

Land Market Trends Richmond

Grubb & Ellis Research

Spring, 2005



It's No Surprise: Land Prices Rise

by Bruce Milam

Land sales along West Broad Street in the Short Pump area have now exceeded \$1 million per acre in some instances.

It is said that land is a solid investment because they aren't making anymore of it. It is certainly proving to be a good investment in Richmond. At present, this area is experiencing a nearly unprecedented rise in land values for land zoned or planned for residential and retail uses despite increasingly restrictive zoning and land use policies by local governments. More than 5,000 new homes are being built in our market every year and there is no end in sight for this growth pattern. The average new home in Henrico and Chesterfield now exceeds \$300,000. Developed single family lots are selling to homebuilders from \$65,000 to \$95,000 in the "toniest" new communities like Twin Hickory and Charter Colony. All this new money puts even more pressure on retailers to expand and for new retailers to enter this market, pushing the price of land for retail development to new records. Land sales along West Broad Street in Short Pump have now exceeded \$1,000,000 per acre in some instances.

Another factor in pushing the value of land is the sheer number of "1031 tax-deferred exchange" investors who have sold income-producing properties at record setting amounts and wish to reinvest their earnings into raw land. These investors are competing for acreage that lies in the path of growth but outside the current development envelope, hoping to turn huge profits over the next ten years as the region expands further.

Office land is experiencing two phenomena: the westernmost suburbs are seeing the development and sale of office condominiums along the busiest corridors in Henrico and Chesterfield with land selling between \$150-225,000 per acre. "In-fill" parcels, undeveloped land zoned for office development that has been "leap-frogged" by growth, are being re-zoned for high density residential uses. We are seeing this in all three of the major suburban counties.

Industrial land values are fairly flat, but good land with public utilities and great access to interstate corridors can attract around \$100,000 per acre. The velocity of sales is low due to the lack of demand for industrial-zoned land. Three large industrial developers control most of the market for this land in our area.

Richmond Land Market Trends

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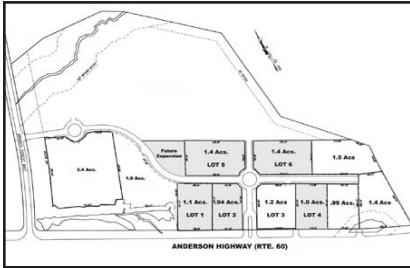
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Featured Listings

Partial Listing of Land Currently Available

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



NEW

Powhatan Sites - 6 Acres

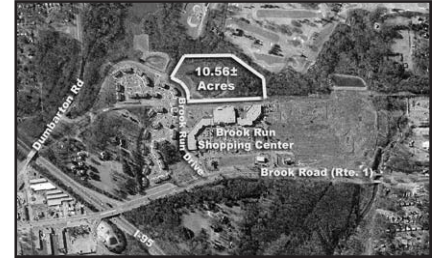
Two 1.4-acre office/industrial business sites for sale. Contact Lewis Little or Bill Mattox. Also, three one-acre retail outparcels fronting Rt. 60 for ground lease. Contact Susan Jones or June Smith.



NEW

5000 Audubon Dr - 62 Ac

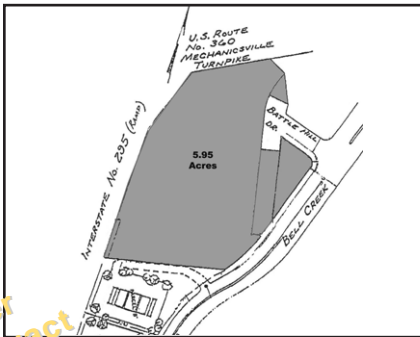
Industrial site with I-64 frontage at Audubon Dr & Oakley's Ln. Versatile site available for sale, lease or build-to-suit. Call Jason Hetherington or David Williams.



NEW

Brook Run Dr - 10.56 Ac

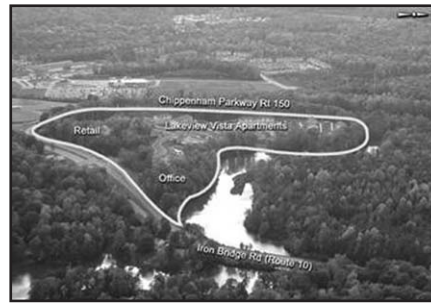
Industrial land behind Brook Run Shopping Center. Owner will sell or build-to-suit for a user. Great location for flex/distribution and service center uses. Contact Jason Hetherington or David Williams.



Under Contract

Former BB&T Operations Center - 5.95 Acres

High visibility site at Rt 360 & I-295 in Mechanicsville. Zoned B-2. Contact Bill Mattox, Chuck Ellsworth, or Susan Jones.



NEW

Royal Oaks at Lakeview - 12 Acres

Iron Bridge Road & Chippenham Pkwy. Retail and office sites with all utilities available. Contact Bill Mattox or Chris Wallace. Co-listed with Morris Realty & Development.



