

Retail Market Trends Richmond

Grubb & Ellis Research

Spring 2005



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Richmond Retail Market Trends

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Centers Drawing Investors

The Richmond market is seeing more retail product offered for investment sale and those properties are often times drawing the interest of out-of-town investors. An example is the First Washington portfolio of six grocery-anchored neighborhood centers currently under contract to Regency Centers. In addition, many of the small unanchored centers developed in recent years have been leased up and are being offered to investors at previously unthinkable cap rates of ± 8 percent.

Land prices are reaching new highs along the West Broad Street corridor in the Short Pump area where asking prices, even for assemblages, are going as high as \$700,000 per acre west of Short Pump Town Center. New pad sites are commanding asking prices as high as \$1.5 million in that area as well. All eyes remain on the ± 100 -acre tract on West Broad at I-64 across from Brookhollow as that is the largest undeveloped property east of the mall.

The Mechanicsville area continues to see strong retail activity. The Target-anchored Hanover Square South opened recently with just a few small spaces left to lease. Several projects are expected to be announced near the intersection of Mechanicsville Turnpike with the Creighton Parkway extension as development continues to push east on the Route 360 corridor.

On the Route 1 corridor, Home Depot is under construction just north of Virginia Center Commons on I-95. Look for additional development in that area as land parcels are assembled.

South of the River, a large mixed-use project is planned near the Lowes at the southwest corner of Winterpock and Hull Street Roads, west of Route 288. This 90-acre development may include retail, residential and office uses. Small unanchored retail strips also continue to pop up along this corridor.

On the Midlothian corridor, the Watkins Centre at the Route 288 interchange is up for rezoning and proposed development of nearly 3.9 million square feet of commercial space. 1,200 residential units are proposed on adjoining acreage.

In summary, with its one million plus population status as a draw, Richmond continues to attract new retailers as a secondary market.

Retail Market Snapshot

As of the first quarter of 2005, Grubb & Ellis|Harrison & Bates has chosen CoStar Group to provide retail market statistics for the Richmond market. CoStar will begin reporting formally on the Richmond market once some historical data is established. The first report will likely be published in the third quarter of 2005. Once that information is available, we will again publish a statistical snapshot of the Richmond market in our Retail Trends newsletter.

Recent Transactions

Grubb & Ellis|Harrison & Bates is pleased to announce the following recent retail transactions:

8017 W. Broad Street

2.18 Acre Sale
\$1,750,000
Susan Jones

3710 Mechanicsville Tpke

Sale - 3,600 SF on .8 Acre
\$525,000
Brian Glass

9865 Brook Road

1.85 Acre Ground Lease
to Best Buy
Jeff Williams, Scott White

Downtown Short Pump

Game Stop - 1,619 SF Lease
Brian Glass

Hungarybrook Shopping Center

Northside Pediatrics - 4,000 SF Lease
NTK Computer - 2,150 SF Lease
U-Tan - 1,500 SF Lease
Susan Jones, June Smith

Woodlake Commons Shopping Center

Virginia Paint - 4,500 SF Lease
Steven Monoco - 1,350 SF Lease
Dream Dinners - 1,500 SF Lease
Heath's Ice Cream - 1,200 SF Lease
June Smith, Jerry Yospin,
Allyson Petty

Valley View Pkwy Roanoke, VA

Verizon - 4,000 SF Lease
Susan Jones

Hull Street Rd & Temmie Lee Pky

2.31 Acre Sale
\$600,000
Bill Mattox

Featured Listings

Partial Listing of Retail Properties Currently Available

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



Former Season's Restaurant
11788 West Broad Street

NEW

1 Restaurant Site in the Richmond, VA Market

8,400 SF Restaurant on 2± Acres

Sale - \$2,950,000 Including, Furniture, Fixtures & Equipment
Includes Favorable Long Term Ground Lease Obligation

Located the entrance to Short Pump Town Center with Nordstrom, Hecht's, Dillard's, Crate & Barrel, Pottery Barn, Cheesecake Factory, Maggiano's and 110 other fine specialty retailers.

