

NEWS YOU CAN USE

COMMERCIAL NEWS

INNOVATIVE LIVING... THE NEXT BIG THING

To understand what we mean by innovative living, it's important to first look to the demographic and societal shifts that are influencing consumer demand. This can best be exemplified by examining the needs and wants of the largest generation in U.S. history: millennials.

Whatever your take on this oft-derided generation, you need to understand them. They're on track to be the most educated generation yet, and they currently comprise the largest segment of the American workforce at 35 percent.

Perhaps the most important insight into this demographic is that they aren't buying homes. Currently, only 37 percent of 25-to 34 year olds own a home-- a remarkably low figure in comparison to previous generations. Factor in that 63 percent of millennial homeowners reported feeling regrets about their home purchase, and the opportunity for rental innovation and innovative living begins to emerge.

Millennials desire urban living, with some 88 percent of them living in metro areas where enviable experiences are abundant and rents are high. This preference is further amplified by this generation's choice to delay marriage and children until later in life. About 57 percent of millennials indicate they have never been married.

Recognizing these characteristics, developers are heralding micro units and co-living spaces as the next big thing in urban living. They're attractive to young residents who haven't yet accumulated wealth and who are willing to trade square footage for the proximity to vibrant down-

towns. Such buildings often offer social events, providing the community experience that many crave in otherwise impersonal city environments.

The millennial cohort diverges from older generations in their lack of desire to spend money on material possessions, and has led the charge in cultivating the experience economy. One study suggests that 65 percent are currently saving for travel, further underscoring the value placed on freedom and flexibility.

With that in mind, while innovation in the rental markets is a priority, we're also eyeing innovative hospitality real estate as a key opportunity to capture younger generations' predilection for experience and what's been termed, reluctantly, by some as 'bleisure.' Traditional hotel chains have caught on to these emergent trends, rolling out boutique brands replete with "Instagrammable" furnishings, ubiquitous Wi-Fi, communal areas, shared workspaces, and creative amenities like free bike rentals and happy hours. It is predicted that these types of properties will continue to resonate, with guest rooms in highly populated urban markets shrinking to accommodate more space for experiential common areas, restaurants and bars.

In short, the lines between living, working, and playing are increasingly blurred. Real estate prices in cities are rising and, as young professionals seek out housing and lodging, we believe that the current inventory isn't aligned with their demands. Capital is being allocated to meet the needs of this technologically savvy, highly educated, financially maturing generation, and are excited to see innovative livings' promise cultivate communities across the globe.

EVERYONE HAS TO EAT

Grocery-anchored shopping centers will continue to be popular among investors thanks to steady demand and low competition from e-commerce. Among the trends to watch in the grocery sector over the next decade:

- * Strong growth across nontraditional and specialty formats.
- * Increased consolidation among smaller and regional chains.
- * More small-format, convenience-oriented concepts in urban locations.
- * An increase in online grocery share, which will require adjustments in-store layout for pickup options.



Commercial Investment Real Estate - September/October 2019 - CIREMAGAZINE.COM

AMENITIES IN INDUSTRIAL FACILITIES

As the demand for labor in industrial facilities increases, companies are looking for ways to make them more appealing to workers.

The top industrial amenities to attract and retain labor are:



1. Temperature control (cooling and heating).
2. Access to public transportation.
3. On-site food options, such as a cafeteria, food trucks, or nearby restaurants.
4. Gym or workout facilities.
5. Windows for natural light and fresh air.
6. Electric vehicle charging.
7. Walking trails and outdoor seating.
8. Games (e.g., table games or basketball court).
9. Day care.
10. Improved restrooms and break areas.

Commercial Investment Real Estate - September/October 2019 - CIREMAGAZINE.COM



WORDS OF WISDOM

2 CRE economists offer their investment advice as expectations of a downturn rise.



Barbara Denham, senior economist, Reis Inc.

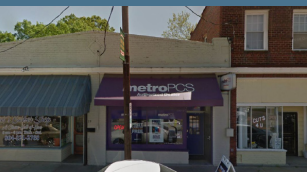
"I still think the apartment market is the best bet, and more recession-proof than others. Consider outlying areas near transportation centers or tertiary markets in places that few are considering. Look to local statistics, such as employment, as a guide. Lots of millennials and young families are considering more affordable cities than the coasts. Look to some of these in the mountain states or south Atlantic."

Jim Costello, senior vice president, Real Capital Analytics

"Do not let the day-to-day noise in the headlines distract you and force you into panic. Yes, there are risks in the world, and yes, we should face a recession at some point... You cannot let fears of what might happen in the future get in the way of making good decisions now. And if we do have a downturn, that is meant to be a pretty big if, it will not be like the last one in the sense of the economic drivers or magnitude."

Words of Wisdom - nreionline.com - October 2019

Retail For Sale Office For Lease Retail For Lease Retail For Lease Office For Lease



21 W BROOKLAND PARK BLVD
\$150,000 | 1,068 SF
EDDIE JACKSON | (804) 238-9950

This portion of a one-story building is for sale and is ideal for general retail/service in the Northside of Richmond City in the heart of Brookland Park with approximately 20 feet of sidewalk frontage.



7255 MECHANICSVILLE TPKE
\$3,500 PER MONTH | 2,576 SF
COLEMAN STEWART | (540) 841-5383

Stand-alone office building for ease at the busy intersection of Mechanicsville Tpke and Bell Creek Road. This property lies on 1.06 acres of a corner lot with rear parking, enclosed porch and walk out basement.



1105 N ARTHUR ASH BLVD
\$15.00 PSF (NNN) | 4,280 SF
BILL PHILLIPS, CCIM | (804) 967-2739

This standalone building is ideal for a creative office/retail or auto related use with a showroom in the front and a three bay door garage in the rear. There is off-street parking for 5 vehicles and pylon signage available. Located on the trendy and thriving N Arthur Ashe Blvd and highest visibility corridor to Scott's Addition, this versatile property is proximate to major retailers and eateries.



