

Land Market Trends Richmond

Grubb & Ellis Research

3rd Quarter 2006



Homebuilding's Slack Could Perk Commercial Values

by Bruce Milam

"Ironically, the weak housing market is good for commercial real estate because it has taken the pressure off of interest rates, encouraging investors to stay in the game."

The downturn in new housing starts and sales has been well played in the national media. The sales volume of new homes is down roughly 20 percent across the board. Nationally, the sales volume of existing homes is off more than 10 percent. In Richmond, the number of listings on the Multiple Listing Service has grown from roughly 5,100 last December to 9,500 today. One would think that this downturn would have a major detrimental affect on commercial sales as well. "Ironically, the weak housing market is good for commercial real estate because it has taken the pressure off of interest rates, encouraging investors to stay in the game", says Robert Bach, SVP and Market Analyst for Grubb & Ellis. This bears out across the regional map. East, west, north or south, commercial land and investment properties appear to be still selling well, and overall land values are holding steady. Here are a few of the most noteworthy 2006 sales in each geographic area:

<u>Location</u>	<u>Buyer/Size/Price</u>
Powhatan County:	Ferguson Enterprises, 17 acres, \$1.5 Million
Short Pump:	Archon Group, 41 acres, \$15 Million
Eastern Henrico:	Laburnum Investments, 137 acres, \$7 Million
Midlothian:	Bon Secours St. Francis, 200 acres, \$4.4 Million
Mechanicsville:	D.O. Allen Homes, United Restaurant Group & William Talley, III, 41 acres, \$4.775 Million

Richmond Land Market Trends

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Independently Owned and Operated

The downturn in homebuilding is viewed as a mere squall in otherwise smooth seas by the local homebuilding industry. Richmond region new home sales are expected to cap out at about 5,800 units this year, the third largest sales volume year in history. Most of the large, zoned properties in the market are owned by "deep-pockets", self-financed families and companies that can weather the storm. Speculators, hoping to make some bargain purchases at the expense of local lenders and homebuilders, will probably be disappointed.

If you want to know if this is the right time to sell your property, please contact a Grubb & Ellis|Harrison & Bates land specialist for a no-obligation broker opinion of value.

Featured Listings

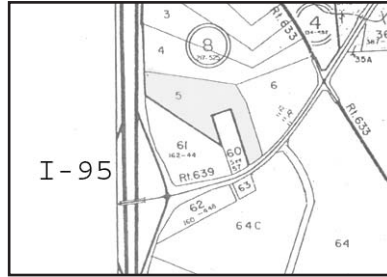
Partial Listing of Land Currently Available

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



NEW **Caroline County - 94.07 Acres**

Site is just north of Ladysmith on the Rt. 1 corridor. Industrial development potential. \$15,000 per acre. Call Lewis Little, Jr. or Bill Mattox.



NEW **Ladysmith - 10.8 Acres**

Parcel for commercial development at the northeast quadrant of I-95 and Ladysmith Road (Rt 639). Zoned M-1 and RP. \$594,000. Call Bill Mattox or Lewis Little, Jr.



NEW **Powhatan - 352 Ac**

Single family residential site on north side of Pierce Road. Excellent topography. Well and septic. \$10,000 per acre. Call Yasmine Hamad or Bruce Milam.



NEW **Ashland Rd (Rt 623) - 24.3 Acres**

Single family residential development site. Can be subdivided into three lots. \$765,000. Call Bruce Milam or Bill Mattox.



NEW **Short Pump Plaza - 4.8 Ac**

Retail ground lease or build-to-suit. Adjoins Downtown Short Pump. 1.766 acres and 3.045 acres. Call Susan Jones or Bill Mattox.



NEW **Shradar Rd - 1.997 Ac**

North line of Shradar, south of Parham Road. \$450,000. Call John Gentry or Zac Frederick.



NEW **16527 Hull Street Road - 15.17 Ac**

\$100,000 per acre. Call Yasmine Hamad.

