

Land Market Trends Richmond

Grubb & Ellis Research

Fourth Quarter 2005



2005 Banner Year For Homebuilders

by Bruce Milam

There is a growing market to develop or redevelop in-fill acreage.

The local homebuilding industry, one of the principal driving forces in our economy, had a banner year in 2005. According to Integra's Residential Report, there were 5,759 recorded new home closings in our market area, an 11 percent increase from the year 2004. The average new home price surged to \$328,368, about 17 percent higher than the previous year, and the average residential lot rose to \$79,000, an increase of about 14 percent. Only one jurisdiction — Hanover County — witnessed a decrease in home sales, primarily because that county's administration strongly believes in controlled residential growth.

One of the interesting phenomena in the homebuilding industry is the rise in sales of townhouse and condominium developments. Much of the condo market is downtown, in the form of conversions and particularly on sites with views of the James River. But there is a growing market to develop or redevelop in-fill acreage where the numbers work better for higher density products. Since 2002, we've seen condos and townhouse sales rise from a 6 percent share of the new home market to 20 percent today.

This product type makes a lot of sense to the local planning offices because it produces a higher tax yield while often doing little to tax public services. These parcels are usually served by existing public infrastructure such as roads, utilities and schools. Higher density housing also provides home ownership opportunity for those like teachers, policemen and firemen who cannot afford the more expensive detached single family house.

If you are the owner of a parcel of land that has been "passed over" by growth in the last decade, it may be time to have us re-evaluate your property for high density residential use or other uses that are popular in the market today.

Richmond Land Market Trends

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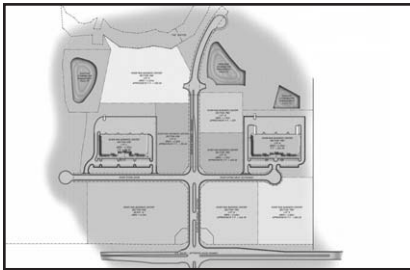
Internet: www.grubb-ellis.com; www.harrison-bates.com

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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.



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.



Ladysmith - 41.456 Acres

Great interstate access at under-developed I-95 interchange at Ladysmith. Zoned A-1 with water and sewer on site. \$100,000 per acre. Call Lewis Little, Jr. or Stuart Cary.



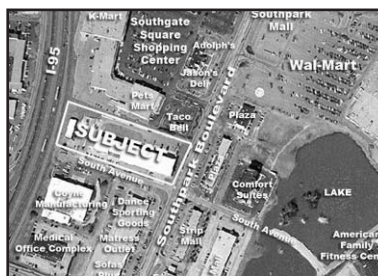
Lakeridge Business Center - 7.3 Acres

Last available parcel in Lakeridge. Sites available for sale, lease or build-to-suit from 2 to 7 acres. Prices starting at \$125,000 per acre. Call Bill Mattox or David Williams.



Bermuda Hundred Road - 14.87 Ac & 20.70 Ac

Great corner location near Meadowville Technology Park. All net acreage. Call Bruce Milam or Bill Mattox.



801 South Ave, Colonial Heights - 3 Acres

Off I-95 at Southpark exit. Great retail site. Call Yasmine Hamad.



Telcourt Road, Ashland - 4.85 Acres

Small industrial site in Town of Ashland that will have utilities to it by August. Call Lewis Little, Jr. or Bill Mattox.



Salisbury West Office Park - 5.6 Ac

Office site at Wylderos Drive & Otterdale Road in Midlothian. \$250,000 per acre. Call Bruce Milam or Scott White.

Recent Transactions

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

Freescale Semi Conductor
in the sale of 362 Acres
West Creek Business Park
Goochland County
Bill Mattox, Steve Gentil,
David Williams

MGP Richmond Ashbrook
in the sale of 9.17 Acres
14851 Hull Street Road
Chesterfield County
Bill Mattox, Bruce Milam

HHHunt
in the sale of 6.5 Acres
Hickory Park Road
Henrico County
Bruce Milam

Verizon Virginia
in the sale of 10.66 Acres
Telcourt Road, Ashland, VA
Hanover County
Bill Mattox, David Williams

Land Type/Size Location	City/County Price	Contact	Comments
Commercial - 4 to 20 Acres 16421, 16511, 16519 Hull Street Rd	Chesterfield \$90,000-\$100,000/ac	Yasmine Hamad	Three adjoining parcels. Mixed Use.
Commercial - 4.729 Acres 10539 Hull Street Rd	Chesterfield \$175,000 - \$250,000/ac	Yasmine Hamad	Three 1-ac sites zoned C-5 with frontage on Hendricks Rd.
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 Yasmine Hamad	I-295 & Rt 10. Zoned C-3. Subdividable.
Commercial - 4.1 Acres 800-806 Bermuda Hundred Rd	Chesterfield \$875,000	Yasmine Hamad	Rt 10 @ I-295. Excellent visibility/frontage Subject to rezoning
Commercial Office - .724 Acres 13815 Village Mill Drive	Chesterfield \$200,000	Zac Frederick	Office zoned land in the Village of Midlothian.
Commercial - 1.20 Acres 7071 Commons Plaza	Chesterfield \$600,000	Yasmine Hamad	Outparcel of Compson at Courthouse II.
Commercial - 1.5 Acres 2124 Willis Road	Chesterfield \$189,000	Stuart Cary Bill Mattox	Burge Ave north of Willis Rd. Owner will consider build-to-suit or ground lease.
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. Short Pump area.
Commercial Retail - 2.98 Acres 1700-1799 Bickerstaff Rd	Henrico \$600,000	Bruce Milam	B-3 zoning allows gas, convenience.
Commercial - 11.4 Acres International Street, Doswell	Hanover \$200,000 - \$300,000/ac	Yasmine Hamad	Across from King's Dominion. Sale or ground lease. Subdividable.
Commercial/Retail - 1 to 3 Acres Anderson Hwy (Rt 60)	Powhatan Ground Lease	Susan Jones	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 - 36 Acres Bermuda Hundred Road	Chesterfield \$1,150,000	Bill Mattox Bruce Milam	36 acres. Mixed Use. Near Meadowville Technology Center.
Industrial - 73.59 Acres Coxendale Road, Chester	Chesterfield \$425,000	Lewis Little, Jr. Bill Mattox	Zoned I-3, I-95 visibility
Industrial - 43.24 Acres 16001 Midlothian Tpke	Chesterfield \$87,500/Ac	Bruce Milam David Williams	Near Rt 288 and Watkins Tract.
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 - 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 - 6 Acres 5219 Klockner Drive	Henrico \$425,000	Lewis Little, Jr. Bill Mattox	Off Williamsburg Rd near RIC Airport. Zoned M-1.
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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