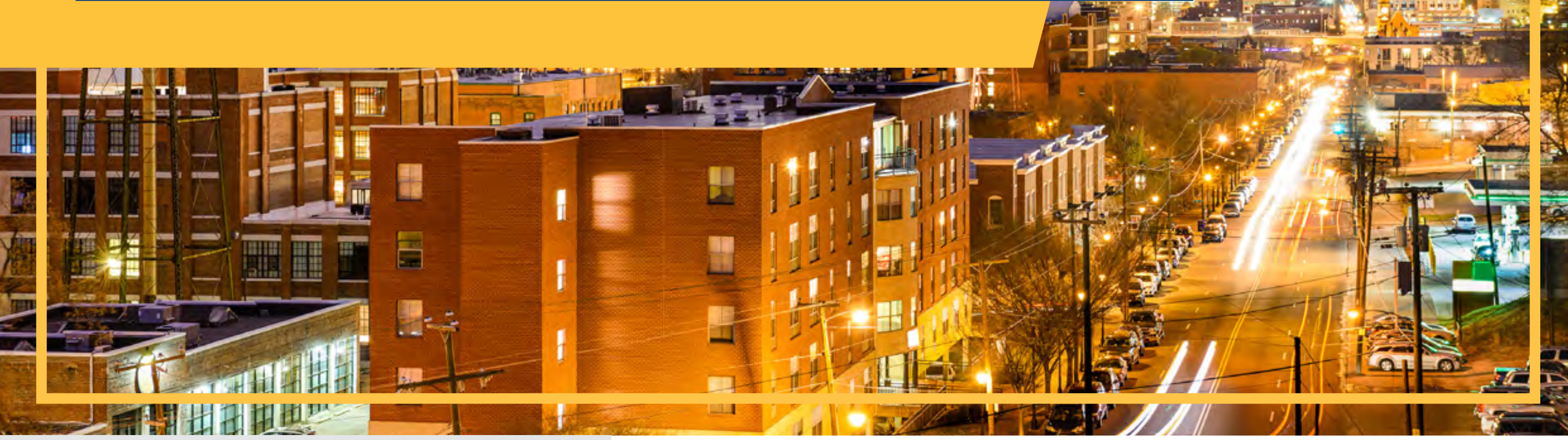
JOYNER COMMERCIAL

WINTER 2021

MARKET UPDATE



Greater Richmond
Commercial Real Estate

CRE Executives Make Their 2021 Predictions For The Industry

"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.

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 I Matthew Rothstein I BisNow.com I January 3, 2021

SOLD/LEASED IN Q4 2020

See all our listings at: 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.

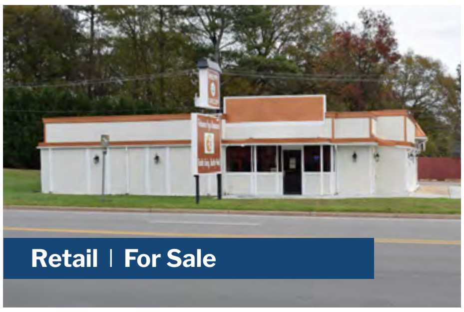
Source: Richmond BizSense I 2020

FEATURED PROPERTIES

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.

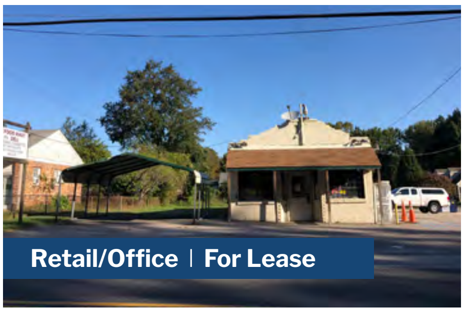
4900 E MILLRIDGE
$499,000 | 3,365 SF
Bill Phillips, CCIM | (804) 967-2739
Zoned C-2, this free-standing former bank branch with three drive-thru lanes allows for a variety of retail uses. Monument sign w/other Tenants on Hull Street.

O 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.



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.

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.



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.

