

trends

Richmond Retail

Despite the generally sputtering economy over the past two years, Richmond has bucked the trend in the retail sector.



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

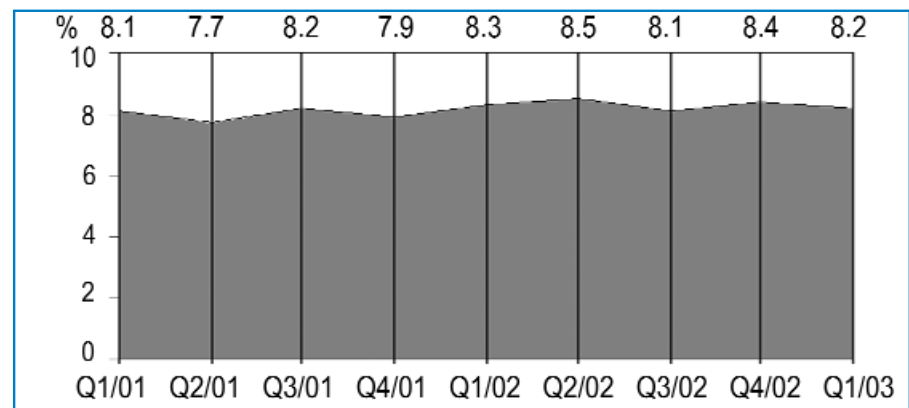
Specialty strip centers under development

As land prices continue to rise, we've seen a trend of developers purchasing small one to 2-acre parcels on or near anchored centers to develop 10,000 to 20,000 square foot specialty strip centers. Typical tenants are small restaurants and service retailers. The trend is occurring throughout the metropolitan area with most projects commanding top rents in the range of \$19 to \$26 per square foot.

In the Northwest Quadrant, both Regency Square and Willow Lawn are seizing opportunities to reposition themselves in anticipation of losing tenants to the new malls. Both have solid anchors that will remain or expand.

Opportunities also exist to backfill vacancies along problem corridors, particularly if Henrico County designates Enterprise Zones for areas of Broad Street and Nine Mile Road. Increases in daytime population in the Broad and Glenside area associated with the leasing of the former Reynolds Metals headquarters to Philip Morris will make those corridors increasingly desirable for retail services.

Hot retail areas will continue to be Hull Street west of Route 288, W. Broad Street at Short Pump and the Route 360 East corridor in Mechanicsville. Although not in the immediate future, retail opportunities will eventually present themselves along the extended Route 288 corridor opening in the Fall.



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	419,406	11.0%	1,372	1,372	111,300	\$8.82	
Northwest	12,054,540	599,760	5.0%	(42,697)	(42,697)	1,357,000	\$12.88	\$9.50
Southeast	285,326	14,712	5.2%	6,428	6,428	0	\$13.66	
Southwest	14,016,349	1,494,253	10.7%	98,826	98,826	805,000	\$11.24	\$18.40
Tri-Cities	4,023,370	279,289	6.9%	(970)	(970)	0	\$7.23	
Total	34,181,094	2,807,420	8.2%	62,959	62,959	2,273,300	\$10.62	\$12.69

By Product Type (All Submarkets)	Total SF(1)	Vacant SF(4)	Vacant %	Net Absorption		Under (2) Construction	Asking Rent By Product Type	
				Current Qtr.	Year-to-date			
Community	6,941,907	896,358	12.9%	58,751	58,751	70,000	\$9.63	
Freestanding	7,834,128	501,375	6.4%	(10,101)	(10,101)	60,000	\$11.32	
Neighborhood	7,841,144	778,701	9.9%	5,902	5,902	111,000	\$10.62	
Power	2,889,651	51,522	1.8%	(3,272)	(3,272)	100,000	\$12.69	
Regional	4,746,108	286,008	6.0%	35,000	35,000	1,690,000	\$32.27	
Strip	3,928,156	293,456	7.5%	(23,321)	(23,321)	242,300	\$10.77	
Total	34,181,094	2,807,420	8.2%	62,959	62,959	2,273,300	\$13.03	

(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 2003.

