

Retail Market Trends Richmond

Grubb & Ellis Research

Fourth Quarter 2007



One too many...?

The fourth quarter saw a continued uptick in overall retail vacancy and the worst holiday season for retailers since 2002. The steady drumbeat of negative economic news since the first of the year is not putting consumers in a shopping mood. Will 2008 be the year when some retailers conclude they have “one too many” locations in Richmond? It doesn’t seem likely based on the current development pipeline.

Construction completions included the 200,000-square-foot Target-anchored Staples Mill Square Shopping Center in the northwest quadrant. Ground was broken for the Bass Pro Shop which will anchor the Winding Brook project on the Route 1 corridor north of Virginia Center Commons. Zaremba Group’s one-million-square-foot Westchester Commons project at Midlothian Turnpike and Route 288 in Chesterfield County is well under way with lease commitments or strong interest from a variety of national retailers.

Retail land sales included 16.38 acres at Laburnum Avenue and I-64 to Sam’s Club for \$3 million (\$183,150 per acre) for development of a store to anchor the White Oak Village project.

Investment sales included the 103,000-square-foot West Broad Commons which was acquired by DLC Management Corp. for \$14.5 million (\$140 PSF) as part of a portfolio purchase from Edens & Avant. The 83,000-square-foot Parham One Shopping Center traded for \$6.2 million (\$75 PSF) and the 69,000-square-foot Hanover Square South was purchased by Four Square South LLC for \$17.2 million (\$249 PSF). Virginia Beach-based Wheeler Interests purchased the 89,907-square-foot Walnut Hill Plaza in Petersburg, VA for \$3.1 million (\$35 PSF).

Look for vacancy to rise and rental rates to be relatively flat over the next couple of quarters.

Richmond Retail Market Trends

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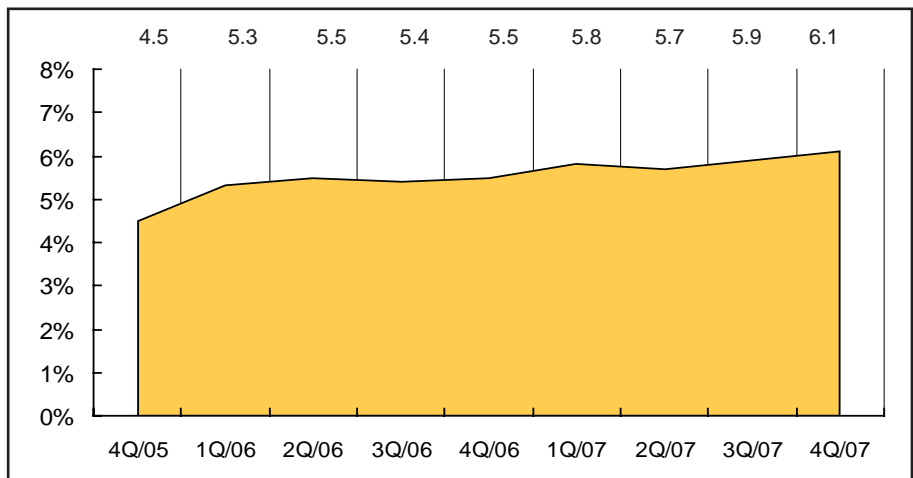
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Retail Vacancy Rate*

* All Product Types

Source: CoStar Year-End 2007 Report

Tenant Representation

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



Site Criteria:

1.0 to 1.5 acre lot; Prefer to purchase
Strong daily traffic on major corridors
Near major retail developments
Substantial road frontage
Contact Susan Jones

NEW



Site Criteria:

1,700 to 2,000 SF
High visibility
High traffic
Contact Brian Glass or Tom Burke



Site Criteria:

0.6 - 1.0 acre lots. prefer to purchase
Minimum 15,000 VPD traffic count
Canopy construction and drive-thru
Minimum 3-mile population of 15,000
Contact Susan Jones



Site Criteria:

1,000 SF
High profile lifestyle locations
Contact Allyson Petty



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 building w/drive-thru
Prefer grocery anchored centers, high visibility
Minimum 3-mile population density of 25,000
Contact Susan Jones

Recent Transactions

Grubb & Ellis|Harrison & Bates is pleased to announce the following retail transactions during the fourth quarter of 2007:

Dollar Mart

8,000 SF Lease
Ballou Park Shopping Center
600 W. Main St, Danville, VA
Allyson Petty, Jason Bernstein

Verizon Wireless

4,000 SF Lease at
Westchester Commons
4,037 SF Lease in
Fredericksburg, VA
Susan Jones

WDP Enterprises

2,400 SF Lease
Colonial Square Shopping Center
3107 Boulevard, Colonial Heights
Susan Jones, Jason Bernstein,
Tom Burke

DTR Enterprises

2,000 SF Lease
Stony Point Shopping Center
3008 Stony Point Road
Tom Burke

**Hull Street Retail Center
10603-10613 Hull Street Road**

Steak & Cheese Co. - 1,200 SF Lease
nTelos - 1,200 SF Lease
Divine Staffing - 1,200 SF Lease
Brian Glass, Yasmine Hamad

Bella Italia

4,000 SF Lease
Irongate Village Shopping Center
6407 Iron Bridge Road
Allyson Petty, Jason Bernstein

Featured Retail Listings

Partial Listing of Retail Properties Currently Available
Go to www.harrison-bates.com/properties to search all listings including land.



