

Retail Market Trends Richmond

Grubb & Ellis Research

Second Quarter 2007



Richmond's retail market continues to grow, albeit at a slower pace than seen in recent years, as high construction costs coupled with decreased leasing velocity and additional state and local development requirements stretch the timelines for projects to be delivered.

Richmond Retail Market Trends

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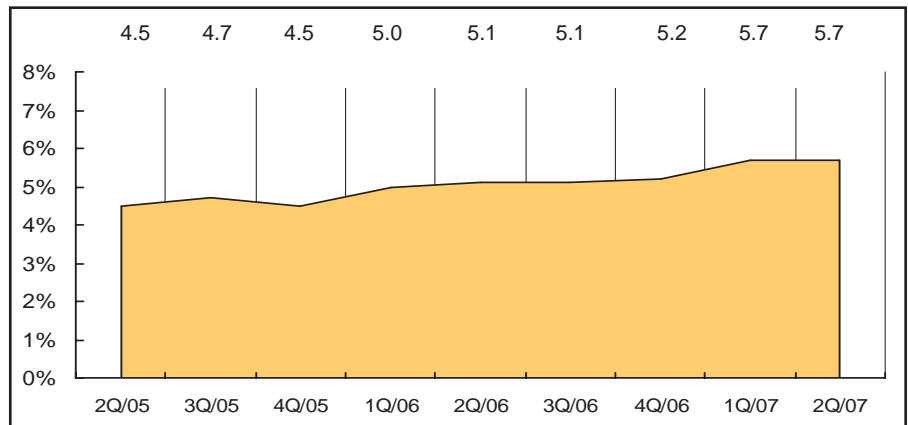
Steady Growth Seen

Richmond's retail activity was somewhat subdued in the second quarter as the vacancy rate remained unchanged from the first quarter. Leasing announcements included 94,000 square feet to American Family Fitness at Short Pump Town Center, 33,000 square feet to Barnes and Noble at Chesterfield Towne Center and 25,892 square feet to Ferguson Enterprises at Winterpock Crossing. In April, Kroger opened a new store with gas and drive-thru pharmacy at Breckenridge Shopping Center, replacing a smaller store on Chalkley Road. The Regal Southpark Mall Stadium 16-screen cineplex was completed in Colonial Heights and opened in early July.

Ground was broken for Whole Foods at Unicorp's West Broad Village project, as well as for various buildings in Collins|Goodman's Short Pump Station development. EDCO's Hancock Village and Rebkee's The Shops at Westchester were among the other second quarter groundbreakings.

While not tracked in our statistics, hotel activity of note included groundbreaking for the Westin Hotel at Reynolds Crossing, as well as the Hilton at Breeden's Towne Center West in Short Pump.

Opportunities exist for redevelopment of properties in good locations that don't require zoning changes and for retail in mixed-use "urban village" projects. Municipalities favor these smart growth alternatives as a way to offset transportation problems, so they are likely to be the trend for the foreseeable future.



Retail Vacancy Rate*

* All Product Types

Source: CoStar

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:

1,800 - 2,400 SF
High visibility and 20,000 VPD traffic counts
Business growth areas
Roll up door preferred
Contact Allyson Petty or Jason Bernstein



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

Recent Transactions

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

Former Winn Dixie
3300 Broad Rock Blvd
47,075 SF Sale
City of Richmond
Brian Glass, Yasmine Hamad

Chippenham Square
7415-7485 Midlothian Turnpike
185,000 SF Sale
Chesterfield County
Brian Glass, Yasmine Hamad

11950 W. Broad Street
4.7 Acre Land Sale
Henrico County
Bill Mattox, Yasmine Hamad

13211 Midlothian Turnpike
5,520 SF Sale
Chesterfield County
Brian Glass, Yasmine Hamad

Verizon Wireless
3,500 SF Lease
Short Pump Station
Henrico County
Susan Jones

Jo-Ann Fabrics
9,000 SF Lease
Southgate Square
Colonial Heights
Allyson Petty

Featured Listings

Partial Listing of Retail Properties Currently Available

Go to www.harrison-bates.com/properties to view all listings including land.



NEW Colonial Square
3107 Boulevard
Colonial Heights
2,400 SF Endcap
Lease - \$
Susan Jones, Jason Bernstein



NEW Centralia Crossing
9801-9831 Chester Road
1,200 - 4,800 SF
Lease - \$12 to \$17 NNN
Outparcels for Ground Lease
1.16 ac & 1.19 ac
Susan Jones, Jason Bernstein



NEW Former K-Mart Auto Repair
6807 Midlothian Tpke
4,510 SF
6 roll-up doors, very clean
Lease - \$12.00 NNN
Yasmine Hamad, Brian Glass



NEW Williamsburg, VA
Kingsgate Greene
118-122 Waller Mill Rd
1,200 - 5,160 SF
Lease - \$12.00 NNN
Allyson Petty, Jason Bernstein

Existing & Under Construction Retail Space & Buildings



NEW
 Chippenham Square
 7415-7485 Midlothian Tpk
 1,600 SF to 85,000 SF
 Lease - \$12.00 NNN
 Yasmine Hamad, Brian Glass



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



One Space Left!
 The Shops at 51 S Laburnum
 51 S. Laburnum Avenue
 1,200 SF
 Lease - \$15.00 NNN
 Brian Glass, Yasmine Hamad



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



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



Clover Hill Shops
 13930 Hull Street Road
 1,435 SF
 Lease - \$27 NNN
 Susan Jones



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



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



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

Planned Retail

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

Chesterfield County -
 16421 Hull Street Rd - 5.67 Ac - \$600,000
 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 - \$3,465,000
 3800 Research Rd - 1.18 Ac - \$725,000
 Call Yasmine Hamad

NEW
 16200 Midlothian Tpk - 7.38 Ac - \$2,125,000
 Call Susan Jones, Bill Mattox, Lewis Little
 1200 Koger Center Blvd - 2.09 Ac - \$800,000 -
 Call Bill Mattox or Steve Gentil

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 - West End - 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 sale.
 Call Susan Jones or Bill Mattox
 Gayton & Broad Development Site 12.2 Acres.
 Call Bill Mattox, Susan Jones, Lewis Little

Henrico County - East End
 Laburnum Ave & Nine Mile Rd - 2.63 Acres
 \$1,300,000. 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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Bernstein Joins Retail Team
Jason E. Bernstein joined Grubb & Ellis|Harrison & Bates in June as an Associate on the Retail Services Team. Jason is a native Richmonder and 2006 graduate of the University of South Carolina. His experience includes internships in leasing and project management through Belvidere Management, Park Plaza Partners and Kenbridge Construction.

Real Estate Excellence Since 1910

Richmond
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2nd Quarter 2007

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