

Retail Market Trends Richmond

Grubb & Ellis Research

Second Quarter 2008



While statistics indicate the overall market is holding steady, a closer look reveals some signs of distress within specific property subtypes and geographic submarkets.

Vacancy Remains Low

Richmond's retail vacancy rate improved slightly in the second quarter, aided by the re-tenanting of some large blocks in neighborhood centers. Room Store leased 84,683 sf at West Park Shopping Center formerly occupied by Bloom Brothers and Ollie's leased a 44,550 sf space at Gayton Center previously occupied by Winn Dixie. According to CoStar Group's Mid-Year Report, overall retail vacancy stands at 5.5 percent, but that figure rises to 10.1 percent for the traditional shopping center category and varies widely by submarket.

There were no large construction completions during the quarter, but the market is poised for delivery of an historic amount of new space over the next three quarters. First up will be Forest City's 900,000-square-foot The Shoppes at White Oak Village which is on a track for a mid-October opening. The developer recently announced the center is more than 75% pre-leased with five anchors and a variety of restaurants and smaller retailers signed.

Investment sales of retail properties are dwindling, but two neighborhood centers (Glen Lea and Laburnum Park) were part of a portfolio of Mid-Atlantic properties purchased from Regency Centers by a joint venture between New York-based Angelo Gordon & Co. and Maryland-based Spectrum Partners.

Richmond Retail Market Trends

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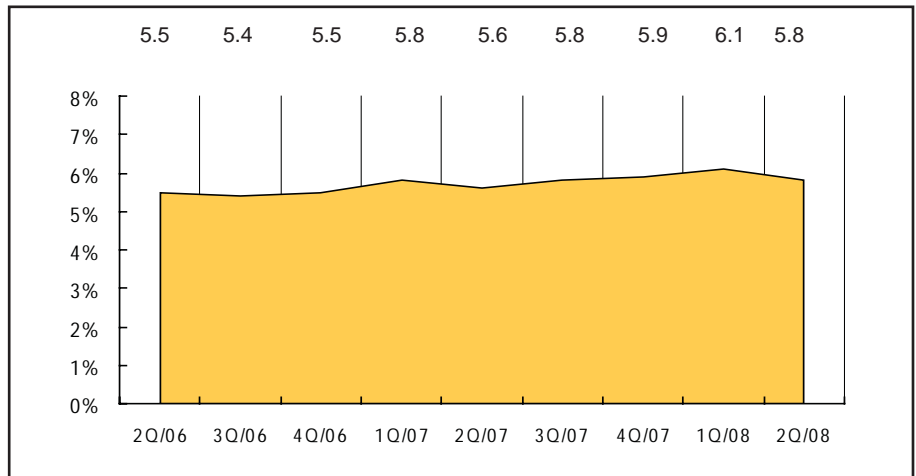
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Retail Vacancy Rate*

* All Product Types

Source: CoStar Mid-Year 2008 Report

Tenant Representation

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



Site Criteria:
± 2,500 SF Endcap with outdoor seating in active lifestyle centers
Contact Susan Jones



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:
1,700 - 1,900 SF free standing or endcap space
Lease
High visibility/high traffic location
Contact Brian Glass



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



Site Criteria:
Freestanding locations or in power centers on major corridors.
12-15 acres to purchase
Contact Bruce Milam or Lewis Little



Site Criteria:
± 64,000 SF
Prefer power centers with major anchors.
Contact Susan Jones



Site Criteria:
10,000 - 15,000 SF
National discounter, variety store and/or grocery anchored strip center.
Contact Frank Galleher



Site Criteria:
6,000 SF Free-standing. Own their own pad.
Power centers and centers with strong national or regional mix.
Contact Frank Galleher



Site Criteria:
± 1,200 SF
Strong daytime traffic, visibility and parking.
Contact Tom Burke



Site Criteria:
2,000 SF Free-standing. Own their own pad.
Strong demographics.
Contact Frank Galleher

Recent Transactions

Grubb & Ellis|Harrison & Bates is pleased to announce the following retail transactions during the second quarter of 2008:

1 & 3 West Grace Street

10,715 SF Sale to YMCA

City of Richmond

Yasmine Hamad, Bruce Milam

Dollarman Variety

5,100 SF Lease

Chippenham Square

Chesterfield County

Brian Glass, Yasmine Hamad

Dollars N Cents

4,800 SF Lease

Centralia Crossing Shopping Center

Chesterfield County

Jason Bernstein, Susan Jones

Kreative Business 101

4,400 SF Lease

Irongate Village Shopping Center

Chesterfield County

Allyson Petty, Jason Bernstein

Cheeburger Cheeburger

2,717 SF Lease

Village Shopping Center

Henrico County

Allyson Petty, Susan Jones

Little Caesar's Pizza

1,360 SF Lease

6040 Brook Road (Henrico Co.)

1,760 SF Lease

Verizon Center (Henrico Co.)