11051 THREE CHOPT RD
\$16.00 PSF (MG) | 908 SF
BILL PHILLIPS, CCIM | (804) 967-2739

End cap with open retail space, restroom & additional plumbing options. Located less than a mile off W. Broad St from the Innsbrook Office Park in the West End of Henrico County, this center has a history of stable and long term tenants including the newly renovated Grapevine Restaurant. At 15,000 VPD, next to a busy and successful restaurant make this a great location.



2727 ENTERPRISE PWY, SUITE 105
\$15.00 PSF | 1,043 SF
CHERYL HAMM, CCIM | (804) 967-2765
BILL PHILLIPS, CCIM | (804) 967-273

Small office located on first floor. Open Floor Plan w/One Large Office and a Supply Room on the Window Wall. Handicap accessible. Easy access to W. Broad for restaurants and shopping. Near Henrico Courts and Administration Buildings. Minutes for I-64/Glenside.

Industrial For Lease Land For Sale Office/Retail For Lease Land For Sale Retail For Sale



680 SCATTERGOOD DR NW
\$3.75 PSF (NNN) | 88,900 SF
COLEMAN STEWART | (540) 841-5383

This 133,000 square foot building is well suited for manufacturing and distribution. One of the larger industrial buildings available in SW Virginia. - 3-Phase Power - Dry Sprinkler system - Compressed Air Lines - Fourteen dock doors and drive in door - Core office areas with private offices and conference room - Versatile layout with 50 fee column spacing with 17' ceilings - 40 free surface parking spaces available.\$



16-16 RICHMOND RD
\$499,000 | 10.7+/- ACRES
BILL PHILLIPS, CCIM | (804) 967-2739

This level, C-2 zoned parcel is ripe for development and located in an Opportunity Zone. Public water and sewer as well as electric are located in the front and rear of the property. The Richmond Road frontage is approximately 620 ft. Richmond County General Commercial zoning allows for a wide range of retail and service uses which accommodates the required parking.



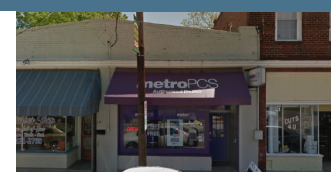
COLUMBIAN BLOCK
\$15.00 PSF | 900 SF (OFFICE)
\$15.00 PSF | 2,012 SF (RETAIL)
BILL PHILLIPS, CCIM | (804) 967-2739

Located in historic downtown Richmond in Shockoe Slip adjacent to The Martin Agency.
101 Shockoe Slip, Suites M & N Combined - 2nd floor office space, Full Service
1307 E Cary St - 1st floor storefront retail space, Rent net electric



8975 THREE CHOPT RD
\$17.00 PSF (FULL SERVICE) | 1,727 SF
CHERYL HAMM, CCIM | (804) 967-2765

This very spacious office space located right off the elevator lobby on the 2nd floor contains an open floor plan as well as private offices, conference room, storage, kitchenette and reception area. Great location off of Parham Road, in close proximity to retail and I-64.



21 W BROOKLAND PARK BLVD
\$150,000 | 1,068 SF
EDDIE JACKSON | (804) 238-9950

This portion of a one-story building is for sale and is ideal for general retail/service in the Northside of Richmond City in the heart of Brookland Park with approximately 20 feet of sidewalk frontage.

RECENTLY SOLD/LEASED

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

Recently Sold:

- 7,000 sf office building known as 9 E Franklin St in Richmond was purchased by Levco Acquisitions LLC for \$725,000 from 9 East Franklin, LLC. Bill Phillips was the listing and selling agent for this transaction representing the Seller.
- 5,900 sf office building on 1.092 acres known as 240 Executive Parkway, Fredericksburg was purchased for by Millstone Investments, LLC for \$1,000,000 from Leroy J. Essig, Trustee. Coleman Stewart was the listing and selling agent in this transaction.

Recently Leased:

- 44,100 sf of office, showroom & warehouse space leased to American Builders & Contractors Co, Inc. at 680 Scattergood Dr NW, Christiansburg, VA. Coleman Stewart of Joyner Commercial and Thomas Turner of Hall Associates represented the Landlord.
- 8,450 sf of retail space leased to Kindred Church @ 10163 Hull Street Rd in Midlothian. Bill Phillips represented the Tenant.
- 1,220 of office space leased to Active Medicare Solutions, LLC at 11057 Three Chopt Rd in Henrico. Bill Phillips represented the Landlord.
- 661 sf of office space leased to West Broad Investments @ 2727 Enterprise Pkwy, Richmond. Cheryl Hamm & Bill Phillips represented the Landlord.
- 606 sf of office space leased to R+R Property Development, LC at 3207-B Hermitage Rd, Richmond. Bill Phillips represented the Landlord.

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RESEARCH BRIEF: WHAT THE SPENDING REBOUND MEANS FOR INVESTORS

CONSUMER SPENDING GAINS STRONG IN SEPTEMBER

After the pace of retail sales growth slowed in August following the end of CARES Act stimulus, shoppers accelerated activity by 1.9 percent in September. Year over year, core retail sales are up 5.9 percent. A combination of healthy payroll growth, back-to-school spending, and disaster-relief unemployment aid supported the increase. Retailers in every state have been permitted to open their doors, though the capacity restrictions vary across the country. As the health crisis continues into the winter, the economic damage to retailers and the buildings they occupy will be uneven. Even with the widespread distribution of a vaccine, small retailers may be slow to return to densely populated areas.

PROPERTY PERFORMANCE CONTINGENT ON SPENDING

The third quarter added some clarity to the post-pandemic retail outlook. Mall retailers, which were already struggling prior to the health crisis, announced thousands of store closings over the past three months, pushing vacancy up approximately 80 basis points, according to early estimates. At neighborhood centers, the availability rate climbed just 30 basis points in the summer period as grocery stores were able to drive traffic. Year over year, retail sales at grocery stores have increased 9.6 percent. Occupancy at strip centers was unexpectedly sturdy during the third quarter as operators worked with tenants when possible.

