

# Retail Market Trends Richmond

Grubb & Ellis Research

1st Quarter 2006



*The feeding frenzy has stopped for national retailers as they have become more cautious in choosing new locations.*

## More Retail on the Way

Two mixed use projects moved a step closer to reality in the first quarter. First, Chesterfield County approved rezoning for the 800-acre Watkins Centre tract that will include up to 1 million square feet of retail, as well as office and light industrial product. In addition, Orlando-based Unicorp National Developments, Inc. received approval from Henrico County for its West Broad Village project on West Broad Street near Short Pump. This “urban village” concept project will add another 495,000 square feet of retail to the market, as well as 1,000 residential units, office and conference center area. Later this month, the Henrico Board of Supervisors will consider rezoning for another Short Pump area project, The Waterford mixed use plan with 562 units and 200,000 square feet of commercial/office space.

The grocery sector was active with Fresh Market opening its first Richmond location in the former Saxon Shoes space at Ridge Shopping Center and the closing of two of the smallest Ukrop’s locations on Patterson Avenue and at Midlothian & Buford Roads. Kroger announced plans to build a new 64,000-square-foot store at Breckenridge Shopping Center in Chester and Whole Foods will be coming to West Broad Village in 2008.

Small anchorless strip centers continue to be in demand in good locations, however the trend is slowing. Those strips built with store depths greater than 75 feet are proving to be challenging to lease. Some developers are beginning to deliver retail space as “cold, dark shells” rather than “vanilla box finish” in order to hold asking rents down and pass escalating construction costs to tenants.

Eastern Henrico County is expected to be the next submarket to “pop” for retail development. The most aggressive project planned is for the Viasystems tract at Laburnum Avenue and I-64 which will have up to 1 million square feet when completed.

Land prices are high but stable with some retailers willing to pay \$1 million for pad ready sites in good locations. \$30 to \$35 asking rents for new developments in high demographic areas are acceptable, but prospective tenants are walking away from \$40 rents even in prime locations so it appears rents will be stabilizing for the near term as national tenants are more cautious.

### Richmond Retail Market Trends

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## Tenant Representation

Grubb & Ellis|Harrison & Bates is pleased to represent these and other retailers in their site selection process.



**Site Criteria:**

2,000 - 2,300 SF Bldg without Margarita Bar  
 2,500 - 2,700 SF Bldg with Margarita Bar  
 Corner Sites and Close Proximity to  
 Complementary Tenants  
 Contact Susan Jones



**Site Criteria:**

1,200 SF Building  
 ±.25 Acre Pad Site  
 Prefers Build-to-Suit  
 End Cap and/or Drive-thru a plus  
 Contact Susan Jones



**Site Criteria:**

2,500 - 4,000 SF Bldg  
 Endcap position in a high profile location  
 Contact Susan Jones



**Site Criteria:**

800 - 1,500 SF  
 Vibrant small, medium-size businesses  
 nearby  
 Excellent visibility  
 Contact Susan Jones

## Recent Transactions

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

**Hungarybrook Shopping Center**

87,103 SF Investment Sale  
 \$6,900,000  
 Mike Lowry, Mac Bates,  
 Susan Jones

**Dollar Buys**

Oxbridge Square  
 6,400 SF Lease  
 Allyson Petty, Susan Jones

**3111 Broad Rock Blvd**

3,000 SF Sale  
 Yasmine Hamad

**Former Mulligan's**

8006 W. Broad Street  
 14,000 SF Sale  
 \$1,450,000  
 Jason Hetherington

**Shops at Twin Oaks**

3,417 SF Lease - **DD-33 Asian Fusion**  
 1,887 SF Lease - **Maxx Nail Spa**  
 Brian Glass

**Samurai Sushi**

Twin Hickory Town Center  
 2,000 SF Lease  
 Allyson Petty

## Featured Listings

Partial Listing of Retail Properties Currently Available

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



**Dover Square** NEW

Broad Street Road (US 250) at Centerville. Retail shops coming second quarter of 2007. Outparcels also available. High income area.

Contact: Susan Jones or Allyson Petty.



