

# Retail Market Trends Richmond

Grubb & Ellis Research

Fourth Quarter 2008



*Vacancies are rising and rental rates are falling as landlords and tenants struggle with economic conditions that continue to keep lenders from lending and shoppers from spending on much more than necessities.*

## Bleak Outlook for First Half

The retail market remains in a slump with little prospect for any significant improvement in the first half of 2009. Big boxes, in particular, have taken a hit as evidenced by liquidations of Circuit City and Linens'n Things, both with multiple Richmond locations.

Financing is the biggest challenge for developers, land buyers and franchisees that are being told "40 percent equity or no deal". Owner occupants with good financials and buyers with substantial cash on hand find it much easier to complete transactions. Landlords struggling to retain tenants are seeing increasing numbers of tenants requesting restructured leases with reduced rates, shorter terms or other concessions. If the pressure continues, some landlords will find it difficult to maintain sufficient cash flow to keep lenders from foreclosing on their property.

Strong tenants are finding great leasing opportunities in the current environment. Effective rental rates are falling gradually and some landlords are offering more free rent and build-out to attract retailers to new developments. A lease rate in the mid \$20s is typical for new space in the most desirable submarkets, even though they continue to be advertised in the mid \$30s. Landlords are also showing more flexibility with regard to their tenant mix, giving prospects more options from which to choose. Tenants are being cautious, however, and leases are taking longer to complete.

Some economists predict a better second half of 2009 for retail sales. A change in consumer psychology and the loosening of credit and credit requirements will be key to improvement.

### Richmond Retail Market Trends

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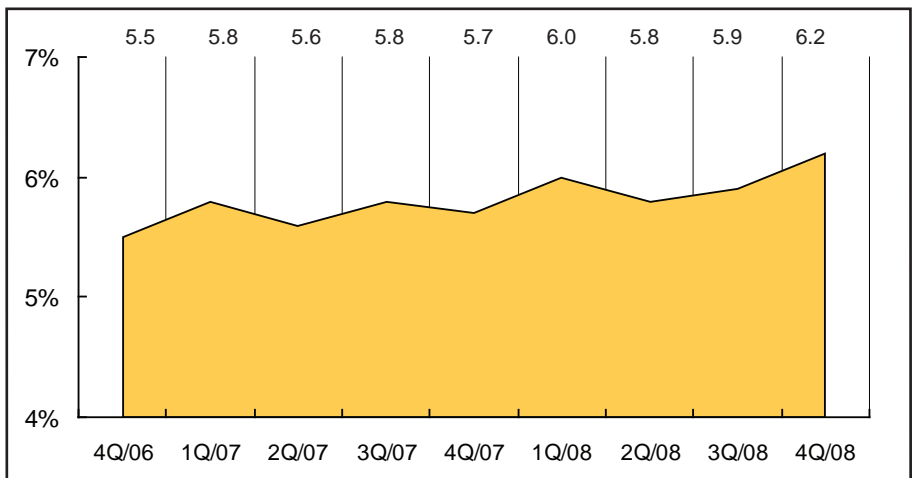
#### Lynn McDaniel

Vice President - Marketing Services  
E-mail: [lynn.mcdaniel@harrison-bates.com](mailto:lynn.mcdaniel@harrison-bates.com)

Grubb & Ellis|Harrison & Bates  
6606 W. Broad Street, Suite 400  
PO Box 11027  
Richmond, VA 23230-1027  
Phone: 804.788.1000  
Internet: [www.grubb-ellis.com](http://www.grubb-ellis.com)  
[www.harrison-bates.com](http://www.harrison-bates.com)

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**Retail Vacancy Rate\***

\* All Product Types

Source: CoStar Year-End 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



**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:**  
0.5 - 1.0 Acre Lots  
Stong daily traffic counts on major corridors.  
Richmond, Central and Western Virginia  
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  
Variety store and/or grocery anchored strip center.  
Takes second generation space.  
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:**  
4,000 SF National discounter. Looks for Target, Wal-Mart and market dominant grocery anchored strip centers.  
Contact Frank Galleher