JOYNER COMMERCIAL

2727 ENTERPRISE PARKWAY
RICHMOND, VA 23294
Phone: 804-270-9440
JoynerCommercial.net

GRACRE GREATER RICHMOND ASSOCIATION FOR COMMERCIAL REAL ESTATE

CCIM

ALC ACCREDITED LAND CONSULTANTS REALTORS' LAND INSTITUTE

FALL 2021

MARKET UPDATE

Greater Richmond Commercial Real Estate

Richmond, Virginia Office Market Sees Improvement

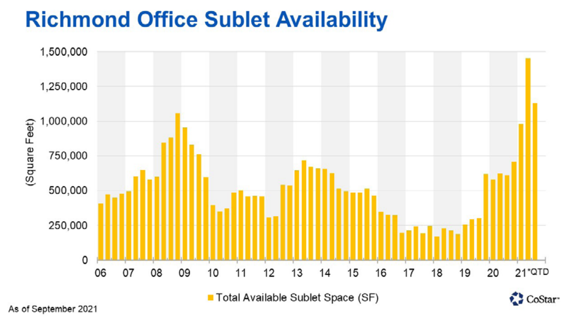
Richmond, Virginia's office market has begun to show signs of structural improvements in recent months.

In particular, both the second and third quarters of this year posted positive net-absorption figures, meaning more move-ins than move-outs. The last time the market registered back-to-back quarters of positivity from a demand perspective was in late 2018 and early 2019. That has aided in erasing some of the vacancy expansion that happened from early 2020 through March of this year.

Similar to the nation as a whole, one of the central contributors to the expansion of vacancies in Richmond since the beginning of 2020 has been office-using tenants opting to shed space amid the pandemic. That has been best evidenced by the rapid rise in sublet availability throughout the greater Richmond area.

At the beginning of 2020, just over 575,000 square feet of office space was on the market and available for sublease. By the close of June 2021, that total exceeded 1.4 million square feet. That was a 15-year high mark for the area and easily surpassed the previous record of just over 1 million square feet, in late 2008.

Despite the surge in sublet availability over the past 19 months, it appears that the flurry of options coming to market has begun to subside. In fact, as of September, Richmond's total sublet availability had dipped to just over 1.1 million square feet. While that still stands as a remarkably high total for the Richmond area as compared to its history, it may suggest a slowing from tenants opting to place sizable swaths of space on the market for sublease.



Tenants have been flocking to sublet availabilities too, as more than 385,000 square feet of office space has been subleased thus far in 2021. From 2016 through 2020, the average amount of office space subleased was just over 150,000 square feet. Furthermore, the previous annual high mark over that period barely eclipsed 240,000 square feet, in 2016.

If this trend holds, it could mean that sublease availability continues to place pressure on direct space. After all, among sublet availabilities with a known term, more than 70% of that space has a term that expires at least three years from now.

More US Companies Are Opting to Sublease Space

For the first time since the onset of the pandemic, the amount of available office sublet space across the United States has fallen quarter over quarter. Through late September, roughly 205 million square feet of office space was being advertised as sublet availability, down from more than 207 million square feet at the end of the second quarter.

But while this is undeniably a positive sign for the office sector, it isn't time for office owners to celebrate just yet. The amount of sublet space on the market remains near record levels and remains far above the pre-COVID average and the Great Recession-era peak, according to CoStar data. Furthermore, sublet availability shrunk only slightly, despite record sublet leasing activity, a sign that even though a lot of sublet space is being leased, plenty more is flooding the market.

Office sublet availability has leveled off because companies across the country increasingly are opting to lease sublet space from another firm rather than renewing or choosing direct space from a landlord. The percentage of sublet space leased as a portion of all rentable building area rose to a record high in the third quarter 2021. About 13.8% of all office space leased in the third quarter involved a sublet deal, up from 10.8% in the second quarter.

In comparison, the quarterly average from 2015 to 2019 was roughly 7.4%. The third quarter figure also dwarfs the prior peak of 10.9%, which was recorded in the second quarter of 2008 in the early months of the Great Recession.

The increase in sublet leasing activity was driven by a handful of large deals in the third quarter. For example, financial services firm DailyPay signed for 137,000 square feet at 55 Water St. in New York in September. The firm is taking over space put on the market by S&P Global.

In August, customer service outsourcing company Telus International backfilled 80,000 square feet that Comcast put up for sublet in Charleston, South Carolina. And in the Richmond, Virginia, area, government services firm Maximus leased a 158,400-square-foot space to serve as a call center, backfilling a former back-office location for Capital One.