**W. Broad Street at Gayton Road**

Seven parcels totaling 29.6 acres on the north side of West Broad Street and west of Gayton Road. Zoned A-1 with public water and sewer on site.

Frontage on I-64.

Contact: Bill Mattox, Lewis Little, Jr. or Susan Jones

## Existing Retail Space & Buildings



*Robious Hall Shopping Center*  
10064 Robious Road  
1,634 SF & 6,410 SF  
Lease - \$16.00 NNN  
Allyson Petty, Susan Jones



**One Space Left!**  
*Bowles Farm Retail*  
6500 Mechanicsville Tpk  
1,860 SF  
Lease - \$21.50 NNN  
Allyson Petty, Susan Jones



*Former Towne & Country Grocery, Goochland*  
1940 Sandy Hook Rd  
15,620 SF  
Lease - \$10 - \$14 NNN  
Susan Jones



*Julian's Barony Restaurant*  
11129 Three Chopt Road  
6,715 SF  
Sale - Asking \$2,000,000  
Established restaurant with equipment.  
Brian Glass



**NEW**  
*Former Spa Hearth & Home*  
7905 W. Broad Street  
9,500 SF  
Lease - \$15.00 NNN  
Susan Jones, Allyson Petty



*Park Hill Plaza*  
South Hill, VA  
3,200 SF  
Lease - \$14.00 NNN  
Allyson Petty



**Under Contract**  
*Former H&R Block*  
11440 Midlothian Tpk  
3,348 SF  
Sale - \$1,100,000  
Susan Jones, Bill Mattox



**NEW**  
316 N. Arch Road  
3,200 SF  
Lease - \$14.00 NNN  
Susan Jones



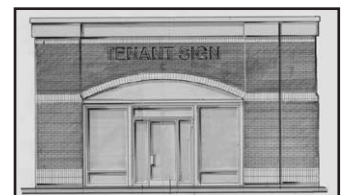
**SOLD**  
105 E. Broad Street  
8,580 SF  
Sale - \$395,000  
Brian Glass



9011-9017 W. Broad Street  
2,400 & 2,800 SF  
Lease - \$18 to \$20 NNN  
Jeff Williams



**NEW**  
VCU Area  
911-1/2 W. Grace Street  
2,200 SF  
Lease - \$13 - \$14 NNN  
Brian Glass



**NEW**  
*Hull Street Retail Business Center - Delivery May '06*  
10601 Hull Street Road  
12,750 SF  
Lease - \$15.00 NNN  
Yasmine Hamad, Brian Glass

## New Retail Development

*Ashland Retail Shops*  
Adjacent to Wal-Mart  
Proposed Retail Strip  
1,200 to 16,800 SF  
Lease - \$22 NNN  
Susan Jones, Allyson Petty

**NEW**  
*The Shops at 51 S Laburnum*  
51 S. Laburnum Avenue  
Delivery August, 2006  
9,600 SF  
Lease - \$15.00 NNN  
Brian Glass, Yasmine Hamad

*Central Crossing Ph II*  
Aylett, VA  
1,200 to 17,200 SF  
Under Construction  
For Lease  
Delivery Summer 2006  
Susan Jones, Allyson Petty

*Powhatan County*  
Anderson Highway  
Retail/Office/Flex Sites  
1 to 6 Acres  
Sale or Lease  
Susan Jones, Bill Mattox,  
Lewis Little

## Retail Land

Chesterfield County - Rt 10 & I-295, Chester  
731 Bermuda Hundred Rd - 3.2 Acres - \$1,595,000  
800-806 Bermuda Hundred Rd - 4.1 Acres - \$1,500,000  
Call Yasmine Hamad

Chesterfield County - Midlothian  
10539 Hull Street Rd - 4.729 Acres Total - Zoned C-5  
1.5 Acre Site - \$550,000 **Under Contract**  
Three 1-Acre Sites - \$150,000 to \$250,000/ac  
16421-16519 Hull Street Rd - 20 Acres -  
\$2,278,000 - Call Yasmine Hamad **Under Contract**

Henrico County - Short Pump Area  
11950 W. Broad St - 4.76 Acres - Zoned B-2C  
\$4,150,000 - Call Bill Mattox

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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Since 1910



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