**Site Criteria:**  
± 1,200 SF  
Virginia locations, power centers.  
Contact Frank Galleher



**Site Criteria:**  
± 1,500 SF  
Strong daytime population.  
Anchored centers.  
Contact Frank Galleher



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

## Recent Transactions

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

### Pine Dell Shopping Center

8101-8121 W. Broad Street  
15,981 SF Investment Sale  
\$2,410,000  
Henrico County  
Brian Glass, Yasmine Hamad

### Save A Lot

17,000 SF Lease  
**Prince Cleaners**  
1,600 SF Lease  
Glen Lea Shopping Center  
Henrico County  
Allyson Petty, Susan Jones

### Hanock Fabrics

21,260 SF Lease  
**Runner Bill's**  
1,800 SF Lease  
Midlothian Station Shopping Center  
Chesterfield County  
Allyson Petty, Jason Bernstein

### Dollar Tree

10,548 SF Lease  
Hungarybrook Shopping Center  
Henrico County  
Allyson Petty, Jason Bernstein

### Blockbuster

6,000 SF Lease  
Harbour Point Shopping Center  
Chesterfield County  
Brian Glass

### Rodney McMillian dba JOI

3,000 SF Lease  
102 Railroad Avenue  
Ashland (Hanover County)  
Allyson Petty, Stuart Cary

# Featured Retail Listings

Partial Listing of Retail Properties Currently Available  
Go to [www.harrison-bates.com/properties](http://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



**1329 E. Cary Street**  
2,800 SF Retail Space  
Available on 1st Floor  
Lease - \$15 NNN  
Kit Tyler, Chuck Ellsworth



**412 E. Grace Street**  
6,226 SF on 2 Floors  
Lease - \$16 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



**Coppola's Building**  
1116 E Main Street  
6,810 SF  
Sale - \$480,000  
Bill Mattox, Zac Frederick



**New Rate!**  
**Bowles Farm Retail Shops**  
6493 Mechanicsville Tpke  
1,860 SF Lease - \$16 NNN  
4,400 SF Lease - \$14 NNN  
Susan Jones



**Glen Lea Shopping Center**  
3800 Mechanicsville Tpke  
18,000 SF Anchor Space  
Outparcel Available  
Allyson Petty, Susan Jones

Northeast & Southeast



**Spring Centre**  
7124-7156 Mechanicsville Tpke  
Close to I-295  
1,067 SF, 2,077 SF & 6,843 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



**Former K-Mart Auto Service**  
4715 Nine Mile Road  
4,210 SF  
Lease - \$9.00 NNN  
Brian Glass, Yasmine Hamad

Northwest



**Former Healthsouth Rehab Center**  
7217 W. Broad Street  
7,462 to 17,466 SF  
Lease - \$9.50 PSF NNN  
Bill Mattox, Susan Jones



**3019 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



**NEW**  
**Virginia Center Retail**  
10087 Brook Road  
1,176 - 17,000 SF  
Lease - \$18 to \$22 NNN  
Susan Jones, Allyson Petty



**1611 W. Broad Street**  
5,823 SF  
Storefront or Office  
Sale - \$695,000  
Kit Tyler, Chuck Ellsworth



**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  
Fully Leased  
Lease - \$14.50 PSF + Elec.  
Jason Bernstein, Bill Mattox



**NEW**  
**Libbie & Grove**  
401 Libbie Avenue  
1,372 SF  
Lease - \$25 NNN  
Allyson Petty



**NEW**

**Parham Retail Building**  
1502 N. Parham Road  
4,000 SF  
Lease - \$28.50 NNN  
J. F. Williams, III



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



**New Price!**

**Retail/Office Condos**  
316 N. Arch Road  
1,686 SF - \$235,000 Sale  
or \$13 NNN Lease  
1,745 SF - \$265,000 Sale  
or \$13 NNN Lease  
Susan Jones, Zac Frederick



**Centralia Crossing**  
9801-9831 Chester Road  
**FULLY LEASED**  
Two Outparcels available  
for sale - \$400,000/ac  
Susan Jones, Jason Bernstein

Southwest



**Hull Street Retail Business Ctr**  
10601 Hull Street Road  
1,200 to 3,600 SF  
Lease - \$15 PSF NNN  
Brian Glass, Yasmine Hamad



**Irongate Village**  
6401 Iron Bridge Road  
1,180 SF  
Lease - \$13 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 Tpk  
1,650 to 85,000 SF  
Lease - \$12 PSF NNN  
Yasmine Hamad, Brian Glass