NEW

1700 Bickerstaff Rd, Varina - 2.98 Acres

Between Old Oakland Road & Midview Road. B-3 zoning allows gas, convenience, etc. Contact Bruce Milam or Jerry Yospin (Owner/Agent).

Recent Transactions

Grubb & Ellis|Harrison & Bates is pleased to announce that it represented the following companies in recent land transactions:

Brown & Williamson Tobacco Corp
in the sale of 350 Acres
Enon Church Road
Chesterfield County
David Williams

Atlantic Senior Development
in the purchase of 8.09 Acres
550 Coalfield Road, Charter Colony
Chesterfield County
Bruce Milam

Verizon
in the sale of 19.5 Acres
Wistar Road
Henrico County
Bruce Milam, Steve Gentil

RETLAW 100, LLC
in the sale of 28.8 Acres
Old Cox Road
Henrico County
Bill Mattox, Steve Gentil

Richland Limited Partnership
in the sale of 8.3 Acres
Hill Carter Parkway
Hanover County
David Williams, Bill Mattox

Benes Construction Corp
in the purchase of 2.68 Acres
NorthLake Business Park
Hanover County
David Williams, Bill Mattox

| Land Type/Size Location | City/County Price | Contact | Comments |
|--|--|--|---|
| Commercial - Royal Oaks - 12 Acres Chippenham Pkwy & Iron Bridge Rd | Chesterfield \$100,000-125,000/ac | Bill Mattox Chris Wallace | Retail & office sites available |
| Commercial - 9.17 Acres 14851 Hull Street Road | Chesterfield \$725,000 | Bill Mattox Bruce Milam | Just west of entrance to Woodlake. Office/Retail. UNDER CONTRACT |
| Commercial/Retail - 2.5 Acres 5400 Commonwealth Centre Pkwy | Chesterfield \$800,000 | J. Smith, J.Yospin M. Weisberg (owner/agents) | Will sell, ground lease or build-to-suit. Across from 20-screen movie theatre. |
| Commercial Office - 1 to 9 Acres Wylderose Dr & Otterdale Rd | Chesterfield Call for Pricing | Bruce Milam | Salisbury West Office Park |
| Commercial Retail - 1.28 to 1.59 Acres Woodlake Village Parkway | Chesterfield \$750,000 to \$1 million | June Smith Allyson Petty | Woodlake Commons Outparcels New center at entrance to Woodlake |
| 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 \$375,000 | Susan Jones | Retail site between Amoco & Movie Gallery. UNDER CONTRACT |
| Commercial - 14 Acres 12000 W. Broad St, Short Pump | Henrico \$8,000,000 | Bill Mattox | Next to Short Pump Towne Center UNDER CONTRACT |
| Commercial - 4.763 Acres 11950 W. Broad St, Short Pump | Henrico | Bill Mattox | Next to Short Pump Towne Center Retail Site. UNDER CONTRACT |
| Commercial - 1.55 Acres 4131 Darbytown Road, Varina | Henrico Call for Pricing | June Smith Mike Weisberg | Zoned B-3. Sale/lease/build-to-suit. |
| 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 - 160 Acres 3458 S Main Street | Harrisonburg \$8,000,000 | Jeff Williams | Mixed use - subject to master plan and rezoning. |
| Industrial - 15 to 36 Acres Bermuda Hundred Road | Chesterfield \$10,000-40,000/Ac | Bill Mattox Bruce Milam | Parcels of 15 and 21 acres; can be purchased separately. Owner flexible. |
| Industrial - 73.59 Acres Coxendale Road, Chester | Chesterfield \$425,000 | Lewis Little Bill Mattox | Zoned I-3, I-95 visibility |
| Industrial - 6.54 Acres Fort Darling Road | Chesterfield \$360,000 | Bill Mattox Jason Hetherington | Enterprise Zone and All Utilities Zoned I-3 |
| Industrial Hill Carter Parkway | Ashland \$65-85,000/ac | Bill Mattox David Williams | Ashland Business Park |
| Industrial - 5 to 14 Acres 307 Quarles Road, Ashland | Hanover Call for Pricing | David Williams Stuart Cary | M-1 Zoning, Water & Sewer Owner will build-to-suit. |
| Industrial - 11.7 Acres 2150 Charles City Road | Henrico \$760,500 | Yasmine Hamad Brian Glass | Zoned M-1 and A-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 | David Williams | M-1C. Near Infineon (White Oak) |
| Industrial - 3.21 Acres 4600 International Trade Ct | Henrico \$253,590 | David Williams | Zoned M-1C. Near RIC Airport. Business park location with covenants. |
| Industrial - 10.56 Acres Brook Run Drive | Henrico \$1,003,200 | Jason Hetherington David Williams | Sale or Build-to-Suit |
| 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 UNDER CONTRACT 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:

- 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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Superior Service Through Innovative People
With Traditional Values



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