

Land Market Trends Richmond

Grubb & Ellis Research

Third Quarter 2003



The Impact of Impact Fees

by Bruce Milam

Henrico County has expressed a desire to assess "transportation impact fees" for all residential and commercial properties that apply for building permits within a geographical area that includes the West Broad Street Corridor from Short Pump to the Goochland County line, as well as all areas north of that corridor that lie west of I-295. The County's intent is to use the money raised from these fees to fund a proposed \$84 million interchange at the future crossing of Gayton Road and I-64, as well as other road improvements to relieve traffic congestion as that area continues to develop. To do this legally, the County must amend an act passed last year by the General Assembly that allows these fees in specific Northern Virginia jurisdictions. Chesterfield County, among others, is eagerly watching Henrico's ploy.

If this bill is enacted, it will levy a fee of \$10,048 per residential unit and a fee of \$2.81 per building square foot for all future commercial developments in that specific geographical area. High priced residential homes aren't likely to feel the pinch from this fee; in fact, two developers of such housing have volunteered to pay it with or without the legislation. However, the fee will eliminate the development of most multi-family projects and may negatively impact the development of retail and office product, the very product the County relies on to balance its budget. The fees, coupled with the high price of land in that area, will make the building of moderate priced housing, the housing needed for our schoolteachers, policemen and other public employees, prohibitive. This fee will drive out the very people the county needs to attract.

The County has found a major hitch in its plans. VDOT has studied the proposed interchange and has concluded that it is redundant and unworthy of funding. It is adamantly opposed to building it. Local members of the General Assembly have cited VDOT opposition as their reason to decline the privilege of sponsoring the bill before the General Assembly. The proposed bill cannot be considered without sponsorship.

Nonetheless, Henrico is moving forward, looking for ways to either get the Bill heard or to address the same issue in other ways. Impact fees are just one tool in their box to get new development to pay the cost of solving old problems. Be assured that neighboring counties are keeping an eye on the process.

Richmond Land Market Trends

is a newsletter published quarterly by Grubb & Ellis|Harrison & Bates.

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Featured Listings

Partial Listing of Land Currently Available

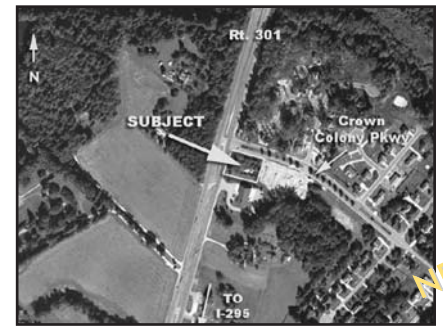
Go to www.harrison-bates.com/properties to view all listings including improved property.



Salisbury West Office Park - 9 Acres NEW
Office pad sites, as well as 9 acres of zoned, utility-served office land which can be purchased in bulk or by finished pad site. \$200,000 per acre or \$325,000 for pad site. Contact Bruce Milam or Scott White.



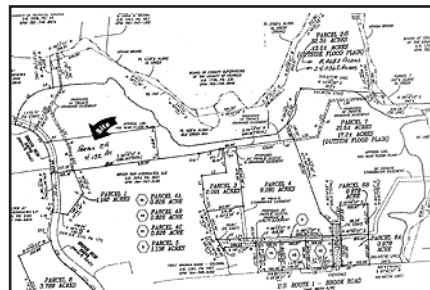
Ashland Business Park - 135 Acres
Industrial and retail sites of various sizes available for users, developers and retailers like Wal-Mart in quality business park on I-95 North. Call Bill Mattox or David Williams.



Hanover - 1 Acre
Semi-finished office pad site at Rt 301 and Crown Colony Parkway. Allows an 8,200 sq. ft. office building with 28 parking spaces. \$310,000. Call Bruce Milam or Garnett Hall.



Rt 5 @ I-295 - 45.28 Acres NEW
One of the few commercially viable properties in Varina with utilities. \$1,750,000. Contact Bruce Milam or Bill Mattox.



Brook Run - 4.132 Acres NEW
Fronting Brook Run Drive behind Brook Run Shopping Center. Suitable for church, self-storage, daycare, etc. \$300,000. Contact Bruce Milam.



The Green at the Village of Midlothian - 43.46 Acres
N. Woolridge Rd & Grove Hill Rd. Four parcels can be sold separately or together. Zoned retail and office. Contact Mike Waddell.

Recent Transactions

Grubb & Ellis | Harrison & Bates is pleased to announce that it represented the following companies in land transactions during the third quarter of 2003:

Pearl Associates, LC and Earl Thompson, Inc.
in the sale of 130 Acres to CarMax West Creek, Goochland County
Bill Mattox, Steve Gentil

Virginia Credit Union
in the purchase of 18.6 Acres Waterford, Chesterfield County
Steve Gentil

Commonwealth of Virginia
in the sale of 140 Acres Route 15, Louisa County
Bill Mattox, Kit Tyler

Robert Ball, Jr.
in the sale of 5.84 Acres Parham Road & St. Charles Road, Henrico County
Sam Worley

Loveland Distributing Company
in the sale of 6.34 Acres Orville Road, Henrico County
Andrew Ferguson, David Williams

Jewett Trust
in the sale of 3.4 Acres 6900 Old Westham Road City of Richmond
Sam Worley, Bruce Milam