NEW

Hungarybrook Shopping Center
Brook Road @ Parham Road
Units from 750 to 4,883 SF
Lease - \$14 PSF NNN
Allyson Petty, Jason Bernstein



NEW

Midlothian Station
13531-13579 Midlothian Tpk
1,200 SF or 3,500 SF
Lease - \$15.00 NNN
Allyson Petty, Jason Bernstein



NEW

Spring Centre
7124-7156 Mechanicsville Tpk
Close to I-295
1,200 SF or 6,843 SF
Lease - \$15.50 NNN
Allyson Petty, Jason Bernstein



NEW

Ashland Theatre
203 England St, Ashland
6,108 SF - 330 Seats
Recently Renovated
Sale - \$400,000
Allyson Petty, Stuart Cary



NEW

8410 Staples Mill Road
5,334 SF
Lease - \$12.00 NNN
Yasmine Hamad, Chip Louthan



Retail/Office/Flex
16400 Jefferson Davis Hwy
Colonial Heights
1,430 to 3,000 SF
Lease - \$14 PSF MGRS
Brian Glass, Yasmine Hamad



Clover Hill Shops
13920 & 13930 Hull Street Road
1,503 SF and 1,435 SF
Lease - \$25.75 PSF NNN
Susan Jones



Chippenham Square
7415-7485 Midlothian Tpke
1,600 to 85,000 SF
Lease - \$12 PSF NNN
Yasmine Hamad, Brian Glass



Hull Street Retail Business Ctr
10601 Hull Street Road
1,200 to 3,600 SF
Lease - \$13 PSF NNN
Brian Glass, Yasmine Hamad



Centralia Crossing
9801-9831 Chester Road
1,200 SF and 4,800 SF
Two Outparcels for Ground Lease
Susan Jones, Jason Bernstein



Retail/Office Condos
316 N. Arch Road
1,686 SF - \$290,000 Sale
or \$13 NNN Lease
1,745 SF - \$317,000 Sale
or \$15 NNN Lease
Susan Jones, Zac Frederick



Riverside on the James
1001 & 1101 Haxall Place
1,540 to 16,635 SF
Premier retail/restaurant space
Lease - \$24 PSF NNN
Susan Jones, Allyson Petty



Ballou Park Shopping Center
Danville, VA
600 to 21,631 SF
Lease - \$10 PSF NNN
Allyson Petty, Jason Bernstein



Kingsgate Greene
Williamsburg, VA
118-122 Waller Mill Road
1,200 to 5,160 SF
Lease - \$12 PSF NNN
Allyson Petty, Jason Bernstein



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



Irongate Village
6401 Iron Bridge Road
4,400 SF
Lease - \$13 PSF NNN
Allyson Petty, Jason Bernstein



Former Bank Branch
10051 Midlothian Tpke
2,800 SF on .91 Acre
Corner Lot Zoned C-5
Sale - \$995,000
Bill Mattox, Steve Gentil



9019 W. Broad Street
2,650 SF
Lease Rate Negotiable
Allyson Petty



Retail/Office/Flex Space
16400-16420 Jefferson Davis Hwy
1,430 to 3,000 SF
Lease - \$14 PSF Modified Gross
Yasmine Hamad, Brian Glass



Planned
Ashland Retail Shops
Ashland Junction Dr &
Hill Carter Pkwy
Up to 16,800 SF
Susan Jones, Allyson Petty



Three Chopt Plaza
8901-8905 Three Chopt Rd
Join Wesbury Pharmacy
8,441 SF - Avail 1/08
Lease - \$12 - \$15 NNN
Brian Glass

RETAIL LAND

Chesterfield County -
10173 Robious Rd - .81 Ac - \$350,000 **NEW**
Call Bill Mattox, Lewis Little
16600 Hull Street Rd - 15.74 Ac - \$60,000/ac
15820 Woods Edge Rd - 7 Ac - \$3,465,000
Call Yasmine Hamad
10510 Midlothian Tpk - 1.02 Ac - \$750,000
Call Yasmine Hamad, Chip Louthan
16200 Midlothian Tpke - 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
3800 Castle Rock Rd - 1.82 Ac - \$695,000
Call Jason Bernstein, Bill Mattox
Colonial Heights -
Temple Ave - 4.0 Ac - \$750,000/ac
801 South Ave - 1.4 Ac - \$1,320,000
Call Yasmine Hamad

RETAIL LAND

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 - 1.2 Acres
\$650,000. Call Yasmine Hamad, Brian Glass
Hanover County - Jupiter Dr - 0.91 Ac - \$495,000.
Call Bill Mattox, Lewis Little

Grubb & Ellis | Harrison & Bates Retail Services Team

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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Providing the Best Combination of Professionalism and Performance™

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