1112 Carmia Way

17,140 SF Sale
Chesterfield County
Brian Glass, Jerry Yospin, June Smith

4200 Price Club Drive

1.354 Acre Sale
Chesterfield County
Mike Weisberg

Nu Image, LLC

3,200 SF Lease
11005-C Midlothian Tpke, Chesterfield
Jerry Yospin, June Smith

Car Toyz

5,145 SF Lease
7601 W. Broad St, Henrico
Jerry Yospin, June Smith

Radio Shack

1,300 SF Lease
Tuckernuck Square Shopping Center,
Henrico County
Jim Ashby, Brian Glass

Party City of Richmond

15,445 SF Lease
9130 W. Broad St, Henrico County
Jerry Yospin, June Smith

Lucca Trattoria

4,050 SF Lease
Village at Swift Creek, Chesterfield
Jerry Yospin, June Smith

H&R Block

2,000 SF Lease
9025-A Midlothian Tpke, Chesterfield
Susan Jones, Jim Ashby

Great Clips

1,200 SF Lease
Creighton Crossing, Hanover County
Susan Jones, Jim Ashby

Play It Again Sports

3,200 SF Lease
8003-A W. Broad St, Henrico County
Jim Ashby

Creighton Crossing

2 Outparcels Sold
Mechanicsville, VA
Susan Jones

Sally Beauty Supply

2,092 SF Lease
The Shops at Willow Lawn, Henrico
Susan Jones, Jim Ashby

Jackie's Unique Styling Team

1,050 SF Lease
Tappahannock Towne Center
Susan Jones, Courtney Moore

El Paso, Inc.

2,271 SF Lease
Village at Swift Creek, Chesterfield
Jerry Yospin, June Smith

S. Galeski Optical

1,575 SF Lease
Starling Center, Henrico
Mike Weisberg

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



The Avenues of Libbie & Grove
407 Libbie Avenue
3,100 SF
Lease - \$25 NNN
Jeff Williams

NEW



Former America's Carpet Gallery
9912-16 Midlothian Tpke
3,900 SF
Lease - \$16.00 NNN
Mike Weisberg, Jim Ashby

NEW

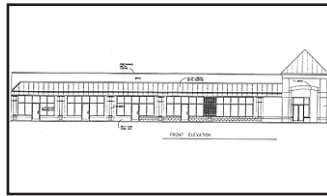


Ashland Retail Shops
Junction Dr & Hill Carter Pkwy
1,500 to 20,000 SF
Lease - \$20.00 NNN
Susan Jones, Jim Ashby

NEW

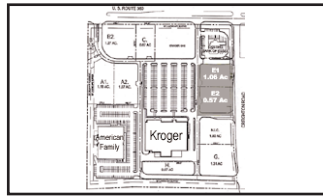


Audubon Crossing Phase II - New Construction
2,400 - 7,600 SF
\$12.50 - \$14.00 NNN
Brian Glass



Oilville Retail Center
New Construction
1,200 to 8,000 SF
Lease - \$10 to \$12 NNN
Susan Jones

NEW



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



Former Sofas Plus
10050 Midlothian Tpke
9,300 SF
Lease - \$10.00 NNN
Mike Weisberg, Jim Ashby

NEW

RETAIL LAND



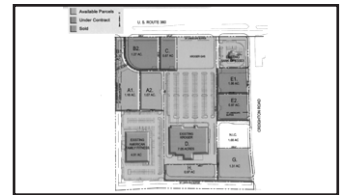
Midlothian Square
11521 Midlothian Tpke
1,800 - 2,464 SF
Lease - \$12 to \$18 NNN
Jerry Yospin, June Smith



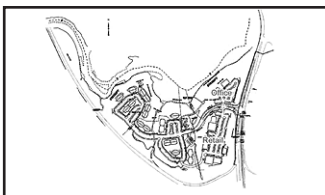
Tappahannock Towne Center
US 17/360 & SR 617
1,050 to 24,000 SF
Lease - \$6 to \$12
2 Outparcels Available
Susan Jones, Jim Ashby



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



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



Retail Site
Airport Drive & Nine Mile Rd
1.78 Acres - Zoned B3C/B2C
Sale - \$425,000
Susan Jones, Jim Ashby

NEW



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



Amberleigh
Hull Street Rd @ Gregory Pond
Mixed Use Commercial Development
1,000 to 16,000 SF @ \$18 NNN
Ground Lease @ \$50,000/acre
Susan Jones, Courtney Moore

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*

jim.ashby@harrison-bates.com
brian.glass@harrison-bates.com
susan.jones@harrison-bates.com
courtney.moore@harrison-bates.com

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



Grubb & Ellis[®]

Property Solutions Worldwide

Harrison
& Bates

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

1st Quarter 2003

trends

Richmond Retail