BACK-TO-SCHOOL PERIOD BOOSTS RETAIL SALES

Many states in the Sunbelt and elsewhere resumed in-person schooling during September, resulting in an 11 percent gain in spending at clothing stores, the largest monthly rise. Department stores posted a

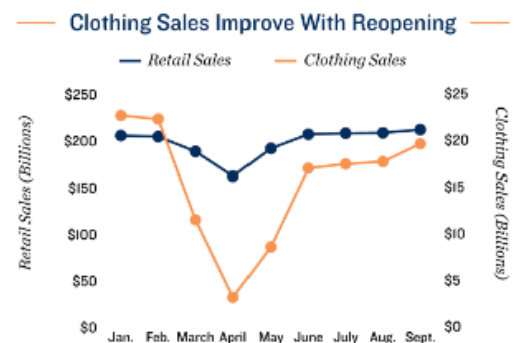
9.7 percent advance in September as well. The increase was propelled not just by students but also parents who are now free to resume a more regular work schedule and likely updated some of their wardrobe that was mothballed last spring. The third largest improvement was at sporting goods, hobby, musical instrument and book retailers, which increased 5.7 percent as organized extracurricular activities resumed.

POTENTIAL UPSIDE TO HOLIDAY SALES COULD EMERGE

Several factors may align to boost retail sales in the fourth quarter. The health crisis is not expected to be over for a large percentage of Americans even if the FDA approves a vaccine before year end. As a result, some proceeds that would normally go toward travel may be funneled into retail spending. Furthermore, traditional retailers may get a boost from a lack of alternatives, such as live entertainment options.

ANOTHER ROUND OF STIMULUS POSSIBLE

While stimulus talks have dragged on far longer than originally anticipated, there is some possibility that a deal will be reached after the election. Mounting pressure from both party caucuses is encouraging leadership to reach an agreement. Bipartisan support exists for extended unemployment benefits, the Paycheck Protection Plan, and individual checks. If unemployment benefits and stimulus checks arrive in time, a boost to holiday sales this year could prop up retailers that depend heavily on the season.



1.9%

Monthly Gain in Retail Sales in September

11%

Monthly Gain in Clothing Store Sales in September



NEW RICHMOND RESTAURANT HEADLINES

From food trucks to white tablecloths and everything in between, Richmond's restaurant scene is a sign that the economy is on the mend. According to CoStar, between the months of February and September, there has been a 10.4% rise in sales at food and beverage stores. Richmond's food scene is alive and well, so we've pulled together some of the latest highlights below.

KRUSTY KRAB RESTAURANT CRAWLING INTO FORMER METRO BAR & GRILL SPACE IN THE FAN

The Krusty Krab Seafood Grill and Bar plans to open at 301 N. Robinson St. in January. The restaurant took over the space Metro Bar & Grill occupied until it shuttered due to the coronavirus pandemic. The Krusty Krab will be the first for Yenci Lemus and her mother, though the co-owners have prior experience working in the industry.

TRIPLE CROSSING CROSSING THE RIVER WITH NEW CHESTERFIELD TAPROOM

A brewery from the city is taking a flight out to the suburbs. Triple Crossing Beer is preparing to open a location in Blackwood Development's 25-acre Winterfield Crossing mixed-use project in Midlothian. The brewery will open in a 3,000-square-foot standalone building designed by Perretz & Young Architects. Blackwood's Nolen Blackwood said the brewery also will have a few more thousand square feet of outdoor patio space facing a pond in the development.

RICHMOND'S FIRST FOOD HALL CONCEPT COOKING AT THE CURRENT IN MANCHESTER

A food hall is back on the menu for Richmond, with a local operator ready to open the city's first in Manchester. Dubbed Hatch Local, the food hall concept has signed on for 9,000 square feet at The Current, a mixed-use project by Lynx Ventures at 400 Hull St. Hatch Local will be operated by Hatch Kitchen, a two-year-old commissary kitchen and food and beverage incubator space also on the Southside. The food hall will include two outdoor dining areas, and nine stalls for food vendors to rent.

DAUGHTER OF MOM'S SIAM OWNER OPENING NEW RESTAURANT IN FORMER CITIZEN SPOT

After years of helping steer her family's longtime Thai restaurant, Lorna Bedford is ready to step out of her mom's shadow with her own venture. Bedford is preparing to open Native Plate at 1203 E. Main St. downtown, where Citizen operated for nearly 10 years before closing early in the pandemic. Bedford is the daughter of Sunisa Polishuk, or the "mom" of Mom's Siam in Carytown and Mom's Siam 2 in Shockoe Bottom. The family also has a stake in Pik Nik in the Fan and YaYa's Cookbook in Short Pump. Bedford's been working at her mother's restaurants for about six years, and the plans for Native Plate came together rather quickly over the summer.

STELLA'S GROCERY TO OPEN IN FORMER STARBUCKS SPACE ON GROVE AVENUE

Stella's Grocery, the local chain of neighborhood markets run by restaurateurs Katrina and Johnny Giavos, has scooped up a space on Grove Avenue, extending the brand's reach into the West End. The company recently inked a lease for a new location at 5802 Grove Ave., which had been home to Starbucks before it vacated in April.



