCED



Development Site
Mechanicsville Tpk &
Creighton Road
40.8 Acres
Sale - \$7,140,000
Sam Worley, Susan Jones

NEW



5004 Nine Mile Road
4,654 SF
Sale - \$295,000
Brian Glass, Jim Ashby

NEW



Mechanicsville Car Lot
8130 Elm Drive
.5 Acre + 400 SF Office
Lease - \$2,150/month
Susan Jones

PRICE REDUCED



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



VA Credit Union - Residual
1200 Koger Center Blvd
2.09 Acres
Sale - \$620,000
Bill Mattox, Steve Gentil

NEW



Gas/Convenience/Car Wash
11811 Hull Street Road
2,400 SF on .87 Ac
Sale - \$725,000
Jerry Yospin

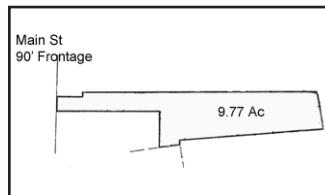
PRICE REDUCED



The Shops at the Arboretum
9101-9111 Midlothian Tpk
647 - 6,000 SF
Lease - \$13 to \$17 NNN
Brian Glass, Jackie Noel,
Courtney Moore



Harbour Point Village
Hull Street Road
15,000 SF
Sublease - \$4.89 NNN
Jerry Yospin, Bill Mattox



Rustburg, VA
755 Village Highway
9.77 Acres Zoned B-1
Sale - \$295,000
June Smith, Jerry Yospin

NEW



Rustburg, VA
9228 Wards Road
8.49 Acres Zoned B-1
Sale - \$325,000
Courtney Moore

NEW

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



*Jim
Ashby*



*Brian
Glass*



*Susan
Jones*



*Courtney
Moore*



*Jackie
Noel
CPM, CCIM*



*Mike
Weisberg*



*Jeff
Williams*



*Jerry
Yospin*

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2nd Quarter 2002

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