

# Retail Market Trends Richmond

Grubb & Ellis Research

1st Quarter 2007



*Retailers with two or three area locations are seeing the need for a fourth, fifth or even sixth location to cover all the major retail corridors. Some will dilute themselves if they infill too much.*

#### Richmond Retail Market Trends

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## Expanding Their Reach

The first quarter saw several large retailers add to their number of stores in the Richmond area including Kroger which opened its largest store in Virginia (86,700 square feet) in a former K-Mart space at Ivymont Square in Midlothian. Best Buy opened its fifth area location at Commonwealth Center in a 45,000-square-foot space formerly occupied by Stephen B. Furniture. Construction completions included Marshall's (28,000 square feet) and Old Navy (15,000 square feet) at Hanover Square North and Wal-Mart at Parham Plaza.

Ground was broken for Gander Mountain at Northcross center off Route 1 in Hanover County, the first of two giant sporting goods retailers slated for that retail corridor. Bass Pro Shops is the announced anchor for Holladay Properties' planned Lewistown Retail Center. That 105,000-square-foot mega-store is scheduled to open in late 2008. Cabela's is also reportedly looking in the area.

Sales included a 5.95 acre site on Bell Creek Road in Mechanicsville for \$3.35 million which is being developed as Bell Creek Commons and will include a 30,000-square-foot Best Buy plus Chick-Fil-A and 12,600 square feet of strip retail.

Retail developers are finding opportunities to redevelop infill sites on major corridors by tearing down older structures and rebuilding. An example is Rebkee's demolition of the 5001 Building at West Broad Street and Willow Lawn Drive where they plan to build a freestanding CVS and two-story office and retail multi-tenant building to be called Willow Lawn Plaza.

National restaurant chains continue to search for sites in Richmond, but those insisting on buying sites are finding few alternatives. Ground leasing is becoming more prevalent in the growth areas due to desire by out-of-town developers to retain cash flow.

#### Richmond Retail Market Snapshot

Total Retail Inventory	66,757,554 SF
Vacant Retail Space	3,850,138 SF
Vacancy Percent	5.8%
YTD Net Absorption	(339,211 SF)
Year-to-Date Deliveries	55,132 SF
Under Construction	554,893 SF

Source: CoStar Q1 2007 Report

## Tenant Representation

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



### Site Criteria:

0.6 - 1.0 acre lots, prefer to purchase  
Minimum 15,000 VPD traffic count  
Canopy construction & drive-thru  
Minimum 3-mile population of 15,000  
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:

10,000 - 12,000 SF building  
Ceiling height 40' plus  
Minimum 60 parking spaces  
Location near main road circulators  
Purchase, lease, build-to-suit  
Contact Brian Glass or Yasmine Hamad



### Site Criteria:

1,200 - 1,600 SF freestanding bldg w/drive-thru  
Prefer grocery anchored centers, high visibility  
Minimum 3-mile population density of 25,000  
Contact Susan Jones



### Site Criteria:

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

NEW

NEW

## Recent Transactions

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

7297 Battle Hill Drive  
**5.95 Acres Land Sale**  
Hanover County  
Bill Mattox, Susan Jones,  
Chuck Ellsworth

16200 Midlothian Turnpike  
**14.092 Acre Land Sale**  
Chesterfield County  
Bill Mattox, Susan Jones,  
Steve Gentil

**Summer Classics**  
10,410 SF Lease  
7905 W. Broad Street  
Henrico County  
Susan Jones, Allyson Petty

Salsarita's - 2,500 SF - Stafford  
Verizon - 3,000 SF - Salem  
Saxby's - 1,800 SF - Richmond  
Advance America - 665 SF - Richmond  
Susan Jones  
H&R Block - 2,600 SF - Charlottesville  
Susan Jones, Allyson Petty

**A Taste of the Far East**  
911-1/2 West Grace Street  
2,211 SF Lease  
Brian Glass

**Hull Street Retail Business Center**  
**10601 Hull Street Road**  
A Nu U Salon - 600 SF Lease  
Proflex Realty - 600 SF Lease  
Brian Glass, Yasmine Hamad

## 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.



**NEW** Riverside on the James  
1001 & 1101 Haxall Place  
1,673 SF to 23,127 SF  
Premier retail/restaurant space.  
Lease - \$24 NNN  
Susan Jones



**NEW** Clover Hill Shops  
13930 Hull Street Road  
1,493 SF  
Lease - \$27 NNN  
Susan Jones



**NEW** Retail/Office/Flex  
16400-16420 Jefferson Davis  
Hwy, Colonial Heights  
1,400 to 13,730 SF  
Lease - \$12.00 Modified  
Gross  
Yasmine Hamad, Brian Glass