One consequence of the prevalence of office sublet availability is that it gives tenants more options to choose from when shopping for new space. Furthermore, sublet space often rents at a discount to direct space, and can also provide additional perks, such as free or discounted furniture and high-end build-outs that are already in place. And because sublet space typically rents at a discount to direct space, it often allows firms to cut costs while expanding or trading up to higher-quality office space.

While the worst might be over for the office sector, a full, robust recovery is contingent on the still-evolving public health situation. Furthermore, for the sector to recover to pre-pandemic performance, office users will need to start looking to expand their physical footprints rather than reduce office commitments.

Until leasing volume meets or exceeds pre-pandemic norms and the amount of sublet availability returns to pre-pandemic levels, it will likely remain difficult for owners to push rents and for developers to justify large-scale speculative construction in most office districts.

Sources: Richmond, Virginia's Office Market Sees Signs of Improvement I Michael Cobb I CoStar I September 20, 2021
More US Companies Are Opting to Sublease Space I David Kahn I CoStar I September 27, 2021

SOLD/LEASED IN Q3 2021

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

Recently Sold:

- 3,365 sf office/retail building on 0.60 ac at 4900 Millridge Pkwy for $479,000. Bill Phillips represented the Seller.
- 1,320 sf retail building on 0.23 of an ac at 4800 River Rd for $117,000. Todd Buttner represented the Seller.
- 3.54 ac of undeveloped land at 4230 E Parham Rd for $300,000. Newton Carroll represented the Seller.
- 0.74 ac of mixed-use land at 4921 S Old Hundred Rd for $162,000. Bill Phillips represented the Seller.

Recently Leased:

- 4,230 sf of retail space at 1105 N Arthur Ashe Blvd in Richmond. Bill Phillips represented the Landlord.
- 3,618 sf of retail space at 6 N 19th St in Richmond. Rob Brown & Bernard Heyward represented the Tenant.
- 3,137 sf of office space at 4112 Innslake Dr in Glen Allen. Rob Brown & Bernard Heyward represented Tenant.
- 2,400 sf of retail space at 1568 Standing Ridge Dr in Powhatan. Bill Phillips represented the Landlord.
- 2,248 sf of retail space at 403 E Laburnum Ave in Richmond. Todd Buttner represented the Tenant.
- 1,100 sf of office space at 577-B Southlake Blvd in Richmond. Lebs Breeden represented the Landlord.
- 1,100 sf of retail space at 4915 W Broad St in Richmond. Lebs Breeden represented the Tenant.
- 862 sf of office space at 203 Twinridge Ln in Richmond. Rob Brown & Bernard Heyward represented the Tenant.

What's New in RVA

World Class Ice Skating Facility

Chesterfield County officials are lining up a world class ice skating facility to serve as an anchor of a new high-end mixed-use development being planned in suburban Richmond, Virginia.

The facility is set to be the only venue in the greater Richmond area to feature two NHL-size ice rinks. Plans include seating and amenities appropriate to host tournaments and special events.

Scott's Addition 12-Story Tower

A five-story mixed-use building is being planned to replace a 50-year-old warehouse in Jackson Ward.

Over a dozen apartments plus commercial space would make up the new building at 210 W. Marshall St. It would rise across the street from the Richmond Dairy apartments and a few doors down from the recently-renovated Gallery5 building.

Jackson Ward Mixed-Use Building

The $62 million project from veteran Richmond developers Louis Salomonsky and David White is not only repurposing the former Quality Inn & Suites building at 3200 W. Broad St., but also adding a new six-story parking garage behind it and a new-construction apartment tower that, at 12 stories in height, is set to be the tallest building in Scott's Addition.

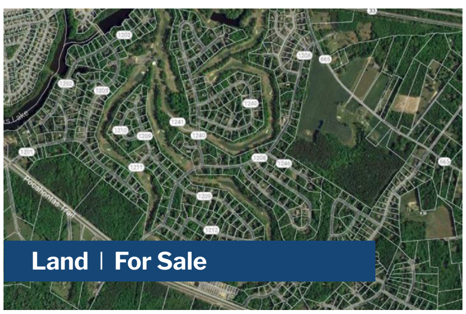
Source: Richmond BizSense I CoStar I 2021

FEATURED PROPERTIES

LAKE ANNA COMMERCIAL LAND
$150,000 | 3.316 ACRES
LEBS BREEDEN | (804)536-3933
Land fronting on Haley Dr & corner of Kentucky Springs Rd. Property zoned C-2 for comm. use. Site is ideal for stand-alone retail, gas station, quick-service, self-storage, or outpatient health facility.

