

# MARKETBEAT

## FREDERICKSBURG RETAIL REPORT

A CUSHMAN & WAKEFIELD ALLIANCE RESEARCH PUBLICATION

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### Retail Leasing Growth is Steady

In spite of the national and local economies, the Greater Fredericksburg retail market maintained steady growth through the third quarter of 2011. With the U.S. on the precipice of sliding back into another recession, government infighting, and the natural disasters experienced mid-year, the national outlook continues to be unclear with no signs of immediate improvement. Thankfully the conditions in the Greater Fredericksburg retail market are continuing to improve.

### Expansions Leading Retail Market

Several national credit tenants continued to expand their locations within the region. In the Spotsylvania Town Centre, Books-A-Million opened in the former Joseph Beth Bookseller space. Chain restaurants opened several new locations including a 1,800-square foot (sf) Five Guys Burger and Fries in King George and a 2,400-sf Sweet Frog in North Stafford. Walmart opened another location in King George, along with AutoZone. Plow and Hearth recently opened a new retail location in an 8,000-sf space at 3801 Plank Road. Fredericksburg will also be home to several new-to-market restaurants. Cheeburger Cheeburger is near completion in Spotsylvania Town Centre, and PJ O'Sullivan's is opening a location on William Street in Downtown Fredericksburg.

### Stable Outlook for Fredericksburg Market Continues

Vacancy rates continue to slowly trend down with positive absorption for the third quarter and expectations that the trend will continue. Tenants are backfilling historically vacant spaces and are taking advantage of reduced rental rates and better terms.

### ECONOMIC INDICATORS

NATIONAL	2010	2011	2012F
GDP Growth	3.0%	1.6%	2.7%
CPI Growth	1.6%	3.0%	2.1%
Consumer Spending Growth	2.0%	2.1%	2.4%
Retail Sales	6.4%	7.3%	5.4%
REGIONAL			
Population	304,189	313,314	323,030
Unemployment	6.1%	5.8%	5.6%

Source: Moody's | Analytics, U.S. Census, Bureau of Labor Statistics, National Retail Federation

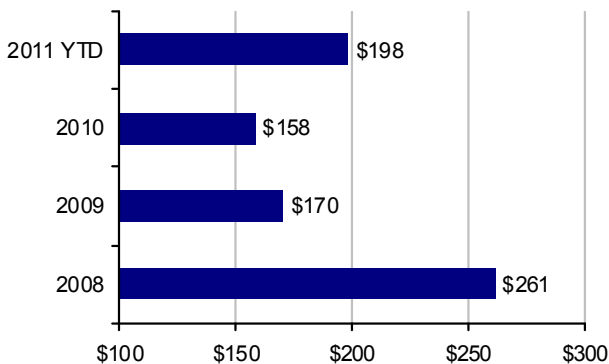
### KEY LEASING TRANSACTIONS

PROPERTY	TENANT	SQUARE FEET
3801 Plank Rd.	Plow and Hearth	8,035
911 Charles St.	Artful Dimensions	4,500
3940 Plank Rd.	Unmentionables	2,516

### KEY INVESTMENT TRANSACTIONS

PROPERTY	PRICE	SQUARE FEET
Former Borders	\$2,200,000	24,000

### INVESTMENT SALES PRICE PER YEAR



Source: Real Capital Analytics, Washington DC Virginia suburbs, TTM \$/sf

### BEAT ON THE STREET



"We are seeing asking prices down in major retail centers and that's what is getting deals done.

Tenants need to have a lot of staying power as a business in this economy to keep these spaces filled."

—Virgil Nelson, CCIM, Vice President



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