

Land Market Trends Richmond

Grubb & Ellis Research

First Quarter 2004



Zoned residential land with utilities is the subtype most in demand in the Metro Richmond area.

Housing Sales, Prices Continue to Rise

by Bruce Milam

Travel the roads around Richmond, particularly near the perimeter highways of I-288 in Chesterfield and I-295 in Henrico, and the housing boom is very evident. Houses, like mushrooms after a summer rain, seem to be sprouting up everywhere. It's not our imagination at work: there were 5,170 new home closings in the calendar year 2003 in the Richmond area, an increase of 5% over 2002, according to the Integra Residential Report. The choice new subdivisions are located in the far west end -- places like Charter Colony, Hampton Park, and The Grove in Chesterfield, and Twin Hickory and Crossridge in Henrico. The average price of a new home in 2003 increased to \$252,609, an eleven percent increase over 2002, despite the influx of lower-priced townhouses and condominiums to the marketplace. The average home in Twin Hickory, the fastest growing subdivision in the region, is over \$350,000!

Similarly, we've seen a dramatic rise in the cost of land throughout the region. In the Short Pump area of western Henrico County, land has traded for \$100,000 or more per acre for residential development. In western Chesterfield, in areas that are readily accessible by highways and public utilities, the going rate is \$35,000 and up per acre for residential development. Large tracts (100 plus acres) on the north side of Midlothian Turnpike are being purchased for \$80,000 per acre and higher. Residential acreage in Varina and Matoaca, the two "sleeping giants" in the region, has escalated dramatically as well. Developers are scrambling to stay in the homebuilding race.

All of this growth has spurred commercial development along the main corridors. Car Max's recent purchase of nearly 10 acres on Murray Olds Court south of Midlothian Turnpike, with little road frontage on Midlothian, for almost \$525,000 per acre is indicative of the tightness in the market. Smaller commercial sites along the Midlothian and Hull Street corridors are drawing prices in the \$650,000 per acre range. Similar sites along West Broad Street near Short Pump are asking, and occasionally getting, upwards of \$875,000 per acre.

This frenzy will continue provided more people and more money pour into our marketplace. Changing demographics and slowing job growth indicate that the population growth rate in metropolitan Richmond may slow down in the near future, but don't look for that to occur in the near term. In most new subdivisions, there is a nine-month lag between housing sales contracts and construction completion which will carry us into 2005. This continued growth will surely perpetuate the increased demand for retail, office and industrial land.

Richmond Land Market Trends

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Lynn McDaniel

Vice President, Marketing Services
Grubb & Ellis|Harrison & Bates
830 E. Main Street, 5th Floor
Richmond, VA 23219-2725
Phone: 804.788.1000
E-mail: lynn.mcdaniel@harrison-bates.com
Internet: www.grubb-ellis.com; www.harrison-bates.com
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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

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.



4300 W Broad St - 2.7 Acres

Improved with three buildings. Creative seller offering multiple opportunities to purchase all or part. Call Bruce Milam or Mike Weisberg.



Rt 5 @ I-295 - 45.28 Acres

One of the few commercially viable properties in Varina with utilities. \$1,750,000. Contact Bruce Milam

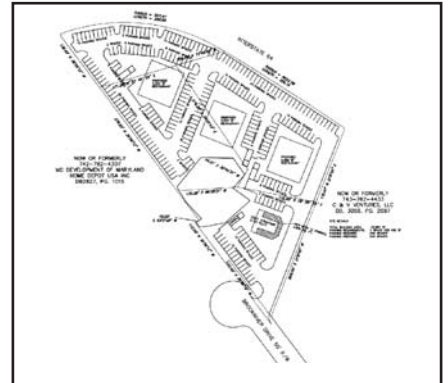
Under Contract



Retail Pad Sites - 7± Acres

Stafford County. Pad sites for restaurants, banks and other freestanding retail. In front of Washington Square Wal-Mart. \$45,000/acre annual ground lease. Contact Susan Jones.

NEW



Brookriver Restaurant Park - 4 Acres at Short Pump

Three 1-acre pad sites plus a church building on another acre. Multiple retail opportunities for sale, ground lease or build-to-suit. Contact Susan Jones or Scott Boyers.

Recent Transactions

Grubb & Ellis|Harrison & Bates is pleased to announce that it represented the following companies in land transactions during the first four months of 2004:

Bertozzi Family Ltd Ptshp

in the sale of 250 Acres
Route 288, Chesterfield County
Bill Mattox, David Williams

Tetra Southeast, LLC

in the purchase of 60.71 Acres
5000 Audubon Drive
Henrico County
Bruce Milam

Gaines Trust

in the sale of 17.56 Acres
Rt. 360
Tappahannock
Bill Mattox, Susan Jones

Retlaw 100, LLC

in the sale of 1.31 Acres
Creighton Crossing
Hanover County
Susan Jones

Tetra Associates II

in the purchase of .948 Acres
4900 Audubon Drive
Henrico County
Bruce Milam

Wachovia Bank

in the purchase of 1.03 Acres
12200 Chestertown Road
Chesterfield County
Steve Gentil, Garnett Hall

| 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 UNDER CONTRACT |
| Commercial - 9.17 Acres 14851 Hull Street Road | Chesterfield \$725,000 | Bill Mattox Bruce Milam | 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 - 43.46 Acres N. Woolridge Rd & Grove Hill Rd | Chesterfield Call for Pricing | Mike Waddell | The Green at the Village of Midlothian Zoned retail and office; 4 parcels. |
| Commercial Office - 1 Acre Rt 301 & Crown Colony Pkwy | Hanover \$310,000 | Bruce Milam Garnett Hall | Semi-finished office pad site Allows an 8,200 sf building |
| 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 UNDER CONTRACT |
| Commercial - Brook Run Outparcels Brook Road @ I-95 | Henrico \$325,000 - \$350,000 | Bruce Milam | Outparcels in front of Brook Run Center PART UNDER CONTRACT |
| 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 - 5.32 Acres 2587 Homeview Drive | Henrico \$1,100,000 | 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 - 160 Acres 3458 S Main Street | Harrisonburg \$8,000,000 | Jeff Williams | Mixed use - subject to master plan and rezoning. |
| 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 - 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 - 3.03 Acres Success Street, Ashland | Hanover \$225,000 | Stuart Cary | Highland Industrial Park, Zoned M-3 All utilities, 1.5 acres buildable |
| 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 |

Grubb & Ellis|Harrison & Bates Land & General Brokerage Team

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:

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- Land Topography Evaluation
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- 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

Bill Mattox, SIOR
Senior Vice President
804.788.1000 ext 331
bill.mattox@harrison-bates.com



Bruce Milam
Senior Associate
804.788.1000 ext 261
bruce.milam@harrison-bates.com



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