

# Land Market Trends Richmond

Grubb & Ellis Research

Third Quarter 2005



## Is There a Katrina Effect on Land Values?

by Bill Mattox

*Land prices have probably peaked in this economic cycle.*

As reported over the last few quarters, land prices have risen to all time highs. Office and retail land in well located areas appear to have peaked. Recent land transactions on West Broad Street in the Short Pump area of Henrico County included the Breeden Companies' purchase of 42.75 acres in four separate transactions for an average price of \$482,310 per acre, an all-time high for an acquisition of raw land of that size. In Chesterfield County, a one-acre out-parcel at Chesterfield Town Center with Midlothian Turnpike frontage is under contract for a price in excess of \$1.4 million.

Overall weak demand is keeping prices for industrial parcels flat, with the exception of small parcels in industrial parks or at key interchanges of interstate highways. In fact, there are some indications that users are beginning to move further out from the metropolitan area in their search for less expensive sites. In-fill residential sites are drawing record high prices.

What about the effects of Hurricane Katrina? The September hurricanes along the Gulf coast have affected the cost of building supplies, and will continue to do so for some time. There is no evidence, at this time, that Katrina's aftermath is impacting land values. Tenants leasing new buildings are paying higher rents due to increases in construction costs, but owner occupants appear to be absorbing increased costs without raising prices for their products. With inflation generally in check, other factors such as the weak stock market (which makes real estate more attractive) and the continued high number of 1031 tax deferred exchange investors have more to do with retention of high land values than anything else.

All things considered, land prices have probably peaked in this economic cycle, but there is little pressure on them to go down. If you have been considering selling your land, please call one of us in the land group. We will be pleased to counsel you, at no charge, on whether now is the time to sell your property.

### **Richmond Land Market Trends**

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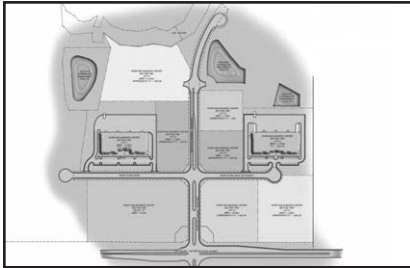
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# Featured Listings

Partial Listing of Land Currently Available

Go to [www.harrison-bates.com/properties](http://www.harrison-bates.com/properties) to view all listings including improved property.



**NEW**

## River Run Business Center - 50 Acres

Industrially zoned sites from 2 to 5 acres in new business park along I-95 corridor midway between DC and Richmond. \$95,000-125,000 per acre. Call David Williams or Jason Hetherington.

**NEW**

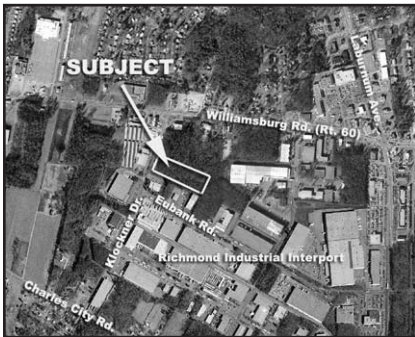
## 16001 Midlothian Tpke - 43.24 Acres

South side of Midlothian Turnpike near Watkins Tract. Site will be served by proposed Tomahawk Creek sanitary sewer line. \$87,500 per acre. Contact Bruce Milam or David Williams.

**NEW**

## 5680 Pouncey Tract Road - 28 Acres

Land use plan indicates single family residential. \$4,000,000. Call Bill Mattox or Bruce Milam.



**NEW**

## 5219 Klockner Drive - 6 Ac

Industrial site just off Williamsburg Road near the airport. Zoned M-1. \$460,000. Call Lewis Little or Bill Mattox.

**NEW**

## 800-806 Bermuda Hundred Rd - 4.1 Acres

Excellent frontage & visibility on north side of Rt 10 at I-295. Subject to rezoning to C3/C5 by owner. Call Yasmine Hamad.

**NEW**

## 10539 Hull Street Road - 4.729 Acres

Being rezoned to C3/C5. 1.5 acre site with Hull Street frontage and three one-acre sites with Hendricks Road frontage. Call Yasmine Hamad.

### Recent Transactions

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

**Watermark Partners, LLC**  
in the purchase of 376 Acres  
Iron Bridge Road  
Chesterfield County  
Bruce Milam

**Dominion Virginia Power**  
in the sale of 32.12 Acres  
Mt Crawford, Rockingham County  
Steve Gentil, Lee Hilbert,  
Bruce Milam

**Blue Sky Acquisition & Development LLC**  
in the purchase of 21.43 Acres  
Chesterfield County  
David Williams

**Williams Trust**  
in the sale of 14 Acres  
12000 W. Broad Street  
Henrico County  
Bill Mattox

**Otterdale Park Associates**  
in the sale of 2 Acres  
Salisbury West Office Park  
Chesterfield County  
Bruce Milam, Scott White

**Blackwood Development Company**  
in the purchase of 2 Acres  
Temie Lee Parkway  
Chesterfield County  
Bill Mattox

Land Type/Size Location	City/County Price	Contact	Comments
Commercial - 5.67 Acres 16421 Hull Street Rd	Chesterfield \$510,000	Yasmine Hamad	208' frontage on Hull Street.
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 - 9.10 Acres 1612 E. Hundred Rd	Chesterfield \$1,500,000	Bill Mattox	I-295 & Rt 10. Zoned C-3. Subdividable.
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 - 17.18 Acres W. Broad Street @ Gayton Rd	Henrico \$11,771,600	Bill Mattox, Lewis Little Jr. Susan Jones	6 parcels zoned A-1 with public water & sewer on site.
Commercial - 1.55 Acres 4131 Darbytown Road, Varina	Henrico Call for Pricing	June Smith	Zoned B-3. Sale/lease/build-to-suit.
Commercial Retail - 2.98 Acres 1700-1799 Bickerstaff Rd	Henrico \$600,000	Bruce Milam	B-3 zoning allows gas, convenience.
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/Retail - 1 to 3 Acres Anderson Hwy (Rt 60)	Powhatan Ground Lease	Susan Jones June Smith	Three 1-ac outparcels with all utilities. \$25,000-\$30,000 annual ground lease.
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, Jr. 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 - 15 to 30 Acres 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 - 61.65 Acres 5000 Audubon Drive	Henrico \$125,000/Ac	Jason Hetherington David Williams	Apx 30 ac useable. I-64 frontage. Owner will sell, lease or build-to-suit.
Industrial - 11.7 Acres 2150 Charles City Road	Henrico \$760,500	Yasmine Hamad	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 Lewis Little, Jr.	M-1C. Near Infineon (White Oak)
Industrial - 3.21 Acres 4600 International Trade Ct	Henrico \$401,250	David Williams Lewis Little, Jr.	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/Office - 1.4 to 3 Acres Anderson Hwy (Rt 60)	Powhatan \$125,000/Ac	Bill Mattox Lewis Little, Jr.	Business sites in mixed use development.

## 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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