Headlines Courtesy of BizSense, October 2020



FEATURED PROPERTIES

joynercommercial.net/property-search

Land	For Sale	Retail	For Lease	Land	For Sale	Retail & Parking	For Sale/Lease	Retail	For Sale/Lease
<p>4790, 4794, 4796, 4810 POUNCEY TRACT RD \$2,000,000 7,324 ACRES BILL PHILLIPS, CCIM (804) 967-2739</p> <p>Four parcels in Henrico County's West End off Pouncey Tract Rd. Located in Henrico's Suburban Mixed Use comp plan. 810' of continuous road frontage along Pouncey Tract. Water at street, sewer nearby. Strong area income demographics. 10,000 VPD. Area amenities include Striker Park, Pouncey Tract Park, Short Pump Middle, The Westmont at Short Pump, Bocova North.</p>	<p>104 SHOCKOE SLIP BOWERS BUILDING \$15.00 PSF (NN) 2,624 SF BILL PHILLIPS, CCIM (804) 967-2739</p> <p>Retail Storefront space available in Historic Shockoe Slip retail area with 79 walk score. Former Shockoe Espresso coffee shop space w/ successful 28-year track record. Creative cafe space with tin ceiling, warming kitchen and prep area. 1,092 apartments within a 1/4 mile. FF&E available separately for turnkey coffee/sandwich shop.</p>	<p>O SHANNON DR, FREDERICKSBURG \$975,000 751 ACRES COLEMAN STEWART (804) 967-2453</p> <p>Join Universal Dynamics, Carter Lumber, Fiber Technologies, Pepsi-Cola Co, Trussway, M&M Auto Parts, Print Innovators and more surrounding this wooded lot in Shannon Drive Industrial Park ready for development. Owners will consider a Build-To-Suit and/or a Ground Lease.</p>	<p>110 & 118 N 18TH ST \$900,000 5,757 SF; 26 SPACE PARKING LOT BILL PHILLIPS, CCIM (804) 967-2739</p> <p>Former Ponies & Pints restaurant/bar available for sale or lease at 110 N 18th Street between E Grace St and revitalized E Franklin St in Historic Shockoe Bottom. In addition, an adjacent 26-space paved parking lot on .208 acres at 118 N 18th St is also for sale or lease with the building. Proven profitable restaurant/bar location for 11 years. Large 16' x 48' enclosed patio with separate bar.</p>	<p>119 N 18TH ST \$825,000 4,603 SF \$6,000 NNN PER MONTH BILL PHILLIPS, CCIM (804) 967-2739</p> <p>Located in the historic Shockoe Bottom area of downtown Richmond, this Street Front Retail building is for sale or lease. Near Farmer's Market and other restaurant destinations. Proven profitable restaurant/bar location for 9 years. 2,555 apartments within 1/4 mile radius. Located in Enterprise Zone III.</p>					

Retails	For Sale	Industrial	For Lease	Office	For Lease	Land	For Lease	Retail	For Sale
<p>4800 RIVER RD \$135,000 1,320 SF TODD BUTTNER (410) 382-7109</p> <p>Property situated on corner lot with room to grow. Ample parking. Signage. Spacious convenience store with dining and gaming area. In-store kitchen for cooking. Refrigeration. Restroom</p>	<p>2101 DECATUR ST \$12.00 NNN; \$4,800/MONTH 4,800 SF EDDIE JACKSON (804) 238-9950</p> <p>This industrial warehouse with 4,800 sf of warehouse/shop and 960 sf of office space is available for lease immediately. Two 14' x 16' drive-in doors (Drive-thru bay and dock level addition possible). 16' ceilings, clear span warehouse. Shop space insulated. Load bearing mezzanine. Zoned light industrial. Large fenced and graveled yard.</p>	<p>6701 JANWAY RD \$7758.00 PSF 410-3,747 SF BILL PHILLIPS, CCIM (804) 967-2739</p> <p>2nd Floor office space available in this Office/Warehouse Building. 2nd floor walk-up office space with individual offices for lease. 4 offices plus high-end executive suite with separate bath. Office space sub-dividable down to 410 sf. Large bright open space. Great for call or training center, educational use or teaching pods. Rental rate of \$7.75 psf including electric & water (may be subject to cap).</p>	<p>RT 60 & RED LANE, POWHATAN \$299,950 1.8 ACRES BILL PHILLIPS, CCIM (804) 967-2739</p> <p>Located at signalized intersection. High visibility corner lot. 512' frontage along Anderson Hwy. Zoned A-10. Traffic Count: 26,000 VPD. Potential to purchase adj 8.4 ac under separate ownership.</p>	<p>1496 ANDERSON HWY \$399,900 3,300 SF COLEMAN STEWART (804) 967-2453</p> <p>Freestanding Former bank branch which can accommodate drive thru restaurant, office and retail. Zoned B-1, which can accommodate drive thru restaurant, office and retail. Located in downtown Cumberland. Less than a half mile from Cumberland County High School.</p>					

RECENTLY SOLD/LEASED

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

Recently Sold:

- Lamont Bagby purchased 1,555 sf of office/retail street condo at 212 E Clay St, Unit 1B in Richmond for \$200,000 from Anil Rathore and Tejbir Dhillon. Coleman Stewart represented the Seller in this transaction.
- ASA Real Estate Holdings, LLC purchased a 6,000 sf office building on 0.11 of an acre at 4118 E Parham Rd in Henrico for \$840,000 from MHH Builders, Inc. Bill Phillips represented the Buyer in this transaction.
- Ninety Three, LLC purchased a 13,500 sf mixed-use property at 520 N 25th St in Richmond for \$950,000 from Richmond Association of Masonic Lodges. Susan Haas represented the Seller in this transaction.

Recently Leased:

- 2,087 sf of office space renewed by Ramon Andrews Insurance Agency @ 2727 Enterprise Pky in Henrico. Cheryl Hamm and Bill Phillips represented the Landlord in this transaction.
- 2,079 sf of office space leased by Recover Together, Inc at 240 Executive Center Pkwy in Fredericksburg. Coleman Stewart represented the Landlord.
- 1,130 sf of retail space leased to Al's Guns at 4501 Williamsburg Rd in Henrico. Eddie Jackson represented the Tenant in this transaction.
- 1,072 sf of office condo space leased by XP Marketing Agency @ 400C Southlake Ct in N Chesterfield. Bill Phillips represented the Landlord.
- 560 sf of office space extended by Tamara Smart @ 2727 Enterprise Pkwy in Henrico. Bill Phillips represented the Landlord.