Susan Jones

Featured Retail Listings

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

Downtown Richmond



Miller & Rhoads Building
517 E. Broad Street
1,000 to 7,917 SF
Lease - \$22 to \$25
Susan Jones, Jason Bernstein



Leased
Retro Art & Framing
916 W. Broad Street
2,320 SF
Lease - \$22 PSF
Susan Jones



412 E. Grace Street
6,226 SF on 2 Floors
Lease - \$10 - 10.50 NNN
Susan Jones, Jason Bernstein



505 - 521 E. Grace Street
2,472 to 7,183 SF
Lease - \$15 to \$20 Net
Susan Jones, Jason Bernstein



College Station
930 W. Grace Street
847 SF
Lease - \$12 PSF NNN
Brian Glass



Under Contract
Coppola's Building
1116 E Main Street
6,810 SF
Sale - \$515,000
Bill Mattox, 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



Roach's Auto Service
2901 Chamberlayne Ave
2,800 SF
Sale - \$330,000
Yasmine Hamad

Northeast & Southeast



NEW
Creighton Crossing III
7999 Creighton Pkwy
1,200 to 3,600 SF
Lease - \$18 PSF NNN
Tom Burke



NEW
Glen Lea Shopping Center
3800 Mechanicsville Tpke
35,889 SF Anchor Space
Outparcel Available
Allyson Petty, Susan Jones



Spring Centre
7124-7156 Mechanicsville Tpke
Close to I-295
1,067 SF or 2,077 SF
Lease - \$15.50 NNN
Allyson Petty, Jason Bernstein



New Market Square
2601 New Market Road
Join Food Lion
1,800 to 3,600 SF
Lease - \$16 - \$18 PSF NNN
Allyson Petty

Northwest



NEW
Filer Auto Sales
4204 W. Broad Street
618 SF on .34 Acre
Lease - \$3,500 per month
Jason Hetherington, Lewis Little



Former Healthsouth Rehab Center
7217 W. Broad Street
7,462 to 17,466 SF
Lease - \$10.50 PSF NNN
Bill Mattox, Susan Jones



9019 W. Broad Street
2,650 SF
Lease - \$18 PSF NNN
Allyson Petty



Hungarybrook Shopping Center
Brook Road @ Parham Road
Units from 1,450 to 4,883 SF
Lease - \$14 PSF NNN
Allyson Petty, Jason Bernstein



Brook Run North
One Space Left!!
5958 Brook Road
1,250 SF
Lease - \$16 PSF NNN
Brian Glass



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



Gaskins Place
1123-1127 Gaskins Road
880 SF Office
Lease - \$14.50 PSF + Elec.
Tom Burke, Bill Mattox



NEW
5611 Grove Avenue
On the Avenues!
1,750 SF Freestanding
Lease - \$24 PSF NNN
Allyson Petty



Triangle Park Retail Shops
7110 Patterson Avenue
10,606 SF
FULLY LEASED
Bill Mattox, Tom Burke



Three Chopt Plaza
8901-8905 Three Chopt Road
8,441 SF
Lease - \$12 - \$15 PSF NNN
Brian Glass



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



Centralia Crossing
9801-9831 Chester Road
1,200 to 4,800 SF
Lease - \$15 PSF NNN
Susan Jones, Jason Bernstein

Southwest



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



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



Sunoco
15841 Jefferson Davis Hwy
1,200 SF
Sale - \$595,000
Yasmine Hamad



Retail/Office/Flex Building
16404 Jefferson Davis Hwy
3,000 SF
Lease - \$14 MGRS
Yasmine Hamad, Brian Glass



Former K-Mart Auto Repair
6807 Midlothian Turnpike
4,510 SF
Lease - \$12 PSF NNN
Brian Glass, Yasmine Hamad



Chippenham Square
7415-7485 Midlothian Tpke
1,600 to 85,000 SF
Lease - \$6 to 12 PSF NNN
Yasmine Hamad, Brian Glass



Former Bank Branch
10051 Midlothian Tpke
2,800 SF
Sale - \$995,000
Bill Mattox, Steve Gentil



Midlothian Square
11521-11525 Midlothian Tpke
384 to 1,800 SF
Lease - \$14 - \$18 NNN
Yasmine Hamad, Brian Glass

Under Contract



Midlothian Station
13531-13579 Midlothian Tpke
1,200 to 15,000 SF
Lease - \$15.00 NNN
Allyson Petty, Jason Bernstein



Colonial Square
3107 Boulevard
Colonial Heights, VA
1,800 SF
Lease - \$17 PSF NNN
Susan Jones, Jason Bernstein



Southgate Square
44-184 Southpark Mall
Colonial Heights, VA
3,600 SF
Lease - \$18.50 PSF NNN
Allyson Petty



Maxey Center
3454 Anderson Hwy, Powhatan
NEW CONSTRUCTION
1,503 to 3,172 SF
Lease - \$17.50 PSF NNN
Allyson Petty

Tri-Cities

Powhatan



Oilville Retail Center
1390 Broad Street Road
Oilville, VA
1,200 SF
Lease - \$14 PSF NNN
Susan Jones



NEW
White Oak Village
1850-1856 Tappahannock Blvd
Tappahannock, VA
1,640 SF and 4,160 SF
Lease - \$13 - \$14 PSF NNN
Allyson Petty, Jason Bernstein