Sunoco  
15841 Jefferson Davis Hwy  
Rt 1 & Woods Edge Rd  
1,200 SF on 2.2 Ac  
Sale - \$950,000  
Yasmine Hamad

## Existing & Under Construction Retail Space & Buildings



**Restaurant/Catering Facility**  
2124 Willis Road  
6,840 SF on 2.02 Ac  
Sale - \$785,000  
Bill Mattox, Stuart Cary



**8007 Mechanicsville Tpk**  
9,669 SF  
Lease - \$10.50 Gross  
Bill Mattox



**Chesapeake Commons**  
Kilmarnock, VA  
1,200 to 8,160 SF (endcap)  
Lease - \$12 to \$16 NNN  
Susan Jones



**Now Open!**  
**Hull Street Retail Business Center**  
10601 Hull Street Road  
600 - 7,200 SF  
Lease \$15.00 NNN  
Yasmine Hamad, Brian Glass



**The Shops at 51 S Laburnum**  
51 S. Laburnum Avenue  
1,000 to 9,600 SF  
Lease - \$15.00 NNN  
Brian Glass, Yasmine Hamad



**Under Contract**  
**Former Winn Dixie**  
3300 Broad Rock Blvd  
47,075 SF on 6.58 Ac  
Sale - \$2,295,000  
Lease - Negotiable  
Brian Glass, Yasmine Hamad



**Brook Run North**  
5950-5962 Brook Road  
1,250 to 2,500 SF  
Lease - \$15 to \$17 NNN  
Brian Glass



**King William Square**  
Rt 360, Central Garage  
1,200 and 6,000 SF  
Lease  
Susan Jones, Allyson Petty



**Gayton Crossing**  
1302 Gaskins Road  
In-line space 928 to 2,485 sf  
and pad sites available  
Lease - \$10 to \$25 NNN  
Susan Jones, Allyson Petty



**Laburnum Park**  
4330-4350 S. Laburnum Ave  
810, 900, and 2,100 sf  
\$16 to \$20 NNN  
Susan Jones, Allyson Petty



**Hanover Village**  
Mechanicsville Turnpike  
1,500 to 4,000 sf  
Lease - \$14 to \$16 NNN  
Susan Jones, Allyson Petty



**Can Be Purchased**  
**Former Healthsouth Rehab**  
7217 W. Broad Street  
7,462 to 17,302 SF  
Lease - \$10.50 NNN  
Susan Jones, Bill Mattox

### Planned Retail

**NEW**  
**Maxey Center**  
3454 Anderson Hwy,  
Powhatan  
1,470 to 17,250 SF  
Lease - \$16.50 NNN  
Allyson Petty

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

**Spring Branch Retail Center**  
Anderson Hwy / Powhatan  
1,200 to 9,600 SF  
Lease - \$15.50 NNN  
Pad Sites Available  
Susan Jones

### Retail Land

**Under Contract**  
**Under Contract**  
**NEW**  
Chesterfield County -  
16421 Hull Street Rd - 5.67 Ac - \$510,000  
16511 Hull Street Rd - 10.23 Ac - \$1,023,000  
16519 Hull Street Rd - 4.05 Ac - \$745,200  
16527 Hull Street Rd - 15.17 Ac - \$1,500,000  
16600 Hull Street Rd - 15.74 Ac - \$60,000/ac  
15820 Woods Edge Rd - 7 Ac - \$2,100,000  
880 & 893 Research Rd - 1.18 Ac - \$725,000  
Call Yasmine Hamad

1200 Koger Center Blvd - 2.09 Ac - \$800,000 -  
Call Bill Mattox or Steve Gentil

**NEW**  
Colonial Heights -  
Temple Ave - 4.0 Ac - \$750,000/ac  
801 South Ave - 1.5 to 4.59 Ac - \$800,000/ac  
Call Yasmine Hamad

Henrico County - Short Pump Area  
11950 W. Broad St - Two 1.7 Acre parcels -  
Zoned B-2C \$1.3 million/acre or lease at  
\$240,000/parcel - Yasmine Hamad  
Short Pump Plaza - 4.8 Acres, All or Part  
Ground lease, build-to-suit or possible sale.  
Call Susan Jones or Bill Mattox  
Gayton & Broad Development Site 17.18 Acres.  
Call Bill Mattox, Susan Jones, Lewis Little

Henrico County - East End **NEW**  
Laburnum Ave & Nine Mile Rd - 2.63 Acres  
\$1,200,000. Call Yasmine Hamad, Brian Glass

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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1st Quarter 2007

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