Contact: Mike Weisberg or June Smith

Existing Retail Space & Buildings



NEW
 The Shoppes at Bell Creek
 1,400 - 1,600 SF
 Lease \$15 to \$16.50 NNN
 June Smith, Allyson Petty



NEW
 Former Mulligan's Sports Grill
 8006 W. Broad Street
 14,000 SF
 Sale - \$1,600,000
 Mike Weisberg



NEW
 13211 Midlothian Tpke
 5,520 SF
 Sale - \$800,000
 Brian Glass



NEW
 Chester Chevron
 2730 E. Hundred Road
 1.37 Acre
 Sale - \$640,000
 Yasmine Hamad

NOW OPEN!



NEW
 7915 W. Broad Street
 1,032 SF
 Sale/Lease
 Allyson Petty, Mike Weisberg



NEW
 Blimpies Restaurant
 Adjoins Days Inn
 2410 W. Hundred Rd
 1,600 SF
 Lease - \$18.00 NNN
 Yasmine Hamad



Woodlake Commons
 1,200 - 7,000 SF
 Lease - \$25 NNN
 Outparcels Also Available
 June Smith, Allyson Petty



NEW
 Redevelopment Opportunity
 W. Broad St & Boulevard
 .42 Acre Site Zoned B-3
 Ground Lease - \$80,000/yr
 Susan Jones

New Retail Development

NEW
 Shops at Slate Hill
 Roanoke, VA
 120,000 SF Lifestyle Center
 Susan Jones, Allyson Petty

Ashland Retail Shops
 Adjacent to new Wal-Mart
 1,200 to 20,000 SF
 Lease - \$20 NNN
 Susan Jones, Allyson Petty

Dominion Village
 Creighton Rd & Laburnum Ave
 1,000 to 4,000 SF
 Lease: \$18.00 - \$20.00 NNN
 Susan Jones

Woodlawn Shopping Center
 Fredericksburg, VA
 1,000 - 10,000 SF
 Lease
 June Smith, Yasmine Hamad

The Commons at Winchester Green
 Jeff Davis Hwy & Bensley Commons Blvd
 1,400 to 15,700 SF
 Lease - \$13.00 NNN
 Brian Glass, Yasmine Hamad

Central Crossing Ph II
 Aylett, VA
 1,200 - 20,000 SF
 For Lease
 Susan Jones, Allyson Petty



Bowles Farm Retail Shops
 One Space Left - 1,860 SF
 Lease - \$23.50 NNN
 Susan Jones, Allyson Petty

Retail Land

Eastern Henrico - 4131 Darbytown Road
 1.55 Ac zoned B-3 - Sale/Lease/Build-to-Suit
 Call June Smith or Mike Weisberg

Powhatan - Anderson Highway (Rt 60)
 Three one-acre lots fronting mixed-use development
 \$25,000 to \$30,000/acre annual ground lease
 Call Susan Jones or June Smith

Commonwealth Center
 2.5 Ac retail zoned site across from 20-screen theater
 Will sell, ground lease, or build-to-suit
 Call June Smith, Jerry Yospin, Michael Weisberg
 Owner/Agents

Airport Drive & Nine Mile Road - Zoned B3C/B2C **UNDER CONTRACT**
 1.78 Ac - \$375,000
 Call Susan Jones

NEW
 Chesterfield County - 1501-03 Otterdale Road
 15 Ac - \$450,000
 Yasmine Hamad

Chesterfield County - Woods Edge Road - just off I-95
 4.13 Ac - \$550,000 sale or \$55,000/ac annual ground lease
 Call Brian Glass

Rt. 3, Stafford County - Retail pad sites fronting Wal-Mart
 1 to 7 acres - \$45,000/ac annual ground lease
 Call Susan Jones

Mechanicsville - High visibility site at Rt 360 & I-295 - 5.95 Acres
 Former First Virginia Bank Operations Center **UNDER CONTRACT**
 Call Susan Jones, Bill Mattox, Chuck Ellsworth

The Retail Services Team 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
- Buyer/Tenant Representation
- Feasibility Studies
- Highest & Best Use/Alternative Use Studies
- Investment Analysis
- Lease Review for Owners & Tenants
- Lease vs. Own Analysis
- Marketing Plans & Services
- Opinions of Value
- Project Management
- Sales-Leasebacks
- Site & Facility Selection
- Strategic Real Estate Planning
- Tax Deferred Exchanges
- Tenant Retention

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Superior Service Through
Innovative People
With Traditional Values



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