

NEWS YOU CAN USE

OFFICE REPORT FOR RVA

RICHMOND RANKS AS BEST SUITED LOCATION ALONG EAST COAST FOR MIDDLE OFFICE OPERATIONS

The Greater Richmond Partnership recently commissioned Wadley Donovan Gutshaw Consulting Group, one of the nation's top site location consultant companies, to complete an analysis on how Greater Richmond stacks up against peer competitors for the suitability of a 'middle office' operation. The data showed that the Richmond Region bested competitors including Charlotte, NC; Columbus, OH; Jacksonville, FL; and Nashville, TN.

The move follows recent news of several companies, such as CoStar, AvePoint, ICMA-RC, peeling off jobs and investment from higher priced, major metros along the east coast to lower cost, mid-size markets.

"We analyzed locational drivers of taking 'middle office' jobs – those which are not executive nor entry level positions – in specialties like mid-level management, legal, marketing and creative, financial and accounting, human resources and high-end sales and looked at markets that could be suitable," said Dennis Donovan, Principal of WDGC.

"Based on our findings, the Richmond Region is a very favorable location for middle office which could save a Manhattan- or Washington, D.C.-based headquarters 15-20 percent annually."

REPORT: RICHMOND REGION FACES SHORTAGES OF CLASS A OFFICE SPACE

Prime Class A office space in Richmond is difficult to find, according to a recent 2Q report.

Overall office vacancy dropped to 6.7 percent during the second quarter. Prime Class A office space is difficult to find, with companies focusing more on amenities to attract talent in a competitive labor market.

Greater Richmond Partnership recently released a report that said the market faces a "critical shortage of

Class A office space."

The report says overall Class A office space rent increased 1.1 percent from the previous year.

Ninety-two percent of the 896,896 square feet of office space under construction is Class A office space.

NOTABLE RECENT OFFICE DEALS

Six stories are planned for the 142,000-square-foot office building beside Libbie Mill Library, in the center of the 80-acre project between Staples Mill Road and Libbie Avenue, Gumenick Properties recently announced.

SNP Properties recently purchased the four-story office building at 23 W. Broad St. for \$3.4 million.

Equitable Real Estate Partners recently closed on the \$6.4 million purchase of two buildings in the Forest Office Park; the Koger Building at 8001 Franklin Drive and the Nelson Building at 1503 Santa Rosa Road.





RICHMOND

Real Estate by the Numbers

- 15 Acres at the Model Tobacco property in South Richmond is back in play for resurrection, as a Maryland-based developer has an acquisition in the works and recently purchased neighboring parcels.
- 10 Themed rooms between \$295-\$595 a night are now available to rent as Bed & Breakfast rooms in Goochland's Dover Hall.
- 5 Virginia ranked #5 in Forbes report on the best states in which to do business. The Commonwealth's high ranking can be attributed to several factors, including Virginia's Gross State Product, which totaled \$480 billion as of November 2017. The state's median household income is currently \$65,015, and the cost of doing business is just 0.9% above the national average.
- 1.2 Million was the price tag for the property at 3407 West Broad Street. It was reported the .58-acre site will be redeveloped.
- 39.25 Million was the sales price of one of of downtown Richmond's tallest skyscrapers, the 20-story First National Apartments, located at 823 East Main Street. The property was built in 1913 as a bank, and converted to apartments in 2012.
- 200 -Plus internationally owned companies in the area that employ more than 21,000 workers have chosen Greater Richmond for North American operations. The products and services provided by these firms range from industrial machinery to specialty foods and from transportation to consulting services.
- 400 Hull Street in Manchester is the location developers are readying for a \$50-\$60 million mixed-use development dubbed The Current. It will include office space, retail and 214 apartments.

6 National Commercial Real Estate Trends

The ninth annual Akerman US Real Estate Sector Report, which has been tracking executive sentiment in CRE for nearly a decade, identified six top trends among leading real estate executives:

- **Multifamily Is King.** On a sector-by-sector basis, the most active real estate market segment according to Akerman data this year is multifamily, 63% of respondents say. This marks a significant reversal from 2017 when 43% of commercial real estate leaders predicted single-family homebuilding would outpace multifamily development.
- **It's All About Taxes and Technology.** Akerman findings show report participants split almost equally behind two major elements they say will define the trajectory of U.S. commercial real estate for the next three years. Forty-eight percent of them ranked the advent of technology among the two most critical trends for the sector, along with the most extensive rewrite of the US tax code in 30 years recently passed by Congress (42%).
- **Strong Job Growth Signals Opportunities** in Real Estate. Some two thirds of executives surveyed (66%) say job creation in 2018 will be either marginally (48%) or significantly (18%) higher than in 2017. And the balance (29%) say it will be about the same as 2017. Far less (5%) see job creation in 2018 lower than in 2017.
- **Bullish but Not Carefree.** Forty-six percent of Akerman respondents share concerns on the effects rising interest rates will have on the US economy, something many say could temper market momentum. Three in 10 executives (29%) also point to global economic worries.
- **Confident Foreign Capital Continues Chasing US Commercial Real Estate.** Akerman data show foreign investors are continuing their aggressive pursuit of U.S. assets, with survey respondents indicating overseas investment level at a record high, the vast majority of which will come from Europe, executives say. Real estate executives also say the greatest increase in Latin American real estate investment in the US will come from Brazil and Mexico.
- **Private Equity, Banks Reign Among Financing Sources.** When it comes to the top sources for real estate equity and debt, more than half of Akerman's survey participants cited private equity (57%) and banks (48%) as the leading vehicles for real estate funding. Institutional lenders and private equity funds have maintained a leading role in real estate financing in the last three years, Akerman data show.

