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## Relocation, Relocation, Relocation

The overall retail vacancy rate moved up slightly from 7.1 percent at the end of the second quarter to 7.2 percent at the end of the third. Overall absorption was negative 182,601 square feet as more retail space was vacated than leased.

Relocation was a theme as Kroger settled into its new Short Pump location, American Family Fitness moved into a new location on Midlothian Turnpike, and Costco began construction on a new location near Chesterfield Towne Center.

The restaurant sector was active with lots of “lookers”. Plaza Azteca was a newcomer to the market with three suburban locations.

Other notable leasing included 14,199 square feet to Shoe Department Encore at Chesterfield Towne Center, 12,882 square feet to the Floor Trader at Hanover Village and 12,600 square feet to It’s Fashion Metro at Glen Lea Center.

Notable investment sales completed in the third quarter included the following:

- A joint venture between AmCap, Inc. and BayNorth Capital purchased the 86,000-square-foot Short Pump Station from Collins/Goodman Development Company for \$30.8 million. The center is anchored by Trader Joe’s.
- GDA Real Estate Services, LLC purchased a Best Buy anchored 42,500-square-foot center from Bell Creek Commons, LLC for \$11.1 million.

Falling victim to the economy were the 52,000-square-foot Best Buy Station on Laburnum Avenue (Deed in Lieu of Foreclosure) and the 14,250-square-foot Woodlake Center on the Hull Street Road corridor (Foreclosure).

Retail land sales are few and generally require an equity partner. Car Pool purchased a 1.68-acre site on West Broad Street just west of Short Pump Town Center for \$1.48 million.

### FORECAST

- Increased activity as uncertainty lessens post mid-term elections.
- Retailers and restaurants will continue to reinvent themselves to meet market conditions.

Statistics Source: CoStar Group Third Quarter Report for Richmond Market