Recent Transactions

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

Robert Jones & Tom Johnson
in the sale of 41 Acres
Mechanicsville Tpke & Creighton Rd
Hanover County
Susan Jones

Chimento Properties LLC
in the sale of 4.7 Acres
10539 Hull Street Road
Chesterfield County
Yasmine Hamad

Century Concrete
in the sale of 4.85 Acres
13167 Telcourt Road
Hanover County
Bill Mattox, Lewis Little

Richland Limited Partnership
in the sale of 9.48 Acres
Ashland Business Park
Hanover County
Bill Mattox, David Williams

Land Type/Size Location	City/County Price	Contact	Comments
Commercial - 78 Acres Ladysmith	Caroline \$9,000,000	Stuart Cary Lewis Little, Jr.	Rear 41 acres - \$3 million Front 37 acres - \$6 million
Commercial - 4.09 Acres 16519 Hull Street Rd	Chesterfield \$745,200	Yasmine Hamad	Improved with residence & garage. Two adjoining parcels under contract.
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 \$1,800,000	Bill Mattox Yasmine Hamad	I-295 & Rt 10. Zoned C-3. Subdividable.
Commercial - 10.425 Acres 310-320 LeGordon Dr	Chesterfield \$415,000	Bill Mattox Jason Hetherington	Ideal for small office user. 2.9 acres is buildable. Just off Midlothian Tpke.
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	Under Contract Chesterfield \$189,000	Stuart Cary Bill Mattox	Burge Ave north of Willis Rd. Owner will consider build-to-suit or ground lease.
Commercial - 2.09 Acres 1200 Koger Center Boulevard	Chesterfield \$800,000	Steve Gentil Bill Mattox	Adjoins VA Credit Union & near Chesterfield Towne Center.
Commercial - 29.6 Acres W. Broad Street @ Gayton Rd	Henrico \$21,771,600	Bill Mattox, Lewis Little, Jr. Susan Jones	7 parcels zoned A-1 with public water & sewer on site. Short Pump area.
Commercial - 4.763 Ac 11950 W. Broad St.	Under Contract Henrico \$4,150,000	Bill Mattox	298' frontage on N. line of W. Broad Adj. Short Pump Towne Center
Commercial - 1.91 Ac 9213 Quiocassin Rd	Henrico \$250,000	Lee Hilbert	Commercial site on just east of Pemberton Rd.
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 - 1.5 to 4.59 Acres 801 South Ave	Under Contract Colonial Heights \$800,000/ac	Yasmine Hamad	Off I-95 at Southpark Exit
Commercial/Retail - 1 to 3 Acres Anderson Hwy (Rt 60)	Powhatan Ground Lease	Susan Jones	Two outparcels with all utilities. Price TBD on a ground lease basis.
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 - 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 \$65,000/ac	David Williams Stuart Cary	M-1 Zoning, Water & Sewer Owner will build-to-suit.
Industrial - 2 to 7.3 Acres Timber Ridge Road, Ashland	Hanover From \$125,000/ac	David Williams Bill Mattox	Last parcel in Lakeridge. Sites for sale, 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 \$480,000	David Williams Lewis Little, Jr.	Zoned M-1C. Near RIC Airport. Business park location with covenants.
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 - 1.7 Acres Anderson Hwy (Rt 60)	Powhatan \$125,000/ac	Bill Mattox Lewis Little, Jr.	Business sites in mixed use development.
Industrial Sites - 2 to 5 acres River Run Business Center	Spotsylvania \$95,000-\$125,000/ac	David Williams Jason Hetherington	New business park along I-95 corridor. Midway between DC and Richmond.
Residential - 15.74 Acres 16600 Hull Street Rd	Chesterfield \$60,000/ac	Yasmine Hamad Bruce Milam	Behind Chesterfield Baptist Church
Office - 5.6 Acres Wylderose Drive	Chesterfield \$210,000/ac	Bruce Milam Scott White	Salisbury West Office Park at Rts 288 & 60

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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