**Back on the market!**

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



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

Tri-Cities



**Midlothian Station**  
13531-13579 Midlothian Tpk  
1,020 to 15,000 SF  
Lease - \$15.00 NNN  
Allyson Petty, Jason Bernstein



**Colonial Square**  
3107 Boulevard  
Colonial Heights, VA  
1,800 SF or 9,354 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



**NEW**

**Downtown Petersburg**  
600 W. Wythe Street  
Mixed Use Redevelopment  
1,650 - 33,000 SF Street Retail  
Lease - \$17.85 - \$19.00 NNN  
Susan Jones, Allyson Petty

**NEW**

**Quiznos & Carvel**  
458 Charles H. Dimmock Pkwy  
Colonial Heights, VA  
Selling leases and businesses.  
Option to purchase real estate.  
Yasmine Hamad

**NEW**

**Sale/Lease - All or Part**  
1250 E. Washington St  
Petersburg, VA  
5,621 SF on 11.7 Acres  
1 Mile from Fort Lee Gate!  
Susan Jones, Allyson Petty

Virginia



**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



**NEW**

**Spring Branch Retail Center**  
Anderson Hwy (Rt 60), Powhatan  
1,200 - 9,600 SF  
Lease - \$15.50 NNN  
Pad Sites Available  
Susan Jones



**Maxey Center**  
3454 Anderson Hwy, Powhatan  
**NEW CONSTRUCTION**  
1,503 to 4,890 SF  
Lease - \$17.50 PSF NNN  
Allyson Petty



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



**NEW**

**Cosner's Corner**  
Fredericksburg  
9827-9829 Jefferson Davis Hwy  
5,500 SF (divisible)  
Lease - \$26 NNN  
Frank Galleher, Jason Bernstein