2727 Enterprise Parkway | Richmond, VA 23294

PHONE: 804-270-9440

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MARKET UPDATE

GREATER RICHMOND COMMERCIAL REAL ESTATE

by Joyner Commercial

- › Research Brief: What the Spending Rebound Means for Investors
- › New Richmond Restaurant Headlines
- › Richmond by the Numbers
- › Joyner Commercial Featured Properties

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COMMERCIAL NEWS

THE FUTURE OFFICE: WHAT, WHERE & HOW OFTEN

While working from home does provide the potential for reduced real estate cost for companies, offices provide their own benefits that are difficult to replicate. A 2015 study out of Stanford University found that, while there were significant productivity gains from allowing workers to work four out of five days a week at home, roughly half of those workers chose to return to the office, saying they felt lonely and depressed working from home full time. These workers decided that they gained more from going into the office, despite an additional 40-minute commute on average.

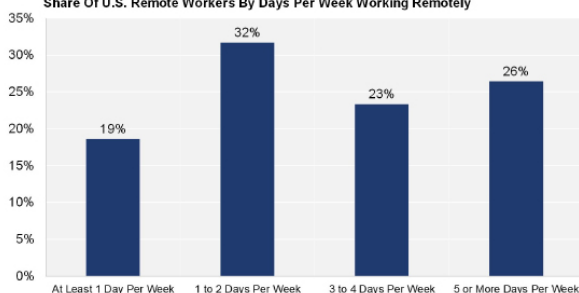
Remote working does provide a productivity boost when a worker is doing individual work, such as coding or writing a report, but face-to-face contact is still important for collaboration. Sharing ideas and building a team culture and morale are all difficult to do remotely. A Harvard Business Review study found that remote workers communicated 80% less about their projects compared to workers in the office.

WORKING FROM HOME PART TIME WILL BE JUST RIGHT FOR MOST

Prior to the pandemic, 25% of the U.S. labor force worked from home at least occasionally, but just 8.1% did so one day or more per week according to a report issued last fall from the Bureau of Labor Statistics. The research and consulting firm Global Workplace Analytics estimates that 56% of jobs in the U.S. could be performed from home and that between 25% to 30% of the workforce will be working remotely on multiple days per week by the end of 2021, which, if proven correct, would represent a remarkable five-fold increase in remote working versus the pre-pandemic level.

Most Remote Working Is Done on a Part-Time Basis

Share Of U.S. Remote Workers By Days Per Week Working Remotely



Sources: U.S. Bureau Of Labor Statistics, Job Flexibilities And Work Schedules — 2017-2018. Data From The American Time Use Survey, CoStar Advisory Services

Updated July 2020
Data as of 2018
CoStar

PART TIME WORKING FROM HOME WILL LIMIT MIGRATION

The seismic shift to working from home should begin to affect migration patterns across the U.S., but given that the vast majority of remote working will likely be on a part-time rather than full-time basis, we expect that the migration will mostly occur on an intra-market rather than inter-market basis. It is true that if workers were to work from home full time, there would likely be some shift to cheaper, more desirable markets.

If companies are looking to utilize the office more efficiently and maximize the benefits of both working from the office and at home, then what the office looks like going forward should also change.

SOCIAL DISTANCING WILL KEEP OFFICE DEMAND STEADY FOR NOW, BUT EVENTUALLY, FIRMS WILL SEEK EFFICIENCIES

Social distancing in the office will be a reality for as long as COVID-19 is an active threat. But this too shall pass. Market participants need to plan for not only the near-term return to the office, but also the longer-term implications of a permanent, increased remote workforce. In the post-lockdown era, if hot-desking and other agile workplace designs are eventually accepted as common practice and implemented widely, this would have the effect of substantially reducing the overall demand for office space.

While this may be bad news for the office market overall, there will be winners and losers. Modern, four- and five-star quality properties in dynamic urban centers should see demand hold up best, whereas average- to poor-quality assets may face an increased threat of obsolescence. Despite the near-term fears associated with dense, urban areas due to the pandemic, central locations have by far the greatest access to talent thanks to transportation infrastructure that is built to serve these areas. A world in which 30% of the workforce is working from home on any given day would also have the effect of easing congestion on highways and transit, making urban centers more attractive, not less.

The Future Office: What, Where, and How Often- CoStar Insight, Joseph Biasai and Paul Leonard, July 2020



LOAN RELIEF AND COMMERCIAL REAL ESTATE'S RESPONSE TO THE COVID-19 PANDEMIC

As the days tick by and calendars flip from one month to the next, that means rents and mortgage payments are due for the commercial real estate industry. But in such a fluid situation, where businesses are open one day and closed the next, what can lenders do to survive the next two, six, or 12 months?

CCIM Institute spoke with two executives from national lending firms to understand how landlords - and to a lesser degree, tenants - can best prepare for possibly negotiating rent or mortgage relief. Take a look at the following loan relief checklist and a brief Q&A detailing one portfolio manager's view on the situation as a whole.

WHAT LENDERS MAY EXPECT IN THE SHORT-TERM

- Borrowers are expected to make payments and be current with all loans
- Forbearance requests will be reviewed on a case-by-case basis
- Lenders may require borrowers and guarantors to enter a pre-negotiations agreement
- Borrowers should contact lenders and/or loan servicers for guidance

WHAT MAY BE NEEDED FOR FORBEARANCE REQUESTS

- A written request with reasons, duration, and any relevant correspondence from tenants
- Financial projections for the next 12 months, assuming tenant requests are granted
- 2019 year-end property financial statements and rent roll.
- Year-to-date property financial statements and rent roll
- Current borrower and guarantor financials
- 2019 and 2020 YTD financial statements of any owner-occupier

BORROWERS WILL BE HEARING FROM TENANTS REQUESTING RENT RELIEF. IS IT REASONABLE FOR THEM TO EXPECT

LENDERS TO LOOSEN LOAN DOCUMENT REQUIREMENTS TO FACILITATE THESE TENANT-LANDLORD NEGOTIATIONS?