3200 DEEP CREEK BLVD
$105,000 | 2,386 SF, 0.07 AC
ROB BROWN | (804)651-5685
BERNARD HEYWARD | (804)317-7777
Former Restaurant/Cocktail Lounge located in LTD of Portsmouth is an ideal investment opportunity for redevelopment of this comm. property.

626 PLANK RD
$200,000 | 3,482 SF ON 1.42 ACRE
SUSAN HAAS | (804) 349-5788
Excellent Condition - Brick 1-story building with approximately 80 parking spaces zoned A2. The open lay-out could potentially accommodate any of the uses allowed by-right



POCAHONTAS TRAIL, LOT 6
$899,000 | 15.01 ACRES
NEWTON CARROLL | (804)439-3813
TODD BUTTNER | (410)382-7109
Vacant Lot for Commercial/Industrial use on Route 60 Bottoms Bridge/Pocohantas Trail in New Kent County.

1309 E CARY ST, STE 101
$17.00/SF | 2,100 SF
BILL PHILLIPS | (804)967-2739
Nicely renovated office space w/ conference area & kitchenette. Open concept w/ exposed brick & ceiling. The rental rate is net of electric, gas & janitorial.

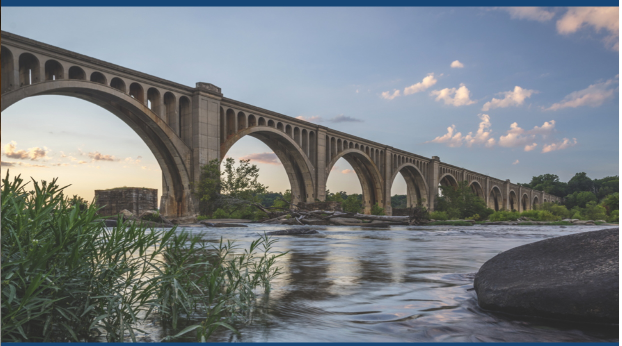
1010 N 7TH ST
PRICE NEGOTIABLE | 0.068 OF ACRE
TODD BUTTNER | (410) 382-7109
Land parcel with no wetlands and 199.75 feet of lot frontage. Located right off I-95 and I-64. Exposure to high traffic volume.

SUMMER 2021

MARKET UPDATE

Greater Richmond
Commercial Real Estate

The State of Commercial Real Estate- Industrial, Retail, & Office



Companies Leased More Than 300 Million SF of Warehouses in Second Quarter of 2021

National demand for warehouses and other industrial buildings shattered sales, leasing and construction records at mid-year as people flock to buy goods online and, increasingly, at physical stores as the pandemic wanes.

Tenant deals, sales and construction recorded all-time highs in the second quarter, with total leasing almost certain to exceed 300 million square feet nationally for the first time, according to CoStar.

Leasing by total square footage was up at least 30% to 40% in the quarter from pre-pandemic levels in the nation's logistics and manufacturing hubs, "stronger than what many of the largest U.S. markets can even handle," Adrian Ponsen, CoStar's director of market analytics, said in a video presentation of second-quarter 2021 data.

Shoppers are buying furniture, sporting goods, clothing and other items at record levels with cash from government stimulus checks and savings at both online and at brick-and-mortar stores, Ponsen said. The need to ship and store goods has caused a mad scramble by landlords and developers to buy, lease and build logistics space as economies across the United States reopen more than 16 months into the pandemic.

Signings have more than doubled in such smaller cities as Las Vegas, Huntsville, Alabama, and Scranton, Pennsylvania as they skim demand from more established distribution hubs such as Southern California and central Pennsylvania, where developers can't build warehouses fast enough, he added.

U.S. builders set quarterly records for the amount of space under construction, surpassing 400 million square feet in a second quarter for the first time in history, Ponsen said.

Leasing increases paired with industrial rent growth exceeding 5% in most large cities caused investors to shell out at least $29 billion to buy property, also the highest total ever recorded at the end of a second quarter, he added.

Some store types have reported sales up by 20% or more, and in some cases much more. These include many that were among the worst hurt by the early months of the pandemic. The most drastic example is the hobby store category, encompassing sporting goods, book, toy and game stores.

