

trends

Richmond Retail

With more than 2 million square feet of retail under construction, 2003 could be a record year for absorption.

Preparing for the big leagues

Anticipation of new shopping experiences grows as we pass construction sites and watch two regional malls take shape in preparation for their September 2003 openings. Other smaller projects are also under construction, such as the 29,000-square foot Brookhollow East anchored by Cost Plus World Market, a new entry in the Richmond market. In addition, the 28-year old Regency Square Mall announced a major facelift in 2003 as part of an effort to modernize and retain tenants and customer traffic.

Fourth quarter activity included leasing of the 36,889-square foot former Haverty's Furniture building on West Broad Street in the Northwest Quadrant by Ashley Furniture, as well as completion of a new Circuit City store in Colonial Heights (Tri-Cities Area). Also, a 6-acre site in Brookhollow (Northwest Quadrant) was purchased for \$1.572 million for construction of a 15,000 square foot Tom Leonard's Farmer's Market.

Challenges remain in filling older properties in less desirable locations. That inventory will increase in early 2003 as a third area Kmart closes its doors (Northwest Quadrant) and Sears vacates a store at Cloverleaf Mall in the Southwest Quadrant.

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:

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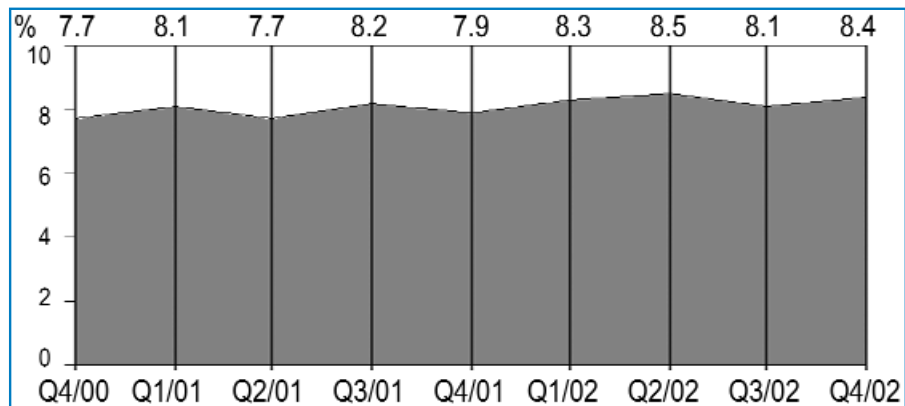
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Independently owned and operated



Richmond Retail Vacancy Rate*

* All Product Types & Submarkets

| By Submarket (All Types) | Total SF(1) | Vacant SF(4) | Vacant % | Net Absorption | | Under (2) Construction | Asking Rent(3) Neighborhood Power | |
|-------------------------------------|-------------------|------------------|-------------|-----------------|----------------|---------------------------|--------------------------------------|--------------------------------|
| | | | | Current Qtr. | Year-to-date | | | |
| Northeast | 3,801,509 | 420,778 | 11.1% | (98,947) | 180,400 | 98,800 | \$9.83 | |
| Northwest | 11,954,540 | 557,063 | 4.7% | (42,020) | 29,986 | 1,246,000 | \$12.78 | |
| Southeast | 273,326 | 9,140 | 3.3% | 4,469 | 1,227 | 12,000 | \$13.21 | |
| Southwest | 14,113,499 | 1,597,614 | 11.3% | 72,446 | (50,296) | 805,000 | \$11.13 | \$22.00 |
| Tri-Cities | 4,023,370 | 278,319 | 6.9% | 13,336 | 38,536 | 0 | \$7.26 | |
| Total | 34,166,244 | 2,862,914 | 8.4% | (50,716) | 199,853 | 2,161,800 | \$10.72 | \$22.00 |
| By Product Type (All Submarkets) | | | | | | | | Asking Rent By Product Type |
| Community | 6,941,907 | 955,109 | 13.8% | (117,537) | 129,389 | 70,000 | \$10.11 | |
| Freestanding | 7,794,003 | 495,809 | 6.4% | 61,327 | 117,496 | 60,000 | \$10.32 | |
| Neighborhood | 7,841,144 | 784,603 | 10.0% | 9,082 | (48,175) | 0 | \$10.72 | |
| Power | 2,889,651 | 48,250 | 1.7% | (5,700) | (47,050) | 100,000 | \$22.00 | |
| Regional | 4,746,108 | 321,008 | 6.8% | 0 | 0 | 1,690,000 | \$32.15 | |
| Strip | 3,953,431 | 258,135 | 6.5% | 2,112 | 48,193 | 241,800 | \$11.05 | |
| Total | 34,166,244 | 2,862,914 | 8.4% | (50,716) | 199,853 | 2,161,800 | \$13.43 | |

(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 2002.