It's tempting to tell landlords of retail outlets and restaurants to go cut the best deal you can, but a value check is necessary at some point. The communication between landlords and major tenants is crucial.

We expect to be reasonable. While this is going to be a deal-by-deal conversation, you can divide it by big tenants and small tenants. There won't be a bright red line of demarcation, but I think we can agree to a line and make reasonable requirements for each party.

THE COVID-19 PANDEMIC DOESN'T EXACTLY HAVE AN END DATE. HOW CAN LENDERS, LANDLORDS, AND TENANTS BEST PREPARE FOR THE FUTURE IN SUCH A FLUID SITUATION?






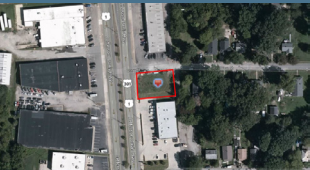




A plea was made to the National Association of Insurance Commissioners and the Mortgage Bankers Association on behalf of firms. In particular, we need the NAIC to provide some guidance and relief, like the FDIC did for banks. That would enable us to structure some of these loan modifications. We're trying to remain flexible.

For example, do I need to do one, six-month forbearance, or can I do two, three-month forbearances? Does that second one push the loan into a troubled debt restructure (TDR)? I don't know the answer to that just yet.

We'd like to have answers in a matter of days, rather than weeks or months. Rent and payments are due April 1. State governors are listening and working on it. The MBA's letter went out the week of March 23, so they've only had a few days. I'm hopeful.

DO YOU SEE OTHER FACTORS AT PLAY IN LENDER-BORROWER NEGOTIATIONS?

Every day, I see one more news item reporting that they're going to rely on force majeure. I don't know what that sticky wicket means yet. That will be something that winds its way through the courts. I don't know if borrowers, lenders, and tenants are going to come to an agreement on that without a court or government regulation providing a clear definition.

<p>Retail For Sale</p>  <p>4900 E MILLRIDGE PKWY \$599,000 3,365 SF BILL PHILLIPS, CCIM (804) 967-2739</p> <p>Free-standing building. Former bank with three drive-thru lanes. Monument sign w/ other Tenants on Hull Street. C-2 zoning allowing for variety of retail uses. Strong retail presence directly across Rt 360. Good daily traffic volume on secondary road. Area population is trending up.</p>	<p>Office For Sale</p>  <p>7511 WHITEPINE RD \$1,199,000 10,920 SF BILL PHILLIPS, CCIM (804) 967-2739</p> <p>Free standing office building for sale on approximately 3 acres. Located adjacent to the Chesterfield County Airport. Convenient to Chesterfield County Government complex with immediate access to Route 288 at Route 10. Convenient to Chesterfield Government complex and airport. Park-like setting. Great for corporate HQ or call center Full building Generac back-up generator.</p>	<p>Office For Lease</p>  <p>2300 N LOMBARDY ST \$15.00 PER MONTH (FS) 440-600 SF EDDIE JACKSON (804) 238-9950</p> <p>Near VUU in the Fan District. Shared Common Area Amenities: Gym, Cafe & Conference Room. Great Business Incubator for Entrepreneurs. Centrally Located to Downtown Richmond & I-95. Opportunity Zone surrounded by Redevelopment/New Construction of MF Units. Short-Term Leasing Available.</p>	<p>Office For Lease</p>  <p>10160 STAPLES MILL RD \$850.00 PER MONTH 235 SF BILL PHILLIPS, CCIM (804) 967-2739</p> <p>Fully furnished professional office space suitable for 1 or 2 persons. Includes all utilities, janitorial services, wi-fi access and telephone. Use of common area amenities, such as client waiting area, receptionist desk, conference rooms, and break room. This office space is located within a law firm but has easy ingress/egress without interrupting the other services provided within the space.</p>	<p>Office/Retail For Sale</p>  <p>4114 DILL RD \$290,000 1,009 SF EDDIE JACKSON (804) 238-9950</p> <p>Great all brick building is move-in ready condition for any general commercial business. Completely renovated from a former Salon & Spa with several small rooms to accommodate offices, retail store or service business.</p>
<p>Land For Sale/Lease</p>  <p>3901 JEFFERSON DAVIS HWY \$115,000 0.197 ACRES EDDIE JACKSON (804) 238-9950</p> <p>Corner lot available for sale or ground lease with build-to-suit opportunity in Richmond's Southside Villa Heights.</p>	<p>Mixed Use For Lease</p>  <p>3101-3103 E MARSHALL ST \$8.00 PSF (BASEMENT) 2,208 SF \$16.00 PSF (1ST FLOOR) 733-1,039 SF EDDIE JACKSON (804) 238-9950</p> <p>New construction for a commercial development in a mixed-use project consisting of 9 residential and 3 commercial units in the heart of Church Hill. Pre-leasing space now for Retail/Restaurant use on the first floor and basement. Basement will have a separate entrance which makes for a great food production/catering or studio space. Delivery expected Fall/Winter 2020.</p>	<p>Office Condo For Lease</p>  <p>400 C SOUTHLAKE BLVD \$980 PER MONTH (FS) 1,072 SF BILL PHILLIPS, CCIM (804) 967-2739</p> <p>Nice office condo in convenient Chesterfield location off Courthouse Road near Midlothian Turnpike. This second-floor walk-up space has a separate suite entrance, large open space, kitchenette and half bath with a loft office above on a third floor. Interior has been freshly painted and shows well. There are two parking spaces and plenty of other parking nearby.</p>	<p>Retail For Lease</p>  <p>1105 N ARTHUR ASH BLVD \$15.00 PSF (NNN) 4,280 SF BILL PHILLIPS, CCIM (804) 967-2739</p> <p>This standalone building is ideal for a creative office/retail or auto related use with a showroom in the front and a three bay door garage in the rear. There is off-street parking for 5 vehicles and pylon signage available.</p>	<p>Retail For Sale</p>  <p>1496 ANDERSON HWY \$399,900 3,300 SF COLEMAN STEWART (804) 967-2453</p> <p>Freestanding 3,300+/- square foot building. Former bank branch which can accommodate drive thru restaurant, office and retail. Zoned B-1, which can accommodate drive thru restaurant, office and retail. Located in downtown Cumberland. Less than a half mile from Cumberland County High School.</p>