Land Type/Size Location	City/County Price	Contact	Comments
Commercial - Royal Oaks - 12 Acres Chippenham Pkwy & Iron Bridge Rd	Chesterfield \$140,000/ac	Bill Mattox	Retail & office sites available
Commercial - 5.8 Acres Hull Street Rd, Woodlake Area	Chesterfield \$1,675,000	Bill Mattox	Zoned Business, across from Lowe's Part under contract
Commercial - 9.17 Acres 14851 Hull Street Road	Chesterfield \$725,000	Bill Mattox Sam Worley	Just west of entrance to Woodlake. Suitable for office or retail development.
Commercial - 94 Acres Rivermont E. Hundred Road @ I-295	Chesterfield Call for Pricing	Bill Mattox D. Williams, J. Yospin	Mixed use project.
Commercial - 2.184 Acres Midlothian Tpk @ Old Buckingham Rd	Chesterfield Owner Flexible	Sam Worley Susan Jones	Build-to-Suit, Sale or Ground Lease Will deliver pad ready with utilities.
Commercial - 1.78 Acres Airport Drive, Sandston	Henrico \$425,000	Susan Jones Jim Ashby	Retail site between Amoco & Movie Gallery
Commercial - 4.8 Acres 11950 W. Broad St, Short Pump	Henrico Ground Lease	Bill Mattox	A-1, next to Short Pump Towne Ctr Owner will consider selling.
Commercial - 14 Acres 12000 W. Broad St, Short Pump	Henrico \$8,000,000	Bill Mattox	Next to Short Pump Towne Center
Commercial - Brook Run Outparcels Brook Road @ I-95	Henrico \$325,000 - \$350,000	Bruce Milam	Outparcels in front of Brook Run Center
Commercial - 25 Acres Cox Rd @ W. Broad Street	Henrico Call for Pricing	Bill Mattox Steve Gentil	Office Sites from 1.5 to 12 Acres Retail Sites from 1.5 to 11.5 Acres
Commercial - 1.652 Acres N. Gayton Rd & W. Broad Street	Henrico \$900,000	Bill Mattox Sam Worley	B-3C. Next to Dominion Chevrolet
Commercial - 5.32 Acres 2587 Homeview Drive	Henrico \$1,500,000	Jeff Williams	Sale/Lease/Build-to-Suit - 2 parcels 1 ac unimproved + 4.32 ac parking lot
Commercial - 3.5 Acres 1251 Presbytery Ct	Henrico \$595,000	Kit Tyler	Just north of Virginia Center Commons Can be subdivided.
Commercial - 3.5 Ac Hotel Site Behind Virginia Center Commons	Henrico \$1,250,000	Susan Jones	Development site. Visible from I-95
Commercial - 19 Acres Centerbrooke Village Office Park	Suffolk \$150,000/ac	Bruce Milam Sam Worley	B-3 zoning; office pad sites
Commercial - 17.56 Acres Tappahannock Blvd (Rt 360)	Tappahannock \$950,000	Bill Mattox Susan Jones	Heart of Tappahannock's retail corridor. Median break.
Industrial - 15 to 100 Acres Bermuda Hundred Road	Chesterfield \$10,000-40,000/Ac	Bill Mattox Bruce Milam	Parcels of 15, 21 & 100 acres; can be purchased separately. Owner flexible.
Industrial - 4.15 Acres Burge Avenue & Willis Road	Chesterfield \$115,000	Bill Mattox	Zoned C-5, Good Business Site Just off I-95. UNDER CONTRACT
Industrial - Chester - 13.01 Acres 1701 Coyote Drive	Chesterfield \$370,000	Bill Mattox Andrew Ferguson	Industrial Site Old Stage Corporate Park
Industrial - 9.984 Acres Junction Drive, Ashland	Hanover \$175,000/ac	Andrew Ferguson	Across from new Walmart Zoned M-1
Industrial - 13 Acres Charles City Road & Miller Road	Henrico \$950,000	David Williams Jason Hetherington	Zoned M-2, All Utilities, Level, Cleared
Industrial - 25.6 Acres Dry Bridge Rd & Old Williamsburg Rd	Henrico \$1,275,000	Andrew Ferguson David Williams	M-1C. Near Infineon (White Oak)
Industrial - 11.5 Acres Laburnum Ave & Eastport Blvd	Henrico \$1,725,000	Bill Mattox J. Hetherington, D. Williams	Pad ready for development. M-1C Open Listing.
Industrial - 4.3 Acres 4720 Richneil Road	Henrico \$300,000	Bruce Milam Bill Mattox	M-1, Richmond Industrial Interport
Industrial - 8.56 Acres Villa Park Drive	Henrico \$535,000	Bill Mattox	Finished office/light industrial site 1/2 mile from I-95/I-295
Industrial - 32.12 Acres Rt. 257, Mt. Crawford	Rockingham \$1,300,000	Bruce Milam Steve Gentil	Light Industrial Site Close to Rt. 11 & I-81
Multi-Housing - 20.96 Acres Rt 60 & Forge Rd, Toano	James City \$1,250,000	Sam Worley	Will sell subject to rezoning to multifamily.

The Land & General Brokerage Team specializes in all facets of commercial 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
- Assemblages
- Buyer/Tenant Representation
- Feasibility Studies
- Highest & Best Use/Alternative Use Studies
- Investment Analysis
- Land Topography Evaluation
- Lease Review for Owners & Tenants
- Lease vs. Own Analysis
- Marketing Plans & Services
- Multi-Family Property Valuation
- Sales-Leasebacks
- Site & Facility Selection
- Special/Unusual Property Transactions
- Strategic Real Estate Planning
- Tax Deferred Exchanges

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Grubb & Ellis Affiliate of the Year



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