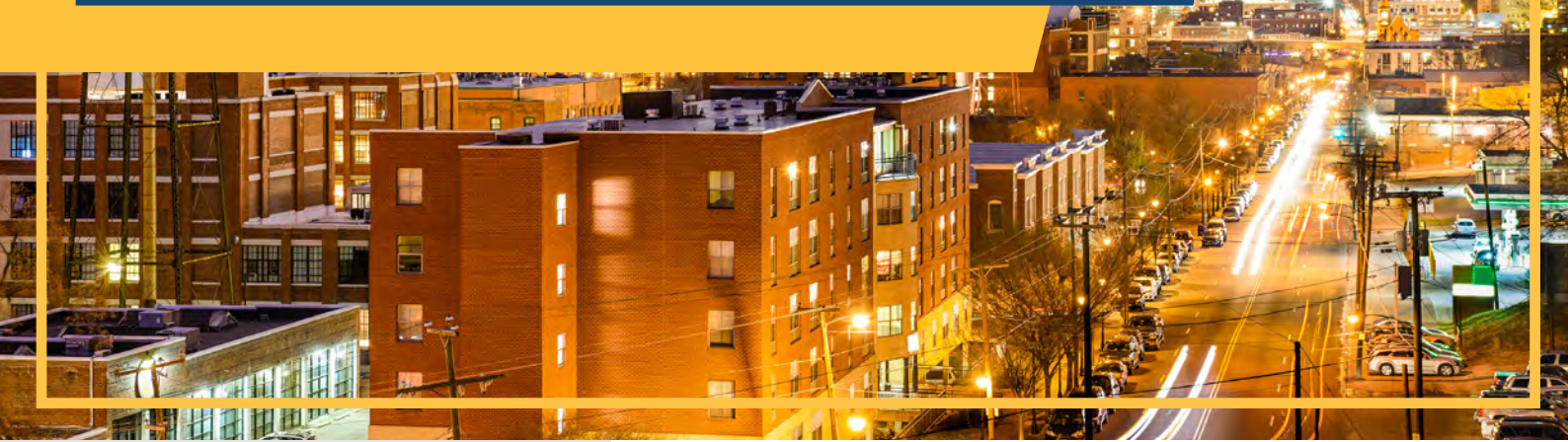




WINTER 2021 MARKET UPDATE



Greater Richmond
Commercial Real Estate

“We predict that by 2030, 30% of all office space will be flexible.”

As the commercial real estate industry finally puts 2020 in the rearview mirror, the path forward in 2021 is far from certain – and largely dependent on how the country extricates itself from the past year’s trials.

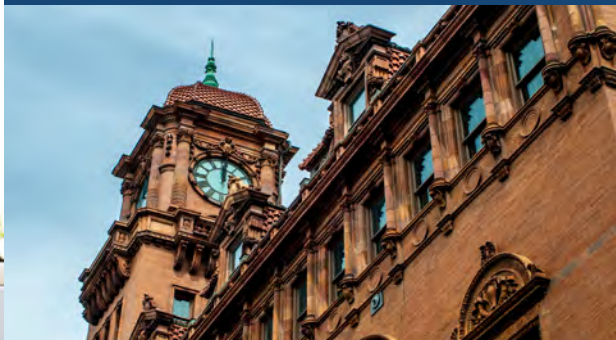
A new president has been elected, but the incumbent has refused to acknowledge defeat and promise a peaceful transition of power. Two vaccines for the coronavirus are being distributed, but the prospect of the U.S. population achieving herd immunity is months away at best and uncertain to ever happen at worst.

Still, real estate is a forward-looking industry, and those who make their bets early and decisively will likely wind up the biggest winners of an economic recovery. With that in mind, Bisnow asked experts and executives from across the industry a series of questions to get a sense of the transitional year to come.

By the end of 2021, will flexible office space be in a better or worse position as a property type than it is now?