RECENTLY SOLD/LEASED

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

Recently Sold:

- Speaking Spirit Ministries, International, Inc. purchased a 16,055 sf specialty building on 2.23 acres at 10124 Royerton Drive in Henrico from Faith Baptist Church of Richmond dba Reach RVA for \$1,100,000. Eddie Jackson represented the Purchaser in this transaction.
- HGF Properties, LLC purchased a 2,664 sf office/industrial building on 7585 acres at 11614 Busy Street in N Chesterfield from Busy Street Properties, LLC for \$320,000. Bill Phillips represented the Purchaser in this transaction.
- BH Properties, LLC purchased 1,068 sf retail condo at 21 W Brookland Park Blvd in Richmond from Joseph M. Carter for \$60,000. Eddie Jackson represented the Seller in this transaction.

Recently Leased:

- 4,245 sf of retail space leased by Richmond Center for Christian Study at 8914 Patterson Ave. Bill Phillips represented the Tenant.
- 1,455 sf of retail space leased by Vagabones LLC dba Pizza Bones at 2314 Jefferson Ave. Susan Haas represented the Tenant.
- 1,043 sf of office space leased by Steiner Business Solutions, LLC at 2727 Enterprise Pkwy. Cheryl Hamm and Bill Phillips represented the Landlord in this transaction.
- 948 sf of office space renewed by Leon Litz at 9001 Three Chopt Rd in Henrico. Cheryl Hamm represented the Landlord in this transaction.
- 908 sf of retail space leased by The Confident Barber, LLC at 11051 Three Chopt Rd in Henrico. Bill Phillips represented the Landlord in this transaction.

NEWS YOU CAN USE

COMMERCIAL NEWS

GUIDANCE FOR RENT RELIEF REQUESTS

The COVID-19 pandemic continues to disrupt public health and economic activities across the globe. While the full effects of the virus remain to be seen, commercial real estate professionals need to be prepared for what could be a challenging time.

Relationships between tenants and landlords will be disrupted as millions of people shelter in place, thousands of businesses close their doors, and the U.S. economy faces its biggest challenge since the 2007-2009 Great Recession. How Landlords Can Respond

As retail outlets across the country close, it is only a matter of time before tenants approach landlords about negotiating rents. When a business closes suddenly, even if it's temporarily, the tenant cannot produce rent, meaning a landlord may have difficulty paying a mortgage (if there is one). There are no winners in this situation. Here are some viable alternatives to mitigate this issue:

- **Rent Reduction:** The landlord can reduce the tenant's rent for a portion or all of the term left on the lease. The usual forms of rent reduction are to reduce the base rent, operating expenses, or both. In regard to retail, it is possible to convert base rent to percentage rent.
- **Rent Deferral:** In this case, the landlord can defer a portion of the tenant's rent but would require them to repay the rent deferred at a later time, either in a lump sum or by increasing subsequent payments. A variation of rent deferral could be to cap or set a base year to operating expenses for a short or extended period of time.
- **Rent Abatement:** If a tenant is significantly past due on rent payments, a landlord may agree to forgive a certain amount of the past due rent if the tenant remains current thereafter.
- **Loan Conversion:** Rather than abating past due rent, a landlord may agree to convert past due rent into a loan payable over time. The tenant would, however, continue to pay current rent. The loan

is then evidenced by a promissory note that is cross-defaulted with the lease.

- **Application of Deposit:** If the landlord holds a deposit, this amount could be credited against the tenant's current obligations.
- **Subletting:** Bringing in a new tenant (for part of or all of the rented space) could reduce or eliminate the rent obligations while replacing revenue for the landlord.

How Can Tenants Respond?

- Review your lease to see if your rent is simply base rent or it includes pass-through expenses. How much are these expenses and are they set to increase?
- When does your lease end? What renewal options are available?
- What constitutes a default of the lease? What tools are available to the landlord in such a case (penalties, eviction, interest, etc.)?
- Does your landlord hold a security deposit? If so, how much is it?
- Review operating covenants and co-tenancy.
- Speak to your insurance agent to see what coverages are maintained by each party. Know your options to file a claim under existing insurance.
- Does the lease include force majeure, excusing a party's performance due to outside circumstances?
- Explore governmental relief programs, which may be popping up quickly, for tax relief, access to loans, relaxed restrictions/regulations, etc.
- Consider consulting a lawyer to know your options in limiting your financial obligations.
- Based on our current financial position, understand what concessions you would need from your landlord in both best- and worst-case scenarios related to COVID-19.
- Contact your landlord and specifically outline how your business is being impacted by the COVID-19 pandemic. Arrange a meeting and be prepared with data to have an open conversation to identify a solution or combination of solutions.
- For additional tenant resources, please visit Capital Rivers Commercial's Community Resources and Assistance Amidst COVID-19 page.