Retail Property Market Bounces Back Nationwide

The retail sector has shown resounding strength through the first half of the year as U.S. government fiscal support put trillions of extra dollars in the wallets of consumers. That supported strong sales growth, slowing the pace of store closing announcements as leasing and demand rose to multiyear highs in the second quarter. While the focus has been on store closings over the past year, many retailers are now expanding, with the discount, grocery, home decor and beauty sectors leading the way.

However, portions of the store sector remain poised for further disruption. The reorientation of retailer locations and footprints is driving significant splits in overall retail performance based on geography, store size and shopping center type. From a geographic perspective, retailers have continued to focus their expansion plans on metropolitan areas in the South and West with stronger buying power growth, as the age-old adage of retail following rooftops continues to hold true.

Meanwhile, diverging performance is rising within metropolitan areas as well, as retailers become more selective over store locations. That's weighing on the performance of secondary and tertiary corridors with lower growth prospects.

It is not just store counts that are emerging leaner from the pandemic but also the typical retail footprint. The average footprint of retail leases has continued to drift lower as numerous retailers, including Target, Macy's and Burlington, have announced plans to focus on smaller stores. That leaves larger, vacant boxes in secondary and tertiary corridors at particular risk as demand for those spaces simultaneously grows smaller and more selective.

Second-quarter retail investment activity hit its highest recorded level since the third quarter of 2018, eclipsing $25 billion. Investors have primarily targeted assets that have minimal near-term leasing risk, as evidenced by the nearly 96% average occupancy of retail properties sold during the second quarter.

Single-tenant, net-leased properties continue to see the most attention from investors, thanks to healthy income spreads and the lower-risk, bond-in-a-box qualities of these deals. Investors also continue to target grocery-anchored centers for their overall lower sensitivity to e-commerce disruption and primary focus on essential retail tenants.

US Office Market Sees Leasing Rebound

The U.S. office market saw a recovery from its pandemic-related slowdown by some measures, with overall leasing rebounding strongly in the second quarter, according to a CoStar analysis.

While vacancies rose and sales remained subdued, some companies seemed to "make up for lost time" in terms of leasing, Jesse Gundersheim, senior director of Northern California market analytics for CoStar Group, said in a video review of the sector.

"New leasing volume is back up as the nation emerges from pandemic restrictions. ... Over 80 million square feet was leased in the second quarter, exceeding the [first-quarter 2020] pre-pandemic level for the first time," he said.

What Gundersheim described as "mega tech firms" — Facebook, Apple, Amazon and Google — continued to expand their real estate footprints amid the waning COVID-19 outbreak.

As one example, Gundersheim cited Apple signing one of the quarter's largest leases at a new development, built on speculation, in Sunnyvale, California, near the company's Cupertino headquarters. "The tech giant secured roughly 700,000 square feet across six buildings at the recently completed Pathline Park campus, joining cybersecurity firm Proofpoint and electronics software maker Synopsys in the now fully leased development," he said.

Gundersheim also highlighted several other major second-quarter deals. Streaming platform Hulu expanded its presence in Santa Monica, California, with a seven-year, 351,000-square-foot lease at Boston Properties' Colorado Center. Roku, a provider of streaming media players, signed a deal at the same complex earlier this year.

Sources: Retail Property Market Bounces Back Nationwide I Industrial Demand Sets Records as Economies, Shopping Centers Reopen I US Office Market Sees Leasing Rebound I CoStar I July 2021

SOLD/LEASED IN Q2 2021

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

Recently Sold:

- Virginia Kachin Baptist Church purchased a 3,872 sf special purpose building on 1.3 acres at 131 Walton Park Ln in Midlothian for $550,000 from Walton Park Congregation of Jehovah's Witnesses. Susan Haas represented the Seller.
- St George & St Philopater Coptic Church, LLC purchased a 4,416 sf special purpose building on 3.47 acres at 4305 8th St in Richmond for $585,000 from Rockwood Park Congregation of Jehovah's Witnesses. Susan Haas represented the Seller.