King William Square
4917 Richmond Tappahannock
Hwy (Rt 360), Aylett, VA
3,000 SF
Lease - \$17.50 PSF NNN
Susan Jones, Allyson Petty



Emporia Shopping Center
N. Main Street
Emporia, VA
654 to 3,680 SF
Lease - \$7.50 PSF NNN
Allyson Petty

Virginia



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



*Southpoint Shops
5426 Jefferson Davis Hwy
Fredericksburg, VA
2,330 SF
Lease - \$32-34 NNN
Susan Jones*



NEW

*Liberty Shops
4505 Noland Blvd
Williamsburg, VA
1,440 to 7,200 SF
Lease - \$22 PSF NNN
Frank Galleher*



*Kingsgate Greene
Williamsburg, VA
118-122 Waller Mill Road
1,640 to 5,160 SF
Lease - \$12.00 PSF NNN
Allyson Petty, Jason Bernstein*

Retail Land Listings

Size Location	City/County Price	Contact	Comments
0.91 Acres 8270 Jupiter Dr	Hanover \$480,000	Lewis Little Bill Mattox	Corner lot just off Rt 301 at Shady Grove Rd. Opposite Hanover Commons Shopping Center.
0.97 Acres 10173 Robious Rd	Chesterfield \$350,000	Bill Mattox Lewis Little	Ideal site for florist, C-store or car wash.
1.02 Acres 10510 Midlothian Tpke	Chesterfield \$750,000	Yasmine Hamad Chip Louthan	170' frontage on Midlothian Tpke in front of Johnston Willis Hospital
1.22 Acres 4901 Nine Mile Rd	Henrico Negotiable	Brian Glass Yasmine Hamad	Outparcel at corner of Nine Mile & Laburnum.
1.4 Acres 801 South Ave	Colonial Heights \$1,320,000	Yasmine Hamad	Adjacent to Olive Garden at I-95 Southpark exit.
1.82 Acres 3800 Castle Rock Rd	Chesterfield \$675,000	Jason Bernstein Bill Mattox	Frontage on Hull Street Rd near Wal-Mart. Ideal for fast food or automotive.
2.09 Acres 1200 Koger Center Blvd	Chesterfield \$800,000	Bill Mattox Steve Gentil	Adjoins VA Credit Union and near Chesterfield Towne Center.
2.5 Acres Hill Carter Pkwy	Hanover \$1,200,000	Susan Jones Allyson Petty	Located at signalized intersection of Hill Carter Pkwy and Ashland Junction Dr. Across from Wal-Mart.
0.9 to 3.71 Acres 9690-9700 Sliding Hill Road	Hanover from \$450,000/ac	Yasmine Hamad Frank Galleher	Four parcels zoned B-3 and M-2
1.71 to 3.42 Acres 11950 W Broad St	Henrico \$1,300,000/ac	Yasmine Hamad	Two 1.7 acre parcels in Short Pump. Will consider lease.
3.5 Acres 5910-5920 Nine Mile Rd	Henrico \$700,000	Yasmine Hamad Stuart Cary	Hard-to-obtain B-3 zoning and Enterprise Zone!
1 to 4 Acres Temple Avenue	Colonial Heights \$750,000/ac	Yasmine Hamad	Potential for retail or multi-family development. Ground lease for \$75,000/ac per year.
4.45 Acres 12638 Broad Street Rd	Goochland \$850,000/ac	Bill Mattox Lewis Little	North line of Broad just west of S.R. 288.
4.7 Acres 7351 Iron Bridge Rd	Chesterfield \$450,000/ac	Bruce Milam, Lee Hilbert, Steve Gentil	NE corner Rt 10 & Kingsland/Beulah Rds. Planned for mixed use. Owner/Agents
1.7 to 4.8 Acres Pouncey Tract Rd	Henrico	Susan Jones Bill Mattox	Retail ground lease, build-to-suit or sale.
1 to 7 Acres 15820 Woods Edge Rd	Chesterfield \$495,000/ac	Yasmine Hamad	Zoned C-5C. Enterprise Zone. Subdividable.
7.37 Acres Laburnum Ave & Creighton Rd	Henrico \$600,000/ac	Susan Jones Lewis Little	Zoned B2-C. Sale or ground lease for \$60,000 per acre per year. Flex/industrial sites also available.
7.38 Acres 16200 Midlothian Tpke	Chesterfield \$2,125,000	Susan Jones Bill Mattox, Lewis Little	Flat, on grade site. Part of Watkins Centre zoning case.
7.7 Acres 3117 Anderson Hwy	Powhatan \$849,000	Yasmine Hamad	950' frontage on Rt 60. Zoned commercial.
15.74 Acres 16600 Hull Street Rd	Chesterfield \$60,000/ac	Yasmine Hamad Bruce Milam	North side of Hull west of Otterdale.
32 Acres 14601 Midlothian Tpke	Chesterfield \$4,000,000	Bruce Milam Chip Louthan	SE quadrant of S.R. 288 and Rt 60

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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