Richmond by the NUMBERS



2,554 Downtown Richmond
Businesses

More than **800**
housing units
currently under
construction

80,000+ Downtown
Employees



9,180

Male-Owned Firms

7,426

Female-Owned Firms

7,859

Minority-Owned Firms



6.7%
Vacancy Rate

Overall Asking
Rent (Class A)

\$24.97
per SF

8.5%
Availability Rate

40% Increase in resident
housing since 2010

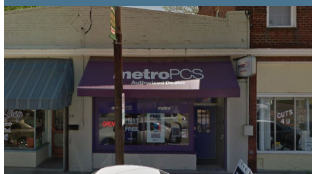
Retail/Office For Sale



4114 DILL RD
\$305,000 | 1,009 SF
EDDIE JACKSON | (804) 238-9950

Great all brick building is move-in ready condition for any general commercial business. Completely renovated from a former Salon & Spa with several small rooms to accommodate offices, retail store or service business.

Retail For Sale



21 W BROOKLAND PARK BLVD
\$150,000 | 1,068 SF
EDDIE JACKSON | (804) 238-9950

This portion of a one-story building is for sale and is ideal for general retail/service in the Northside of Richmond City in the heart of Brookland Park with approximately 20 feet of sidewalk frontage.

Retail For Lease



1105 N ARTHUR ASH BLVD
\$15.00 PSF (NNN) | 4,280 SF
BILL PHILLIPS, CCIM | (804) 967-2739

This standalone building is ideal for a creative office/retail or auto related use with a showroom in the front and a three bay door garage in the rear. There is off-street parking for 5 vehicles and pylon signage available. Located on the trendy and thriving N Arthur Ashe Blvd and highest visibility corridor to Scott's Addition, this versatile property is proximate to major retailers and eateries.

Mixed Use Development For Lease



3101-3103 E MARSHALL ST
\$8.00 PSF (BASEMENT) | 2,208 SF
\$16.00 PSF (1ST FLOOR) | 733-1,039 SF
EDDIE JACKSON | (804) 238-9950

New construction for a commercial development in a mixed-use project consisting of 9 residential and 3 commercial units in the heart of Church Hill. Pre-leasing space now for Retail/Restaurant use on the first floor and basement. Basement will have a separate entrance which makes for a great food production/catering or studio space. Delivery expected Fall/Winter 2020.

Industrial For Lease



680 SCATTERGOOD DR NW
\$3.75 PSF (NNN) | 88,900 SF
COLEMAN STEWART | (540) 841-5383

This 133,000 square foot building is well suited for manufacturing and distribution. One of the larger industrial buildings available in SW Virginia. Willing to put \$ toward improvements. Splitting up the space for multiple tenancy is an option.

Office Condo For Lease



400 C SOUTHLAKE BLVD
\$879 PER MONTH (FS) | 1,072 SF
BILL PHILLIPS, CCIM | (804) 967-2739

Nice office condo in convenient Chesterfield location off Courthouse Road near Midlothian Turnpike. This second-floor walk-up space has a separate suite entrance, large open space, kitchenette and half bath with a loft office above on a third floor. Interior has been freshly painted and shows well. There are two parking spaces and plenty of other parking nearby.

Office For Lease



2727 ENTERPRISE PKWY, SUITE 105
\$15.00 PSF | 1,043 SF
CHERYL HAMM, CCIM | (804) 967-2765

Small office located on first floor. Open Floor Plan w/One Large Office and a Supply Room on the Window Wall. Handicap accessible. Easy access to W. Broad for restaurants and shopping. Near Henrico Courts and Administration Buildings. Minutes for I-64/Glenside.

Office/Retail For Lease



COLUMBIAN BLOCK
\$15.00 PSF | 900 SF (OFFICE)
\$15.00 PSF | 2,012 SF (RETAIL)
BILL PHILLIPS, CCIM | (804) 967-2739

Located in historic downtown Richmond in Shockoe Slip adjacent to The Martin Agency. 101 Shockoe Slip, Suites M & N Combined - 2nd floor office space, Full Service 1307 E Cary St - 1st floor storefront retail space, Rent net electric

Office For Sale/Lease



7255 MECHANICSVILLE TPK
\$3,500 PER MONTH | 2,576 SF
SALE PRICE UNDISCLOSED
COLEMAN STEWART | (540) 841-5383

This very spacious office space located right off the elevator lobby on the 2nd floor contains an open floor plan as well as private offices, conference room, storage, kitchenette and reception area. Great location off of Parham Road, in close proximity to retail and I-64.

Special Purpose For Lease



2300 FAIRMONT AVE
\$325,000 | 4,284 SF
EDDIE JACKSON | (804) 238-9950

Prime 25th St frontage for this corner property consisting of 14,784 sf church building with 5 vacant parcels zoned B-2. An ideal location for mixed use development.

RECENTLY SOLD/LEASED

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

Recently Sold:

- 8,520 sf mixed use building on 0.2 acres known as 2208 North Avenue in Richmond was purchased by 2208 North Ave, LLC for \$340,000 from Kun H Lee & Kwang I Lee. Eddie Jackson was the listing and selling agent for this transaction representing the Seller.

Recently Leased:

- 20,000 sf of warehouse space leased in an expansion of American Builders & Contractors Co, Inc. at 680 Scattergood Dr NW. Coleman Stewart represented the Landlord.
- 11,342 sf of office space leased to Discovery Counseling & Consulting at 7760 Shrader Rd. Bill Phillips represented the Tenant.
- 5,502 sf of office/warehouse space leased to Bell BCI Company, LLC at 711 Hospital St. Bill Phillips represented the Tenant.
- 2,311 sf of office space leased to The Barnabas Center at 7113 Three Chopt Rd. Bill Phillips represented the Tenant.
- 2,121 sf of office space extended by Family Focus at 2727 Enterprise Pkwy. Cheryl Hamm and Bill Phillips represented the Landlord.
- 1,338 sf of office/warehouse extended by Goochland Garage Gym, LLC at 1145 Tricounty Dr. Bill Phillips represented the Landlord.
- 1,084 sf of retail space extended to Kahler Slater, Inc. at 104 Shockoe Slip. Bill Phillips represented the Landlord.