Recently Leased:

- Collective RVA, LLC leased 3,408 sf of office space at 318 W Broad St in Richmond. Bill Phillips represented the Landlord.
- West Broad Investments leased 661 sf of office space at 2727 Enterprise Pkwy in Henrico. Bill Phillips represented the Landlord.
- Pinnacle Cabinetry & Design, LLC 1,250 sf of retail space at 2083 Dabney Rd in Richmond. Bill Phillips represented the Tenant.
- The Dessert Diva RVA LLC leased 3,618 sf of retail space at 6 N 19th St in Richmond. Rob Brown & Bernard Heyward represented the Tenant in this transaction.

What's New in RVA

JOYNER COMMERCIAL

Brick-and-Mortar Home for Pizza Joint

With a focus on pizza and wine, Pizza Bones opened in June at 2314 Jefferson Ave. in Union Hill. It is currently operating from 4-9 p.m. Thursdays to Sundays, doing only carry-out and outdoor dining for now.

Pizza Bones started as a pop-up out of the owner's house and later was able to run weekend pop-ups at several locations around town.

Neighborhood Market Pivots To Fine Dining

Brothers Sean and Pat Lynch opened Brookland Park Market at 305 W. Brookland Park Blvd. last year, offering groceries, beer and wine along with sandwiches, prepared meals and other hot food.

Now the Lynch brothers are preparing to convert the market into a full-time, sit-down restaurant.

Bainbridge Street Projects

Local developer Daniil Kleyman is moving forward with new construction projects that will add 20 apartments and a corner commercial space.

The bigger of the two is 1421 Bainbridge, where he's planning a mixed-use building totaling 14,600 square feet with 15 apartments and a 1,000-square-foot commercial storefront.

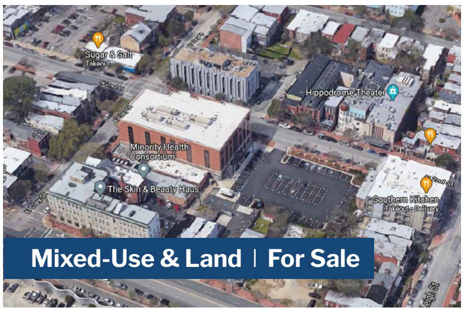
Source: Richmond BizSense I 2021

FEATURED PROPERTIES

10990 AIR PARK RD
$9.50 PSF NNN | 22,839 SF
BILL PHILLIPS, CCIM | (804) 967-2739
Highly visible warehouse auto/truck repair facility for sublease up to 22,839 sf of warehouse (with mezzanine), shop, service bays, office space and graveled & fenced yard, Hanover's Industrial Air Park.

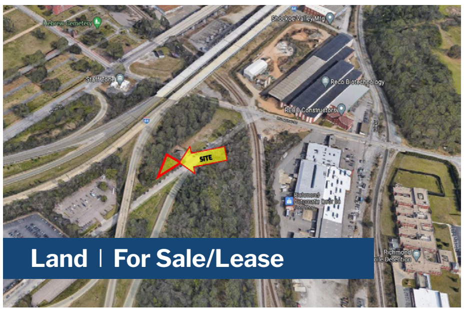
10330 MEMORY LN
$225,000 | 0.98 ACRES
TODD BUTTNER | (410) 382-7109
This last undeveloped corner lot, zoned O-2, is looking for an office/medical user to join the neighborhood in the Iron Bridge Corridor! Located just behind the Chesterfield Meadows Shopping Center.

4790, 4794, 4796 & 4810 POUNCEY TRACT RD
$2,000,000 | 7.324 ACRES
BILL PHILLIPS, CCIM | (804) 967-2739
Four parcels for a total of 7.324 acres in Henrico County's West End. Located in Henrico's Suburban Mixed Use comp plan.



512 N 3RD ST & 520-524 N 3RD ST
$1,250,000 | 2,154 SF, 3 LOTS (5,735 SF)
SUSAN HAAS | (804) 349-5788
512 N 3rd St 2154sf Duplex and 3 vacant lots (5,735sf) in Richmond's Urban Core Area designated a Priority Growth Node just off I-95 exit.

802 E NINE MILE RD
$180,000 | 1,462 SF ON 0.273 ACRE
ROB BROWN | (804) 651-5685
BERNARD HEYWARD | (804) 317-7777
Freestanding building on corner of E Nine Mile Rd and N Pine Ave ideal for retail/office user/investor in the Highland Springs Historic District. Henrico, VA.



1010 N 7TH ST
$750,000 | 0.068 ACRES
$3,000 PER MONTH
TODD BUTTNER | (410) 382-7109
Land parcel with no wetlands and 199.75 feet of lot frontage. Option to buy or lease. Highly visible from major highways.