Atlantic Tanning

4,200 SF Lease
Creighton Crossing II, Hanover
Susan Jones, Jim Ashby

Cash Advance

1,875 SF Lease
Southgate Square, Colonial Heights
Jerry Yospin, June Smith

Carmela Pizza

1,800 SF Lease
Deer Run Shopping Center, Chesterfield
Jerry Yospin, June Smith

Central Garage

.47 Acre Outparcel Sale
Rt 360 & Rt 30
Susan Jones

Tiny Hands Day Care

2,800 SF Lease
Irongate Shopping Center, Chesterfield
Mike Weisbert

Puppy Tales

4,800 SF Lease
Tappahannock Town Center
Susan Jones, Courtney Moore

Premier Pet Products

23,000 SF Lease
8401 Midlothian Tpk, Chesterfield
Jerry Yospin, Jason Hetherington

J&J Clothing

2,091 SF Lease
Southgate Square, Colonial Heights
Jerry Yospin, June Smith

First Capital Bank

2,800 SF Lease
Shops at Chesterfield Plaza
Jerry Yospin, Brian Glass

Dollar World

3,000 SF Lease
Southgate Square, Colonial Heights
Jerry Yospin, June Smith

Rainbow Rentals

4,024 SF Lease
Southpark Crossing, Colonial Heights
Susan Jones

China Emerald

2,550 SF Lease
612 W. Grace Street, Richmond
Brian Glass, Jim Ashby

Tribles

4,883 SF Lease
Hungarybrook Center, Henrico
Mike Weisberg, Susan Jones

Beautyland

4,000 SF Lease
Tappahannock Town Center
Courtney Moore, Susan Jones

China House Restaurant

1,400 SF Lease
Creighton Crossing
Susan Jones

FEATURED

Listings

Partial Listing of Retail Properties Currently Available

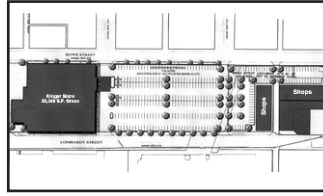
Go to www.harrison-bates.com/properties.htm to view all listings including land.



Irongate Shopping Center
57,830 SF - 100% Leased
Ideal 1031 Exchange
Call for package.
Mike Weisberg



Former Standard Distributors
2916 Jefferson Davis Hwy
2 Bldgs: 20,036 SF + 1,465 SF
Sale - \$595,000
Lease - \$3.50
Brian Glass, Jim Ashby



VCU Area - Broad & Lombardy
Strip Retail Adjacent Kroger
1,000 - 14,750 SF
Susan Jones, Jim Ashby



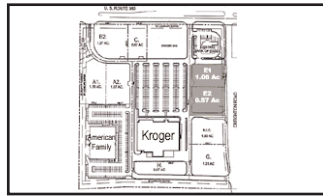
Three Chopt Plaza
8901-A Three Chopt Road
2,812 SF
Lease - \$12.50 NNN
Brian Glass



Audubon Crossing
Phase II - New Construction
2,400 - 7,600 SF
\$12.50 - \$14.00 NNN
Brian Glass



Automotive Repair Facility
8130 Elm Drive, Mechanicsville
.5 acre lot + repair shop
Lease - \$2,500/month
Susan Jones



Creighton Crossing II
Rt 360 East & Creighton Rd
1,000 - 17,000 SF
For Lease
Jim Ashby, Susan Jones



Former Goodyear
6816 Hull Street Road
4,000 SF
Sale - \$365,000
Courtney Moore, Susan Jones

NEW

NEW

NEW

Price Reduced!

RETAIL LAND



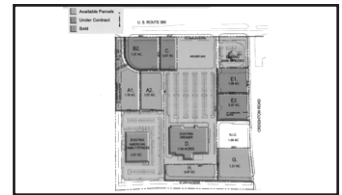
Midlothian Square
11521 Midlothian Tpke
1,800 - 2,464 SF
Lease - \$12 to \$18 NNN
Jerry Yospin, June Smith



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



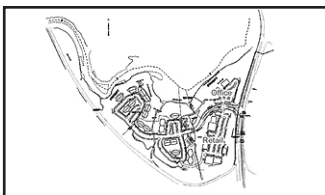
Twin Hickory Town Center
Outparcels Available
.39 ac - \$175,000
1.7 Ac - \$765,000
Susan Jones



Creighton Crossing
Outparcels Available
1.31 Ac - \$375,000
2.25 Ac - \$1,068,750
Susan Jones

NEW

NEW



Royal Oaks - Retail Site
Chippenham Pkwy & Iron
Bridge Rd
6 Acres - \$840,000
Courtney Moore, Bill Mattox

NEW



Westchase - Retail Sites
Cox Road @ W. Broad Street
1.5 to 11.5 Acres
\$425,000 to \$700,000/ac
Bill Mattox, Steve Gentil

NEW



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

Under Contract



Retail Site - Tappahannock
Tappahannock Blvd (Rt 360)
17.56 Acres
Sale - \$950,000
Susan Jones, Bill Mattox

Under Contract

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



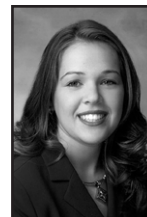
*Jim
Ashby*



*Brian
Glass*



*Susan
Jones*



*Courtney
Moore*



*June
Smith*



*Mike
Weisberg*



*Jeff
Williams*



*Jerry
Yospin*

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4th Quarter 2002

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