**Retail Land Listings**



**Emporia Shopping Center**  
N. Main Street  
Emporia, VA  
1,125 to 3,680 SF  
Lease - \$6.50 PSF NNN  
Allyson Petty



**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



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

Size	Location	City/County	Price	Contact	Comments
0.91 Acres		Hanover		Lewis Little	Cnr lot off Rt 301 @ Shady Grove Rd
8270 Jupiter Dr			\$395,000	Bill Mattox	Opposite Hanover Commons
0.93 Acres		Chesterfield		Yasmine Hamad	Zoned C-5. Clear site.
3901 Hendricks Rd	<b>NEW</b>		\$225,000		700' off Hull Street Rd (Rt 60)
0.97 Acres		Chesterfield		Bill Mattox	Ideal site for florist, C-store or car wash.
10173 Robious Rd			\$350,000	Lewis Little	
1.02 Acres		Chesterfield		Yasmine Hamad	170' frontage on Midlothian Tpk in front of Johnston Willis Hospital
10510 Midlothian Tpk			\$750,000	Chip Louthan	
1.22 Acres		Henrico		Brian Glass	Outparcel at corner of Nine Mile & Laburnum
4901 Nine Mile Rd		Negotiable		Yasmine Hamad	
1.7 Acres		Colonial Heights		Yasmine Hamad	Adjacent to Olive Garden at I-95 Southpark exit
801 South Ave			\$785,000/ac		
1.82 Acres		Chesterfield		Jason Bernstein	Frontage on Hull Street Rd near Wal-Mart. Ideal for fast food/automotive.
3800 Castle Rock Rd			\$525,000	Bill Mattox	
2.09 Acres		Chesterfield		Bill Mattox	Adjoins VA Credit Union and near Chesterfield Towne Center.
1200 Koger Center Blvd			\$800,000	Steve Gentil	
2.5 Acres		Hanover		Susan Jones	Hill Carter Pkwy & Ashland Junction Dr
Hill Carter Pkwy			\$1,200,000	Allyson Petty	Across from Wal-Mart.
1 to 2.87 Acres		Chesterfield		Yasmine Hamad	Excellent I-95 visibility at Woods Edge Rd. Zoned C-5.
2201 Indian Hill Road			\$650,000/ac		
0.9 to 3.71 Acres		Hanover		Yasmine Hamad	Four parcels zoned B-3 and M-2
9690-9700 Sliding Hill Road			from \$450,000/ac	Frank Galleher	
1.71 to 3.42 Acres		Henrico		Yasmine Hamad	Two 1.7 acre parcels in Short Pump. Will consider lease.
11950 W Broad St			\$1,300,000/ac		
3.5 Acres		Henrico		Yasmine Hamad	Hard-to-obtain B-3 zoning and Enterprise Zone!
5910-5920 Nine Mile Rd	<b>NEW PRICE</b>		\$475,000	Stuart Cary	
1 to 4 Acres		Colonial Heights		Yasmine Hamad	Potential for retail or multi-family. Ground lease for \$75,000/ac per year.
Temple Avenue			\$750,000/ac		
4.45 Acres		Goochland		Bill Mattox	North line of Broad just west of 288
12638 Broad Street Rd			\$850,000/ac	Lewis Little	
4.7 Acres		Chesterfield		Bruce Milam, Lee	NE corner Rt 10 & Kingsland/Beulah
7351 Iron Bridge Rd			\$450,000/ac	Hilbert, Steve Gentil	Planned for mixed use. Owner/Agents
3.04 Acres		Henrico		Susan Jones	Retail ground lease, build-to-suit or sale.
Pouncey Tract Rd				Bill Mattox	
1 to 7 Acres		Chesterfield		Yasmine Hamad	Zoned C-5C. Enterprise Zone. Subdividable.
15820 Woods Edge Rd			\$495,000/ac		
7.37 Acres		Henrico		Susan Jones	Sale or ground lease for \$60,000/ac/yr
Laburnum & Creighton Rd			\$600,000/ac	Lewis Little	Flex/industrial sites also available.
7.38 Acres		Chesterfield		Susan Jones, Bill	Flat, on grade site. Part of Watkins Centre zoning case.
16200 Midlothian Tpk	<b>Back on Market</b>		\$2,125,000	Mattox, L. Little	
7.7 Acres		Powhatan		Yasmine Hamad	950' frontage on Rt 60. Zoned commercial.
3117 Anderson Hwy			\$849,000		
15.74 Acres		Chesterfield		Yasmine Hamad	North side of Hull west of Otterdale.
16600 Hull Street Rd	<b>Under Contract</b>		\$60,000/ac	Bruce Milam	
19.86 Acres		Chesterfield		Yasmine Hamad	Just west of Windy Hill Golf.
17000 Midlothian Tpk	<b>NEW</b>		\$1,200,000		Zoned H&B Business & A
32 Acres		Chesterfield		Bruce Milam	SE quadrant of S.R. 288 and Rt 60
14601 Midlothian Tpk			\$4,000,000	Chip Louthan	

## 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

**Jason Bernstein**  
*Associate*  
804.788.1000 Ext 243  
804.591.2408 Direct  
jason.bernstein@harrison-bates.com



**Frank Galleher**  
*Senior Associate*  
804.788.1000 Ext 242  
804.591.2430 Direct  
frank.galleher@harrison-bates.com



**Brian Glass**  
*Senior Vice President*  
804.788.1000 Ext 207  
804.591.2404 Direct  
brian.glass@harrison-bates.com



**Yasmine Hamad**  
*Senior Associate*  
804.788.1000 Ext 279  
804.591.2419 Direct  
yasmine.hamad@harrison-bates.com



**Susan Jones**  
*Senior Vice President*  
804.788.1000 Ext 266  
804.591.2415 Direct  
susan.jones@harrison-bates.com



**Bill Mattox, SIOR**  
*Senior Vice President*  
804.788.1000 Ext 331  
804.591.2428 Direct  
bill.mattox@harrison-bates.com



**Allyson Petty**  
*Senior Associate*  
804.788.1000 Ext 352  
804.591.2429 Direct  
allyson.petty@harrison-bates.com



**J. F. (Jeff) Williams, III**  
*Chairman Emeritus*  
804.788.1000 Ext 263  
804.591.2413 Direct  
jeff.williams@harrison-bates.com



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Richmond  
Retail Market Trends  
Fourth Quarter 2008

Harrison & Bates Incorporated  
6606 W. Broad Street, Suite 400  
PO Box 11027  
Richmond, VA 23230-1027  
*Independently Owned and Operated*

Property Solutions Worldwide  
**Grubb & Ellis®**  
Harrison & Bates