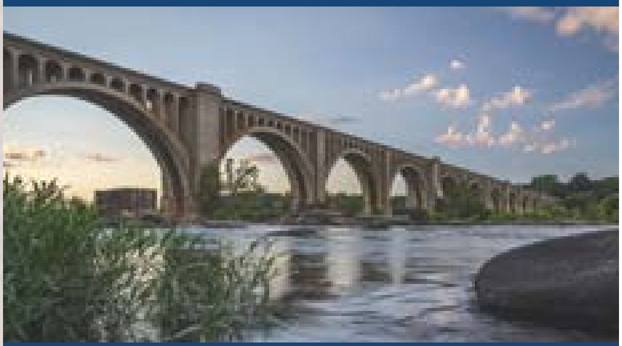
JOYNER COMMERCIAL

SPRING 2021

MARKET UPDATE

Greater Richmond
Commercial Real Estate

Multifamily Rents Are Growing at Record Levels in Richmond



Following a banner year in 2020, Richmond, Virginia's multifamily market hasn't slowed one bit.

By the close of the first quarter, the market set new four-quarter trailing records for units completed and units absorbed, both on a net basis. Each was a notable feat in its own right, but the demand story has been even more pronounced, which has allowed for additional vacancy compression and rent growth in 2021.

Richmond's under-construction pipeline has been exceeding historical norms ever since the beginning of 2017. Thus, even before the pandemic, it was known that the market was expected to see a flurry of units open in the years to come. What wasn't known was just how many of those units were going to be absorbed over the past four quarters, especially during one of the most trying times in history, both economically and socially.

Given the steadfast demand for apartments in Richmond, property managers have been pushing asking rents at an above-average pace. Among the 50 largest U.S. multifamily markets, Richmond was one of just 11 markets to register a greater-than-6% rate of growth from April 2020 through March 2021. In addition, the percentage of properties offering a concession in the first quarter dipped to its lowest rate since prior to the pandemic.

A looming question surrounds the longevity of these outsize rates of growth. With multifamily development still soaring, it will likely take yet another above-average year of demand in order to prevent any sort of vacancy expansion in the coming quarters. If that does not happen, rent gains will likely slow from their current pacing.

Nonetheless, even if a slowing does take place, year-over-year gains are still expected to remain above the market's long-term annual average.

Source: Multifamily Rents Are Growing at Record Levels in Richmond, Virginia I Michael Cobb I CoStar I April 6, 2021

How the Latest Retail Sales Figures Might Be a Microcosm of Recovery

There have been few clearer signs that things are getting back to normal than March's retail sales report released last week. In fact, not only have retail sales easily cleared pre-pandemic levels, but they are now up a staggering 17% from that point.

As the pandemic ruined almost every year-over-year comparison (anything will look good against March and April 2020 when stay-at-home orders were first implemented), the trend among economic data watchers has been to use a two-year percentage change instead. The graph showing total retail sales alongside its two-year annualized change looks just as staggering:

Some store types have reported sales up by 20% or more, and in some cases much more. These include many that were among the worst hurt by the early months of the pandemic. The most drastic example is the hobby store category, encompassing sporting goods, book, toy and game stores.

But the gains have been widespread across all stores since the nadir of April 2020. The only store type that remains down from pre-recession levels is restaurants and bars, with sales down 5% from last February but still recovering quickly: March's 13% gain was the sector's largest since last summer, and it's already up 22% year to date.

A rise in discretionary spending is one of the clearest possible signs of improving conditions, meaning households are confident enough in their future employment situation to spend out of their savings. This has not materialized yet and shows some underlying fragility in the economy. Our working assumption is that as the virus fades, discretionary spending will pick up and help drive the next stage of economic growth. But it remains a question mark.

Almost all indicators have improved drastically in 2021, and data for the next couple months should remain staggeringly strong. But the indicators that haven't are telling a story: Perhaps there's still more vulnerability to the recovery than we think.