Source: <http://www.globest.com/2018/06/06/top-6-commercial-real-estate-trends/>

<p>Specialty For Sale</p>  <p>PORTFOLIO OF 2 PROPERTIES \$1,375,000 \$68/SF BILL PHILLIPS, CCIM (804) 967-2739</p> <p>Built in 1857, the portfolio includes 20,220 SF of Specialty Property at 1101 Bainbridge Street, and .23 acres of land at 1100 Porter Street.</p>	<p>Retail For Sale</p>  <p>1111 N. THOMPSON STREET \$1,500,000 8,152 SF KERRY RILEY (804) 432-2688</p> <p>Prime redevelopment opportunity. Zoned TOD-1 in Scott's Addition.</p>	<p>Office For Sale</p>  <p>3974 SPRINGFIELD RD GLEN ALLEN \$949,000 7,320 SF BILL PHILLIPS, CCIM (804) 967-2739</p> <p>Unique 7,320 SF medical/office building. End unit with excellent visibility. Out-patient surgery center with full spa: mani/pedi, facial, Vichy shower and massage rooms 4 baths and full shower. Zoned O2-C. Can subdivide to +/- 2440 SF.</p>	<p>Office For Lease</p>  <p>14350 SOMMERVILLE CT \$18.50 / SF 2,556 SF BILL PHILLIPS, CCIM (804) 967-2739</p> <p>Join dynamic mix of medical, financial, and real estate area businesses. Direct exposure to Midlothian Turnpike and Route 288. Suite is ground floor with bath.</p>	<p>Office For Sale</p>  <p>707 E. FRANKLIN STREET 1,200,000 12,756 SF JACKIE NOEL (804) 591-2423 KERRY RILEY (804) 432-2688</p> <p>Located in the heart of the business district, and once home to Robert E. Lee. Completely renovated in 2001 using Historic Tax Credits.</p>
<p>MultiFamily For Sale</p>  <p>18 WEST BROAD STREET \$1,100,000 8,716 SF 5 UNITS KERRY RILEY (804) 432-2688 CHERYL HAMM, CCIM (804) 967-2765</p> <p>Well maintained mixed-use building with street retail on first floor (Boot Rider Company) and two 1 bed/1 bath and two 2 bed/2 bath apartments above. Corner of Broad and N. Adams.</p>	<p>Mixed Use For Lease</p>  <p>1309-1311 E. CARY STREET 2,100 SQ \$16.80 - \$17.60 / YR CHERYL HAMM, CCIM (804) 967-2765 BILL PHILLIPS, CCIM (804) 967-2739</p> <p>Located in the historic Shockoe Slip area of Richmond, two office spaces are available. The 2100 SF space is \$17.50/SF and the 2,084 SF space is \$16 - \$16.80/SF.</p>	<p>Land For Sale</p>  <p>8275 HULL STREET \$100,000 .50 ACRE CHERYL HAMM, CCIM (804) 967-2765</p> <p>This .5 acre of land is directly to the west of the Cross Pointe Shopping Center anchored by Food Lion. Although zoned Agriculture, the Land Use is commercial. Public water and sewer at lot line.</p>	<p>Investment For Sale</p>  <p>8009 MECHANICSVILLE TURNPIKE \$950,000 17,000 SF JACKIE NOEL (804) 591-2423</p> <p>A great investment opportunity, fully leased to a Sunoco gas station and repair shop.</p>	<p>Retail For Sale</p>  <p>6 PROPERTIES ON MAIN STREET \$4,025,000 18,939 SF SUSAN HAAS (804) 349-5788</p> <p>Shockoe Bottom Portfolio 6 Mixed-Use Brick Properties zoned B5 on .41 acres including 6 Retail Units on the 1st level and 11 apartments on 2nd and 3rd levels. 95% occupied.</p>

RECENTLY SOLD/LEASED

See all our listings at:
www.JoynerCommercial.net/Property-Search

Recently Sold:

- Long Realty Investments purchased 2.74 acres on Hill Carter Pkwy & Business Lane in Ashland for \$290,000 from PCB Ashland Holdings, LLC. Bill Phillips and Cheryl Hamm represented the Purchaser.
- Ming Chen and Hiu Kwan Cheung purchased a Triplex at 519 W. Clay St in Jackson Ward for \$500,000. Susan Haas represented the Seller.
- ASHI, LLC purchased a 14,575 sf office building at 2500-2510 Chamberlayne Avenue in the City of Richmond for \$450,000. Kerry Riley handled both sides of the transaction.

Recently Leased:

- Francis Motor Co. leased 2,240 sf at 8506 Brook Rd in Henrico. Cheryl Hamm represented the Landlord.
- RVA Creative Wellness Center, Inc. (Jennifer Huffman) leased 3,356 sf at 1405-1409 W. Main St in Richmond. K. Coleman Stewart represented the Tenant.