JLL Senior Vice President and Senior Research Director Lauren Gilchrist (brokerage): JLL remains very bullish on the future of flexible office space in the mid-to-long term, especially now that millions of workers around the country have experienced what it is like to work in a non-centralized office. We predict that by 2030, 30% of all office space will be flexible. However, we think the layouts of flexible space operations will change to include more one- to six-person offices and less open desking area, along with slightly longer flexible lease durations of approximately one to three years. Until a vaccine is widely distributed and the economy has time to adjust, we expect more consolidation of flexible office providers and different management agreement and leasing structures to emerge.

CRE Executives Make Their 2021 Predictions For The Industry



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How widespread will the vacation of downtown headquarters for suburban office space be? Will that be in concert with increased work-from-home flexibility or as a compromise from companies that are resistant to it?

Unispace Global Principal of Strategy Albert De Plazaola (interior design): The extent to which organizations will spread into suburban office space is unclear, as nearly all organizations are still evaluating the right approach to support some level of remote work for their employees. However, there is some indication that organizations with large portfolios or offices in major urban hubs where public transportation and commuting can be a challenge will consider a more diverse approach to their portfolio. That can include suburban coworking spaces, mixed-use retail/workspaces, [flexible office platforms like] LiquidSpace and providing employees with a stipend to spend on home-office ergonomics.

Simply leasing more traditional suburban office space does not necessarily optimize efficiencies or the employee experience as it limits the flexibility of remote working. A more comprehensive approach to the hub-and-spoke model is to provide a variety of “spoke” work environments, which may not need significant capital investment.

What will be the one or two most common redesign elements for brick-and-mortar retailers in 2021? Will such changes be permanent?

Tango founder, President and CEO Pranav Tyagi (analytics/lease management consulting): Many brick-and-mortar retailers had started to make the shift to “buy online, pickup in store” (BOPIS) services to compete with online giants like Amazon, but the pandemic accelerated this move to e-commerce (by five years) as “in-store only” retailers desperately tried to remain viable during months of consumers under stay-at-home restrictions



Bonus Prediction

Urban Land Institute 2021 Emerging Trends In Real Estate report (nonprofit trade organization): The big drop in GDP in 2020 will likely lead to a slow-growth decade. The Congressional Budget Office forecasts U.S. GDP to average 1.7% from 2020 to 2030, down from the 1.9% forecast of a year ago. The Fed’s announcement of low base rates through 2023 will also keep real estate borrowing rates low.

Source: CRE Executives Make Their 2021 Predictions For The Industry | Matthew Rothstein | BisNow.com | January 3, 2021

SOLD/LEASED IN Q4 2020 [See all our listings at: JoynerCommercial.net/Property-Search](https://JoynerCommercial.net/Property-Search)

Recently Sold:

- White Pine Building, LLC purchased a 10,920 sf Office/Retail property at 7511 Whitepine Rd from Virginia Credit Union for \$1,050,000. Bill Phillips represented the Seller in this transaction.
- Tony’s Holdings Co purchased 0.9 acre of Multi-Family land at 3502-3504 Woodlawn St in Hopewell for \$190,000 from the Estate of Walter S Moore. Susan Haas represented the Seller in this transaction.

Recently Leased:

- 4,800 sf of industrial office/warehouse space leased to Hamm Transport, LC at 2101 Decatur St in Richmond. Eddie Jackson represented the Landlord in this transaction.
- 4,603 sf of retail space has been leased to 119 N 18th LLC at 119 N 18th St in Richmond. Bill Phillips represented the Landlord in this transaction.
- 2,012 sf of retail space leased to iCommand at 1307 E Cary St in Richmond. Bill Phillips represented the Landlord in this transaction.

What's New in RVA



Joyner Expands to Westhampton Commons

Joyner Fine Properties is leasing space in the Westhampton Commons mixed-use development that is under construction at Patterson and Libbie avenues.