Source: How the Latest Retail Sales Figures Just Might Be a Microcosm of the Recovery | CoStar | April 19, 2021

SOLD/LEASED IN Q1 2021

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

Recently Sold:

- 6223 Lakeside LLC purchased a 3,360 office building on 0.045 acre at 6223 Lakeside Ave in Henrico for $378,600 from Sporich Properties, LLC. Bill Phillips represented the Seller.
- Amelia County purchased a 4,357 sf office building at 9100 Virginia St in Amelia Court House for $375,000. Bill Phillips represented the Seller in this transaction.
- True Family Services, LLC purchased a 2,275 sf duplex at 3010 Chamberlayne Ave in Richmond for $245,000 from Andre Small. Susan Haas represented the Seller.

Recently Leased:

- 5,448 sf of office space leased by Joyner Fine Properties in Westhampton Commons at 5800 Patterson Ave in Richmond. Bill Phillips represented the Tenant.
- 4,200 sf of flex space leased to Central Virginia Gymnastics, LLC at 1564 Oakbridge Dr, Powhatan, VA 23139. Bill Phillips represented the Tenant.
- 2,642 sf of office/retail space leased by CRA Communications, LLC at 104 Shockoe Slip, Suite A in Richmond. Bill Phillips represented the Landlord.

What's New in RVA

A dozen townhomes in Highland Park

Richmond-based Dorado Capital, led by developer Harsh Thakker, is planning a dozen modern townhomes on just over an acre at 2705 Fifth Ave. in the neighborhood, also known as the Chestnut Hill/Plateau Historic District.

The for-sale homes would replace an existing building to be razed and would be divvied between two six-unit buildings bookending a central lawn with community amenities including a fire pit and tree swing.

Amazon Fulfillment Center

The governor's office announced that Amazon will locate a robotics fulfillment center in the 2.6 million-square-foot industrial complex that Texas-based Hillwood Enterprises is planning on land north of Richmond Raceway.

The center is expected to create 1,000 jobs, despite the robotics technology involved with the facility. It's slated to start operations in 2022.

New-To-Market Cookie Shop Chain

Following an expansion trail from out West, a chain that specializes in oversized cookies is expected to make its Central Virginia debut with several locations this summer.

Utah-based Crumbl Cookies has an initial wave of stores in the works from two different franchisees in Bon Air, Mechanicsville, Colonial Heights and Glen Allen.

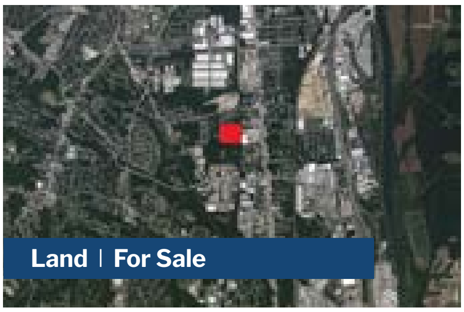
Source: Richmond BizSense I 2021

FEATURED PROPERTIES

10330 MEMORY LANE
$225,000 | 0.98 ACRES
TODD BUTTNER | (410) 382-7109
This is the last lot on the street of office buildings already zoned O-2 and ready for your office to join the neighborhood.

802 E NINE MILE RD
$195,000 | 1,462 SF ON 0.273 ACRES
ROB BROWN | (804) 651-5685
BERNARD HEYWARD | (804) 317-7777
This great, functional freestanding building on corner of E Nine Mile Rd and N Pine Ave is ideal for retail/office user/investor.

4790, 4794, 4796 & 4810 POUNCEY TRACT RD
$2,000,000 | 7.324 ACRES
BILL PHILLIPS, CCIM | (804) 967-2739
Four parcels for a total of 7.324 acres in Henrico County's West End. Located in Henrico's Suburban Mixed Use comp plan.



3211 REAR SCOTTSDALE ST
$150,000 | 8.58 ACRES
SUSAN HAAS | (804) 349-5788
Located 5 miles to downtown and zoned R-4 with 12-14 single or 2-family building lots. See expired zoning confirmation letter for 28 single-family building lots.

6701 JANWAY RD
$7.75 PSF | 410 – 3,747 SF
BILL PHILLIPS, CCIM | (804) 967-2739
2nd Floor office space available in this Office/Warehouse Building at the corner of Janway Road and Sanford Drive in Henrico, VA.

1010 N 7TH ST
$750,000 | 0.068 ACRES
$3,000 PER MONTH
TODD BUTTNER | (410) 382-7109
Land parcel with no wetlands and 199.75 feet of lot frontage. Option to buy or lease. Highly visible from major highways.

2727 ENTERPRISE PARKWAY
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