Joyner will take 5,500 square feet of space on the second floor of a new five-story building that is under construction on Patterson Avenue across the street from a Pleasants Hardware store.



580-home Development

Richmond developers Spy Rock Real Estate and Crescent Development are planning a multiuse development with 580 homes on the site of the former Henrico Plaza Shopping Center on Mechanicsville Turnpike just north of Laburnum Avenue. Called Henrico Plaza, the 27-acre development would include 300 apartments, 115 townhomes, 165 age-restricted units and at least 13,000 square feet of commercial space.



Henrico Arena-Anchored Development

Henrico officials announced plans for GreenCity, a \$2.3 billion development that would span 200 acres northeast of the Interstate 95-Parham Road interchange. The land consists of the county-owned Best site and more than 100 acres to the north owned by Bill Goodwin's Riverstone Properties.

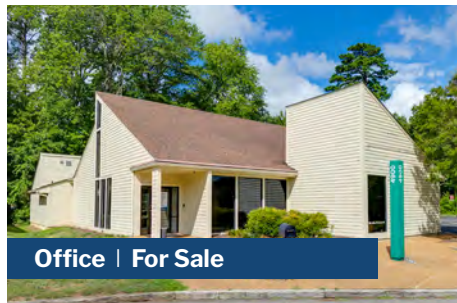
Source: Richmond BizSense | 2020

FEATURED PROPERTIES



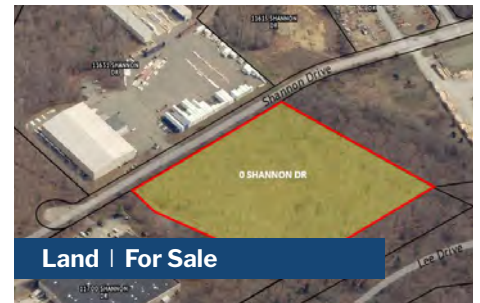
Retail | For Sale

5308 BROOK RD
\$980,000 | 1,853 SF
Susan Haas | (804) 349-5788
Free standing building w/high visibility. Currently being used as automotive sales and service, formerly operated as Valero gas station.



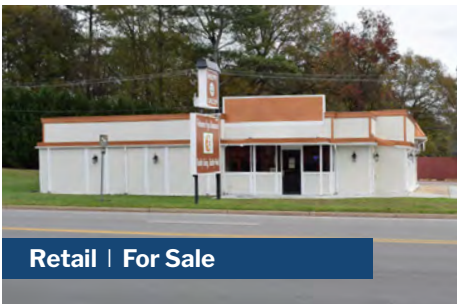
Office | For Sale

4900 E MILLRIDGE
\$499,000 | 3,365 SF
Bill Phillips, CCIM | (804) 967-2739
Zoned C-2, this free-standing former bank branch with three drive-thru lanes allows for a variety of retail uses. Monument sign w/other Tenants on Hull Street.



Land | For Sale

0 SHANNON DR, FREDERICKSBURG
\$975,000 | 7.51 acres
Coleman Stewart | (804) 967-2453
Wooded lot in Shannon Drive Industrial Park ready for development. Owners will consider a Build-To-Suit and/or a Ground Lease.



Retail | For Sale

7103 BROOK RD
\$575,000 | 4,305 SF
Rob Brown | (804) 651-5685
Bernard Heyward | (804) 317-7777
Free standing former restaurant has recently renovated exterior with pylon sign and plenty of parking.



Land | For Sale

4200-4230 E PARHAM RD
\$479,900 | 3.98 Acres
Newton Carroll | (804) 439-3813
This land consisting of two lots totaling 3.98 acres is an ideal location for office development in the Northwest quadrant of Richmond.



Retail/Office | For Lease

4800 RIVER RD
\$135,000 | 1,320 SF
Todd Buttner | (410) 382-7109
Property situated on corner lot with room to grow. Ample parking. Signage. Spacious convenience store with dining and gaming area.



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