

# MARKETBEAT

## FREDERICKSBURG RETAIL REPORT

A CUSHMAN & WAKEFIELD ALLIANCE RESEARCH PUBLICATION



4Q10

### Restaurant Openings

A number of restaurants opened in the past quarter, adding to others such as the Bavarian Chef, which expanded into the market with a second location earlier this year. Steak and Shake, Quaker Steak and Lube, and Hibachi & Seafood Buffet all opened this quarter. In Eagle Village alone, the new additions included Blackstone Coffee, Quizno's and Pancho Villa.

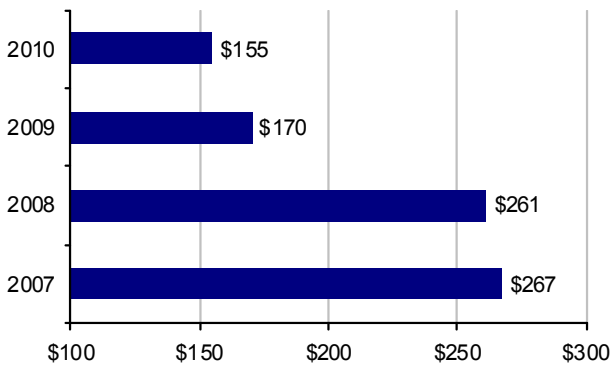
### Leasing Activity and Absorption

Leasing activity for 2010 was up sharply over 2009 with 355,511 square feet (sf) being leased this year, a 44.0% increase over the 247,000 sf leased in 2009. As would be expected, the overall vacancy rate fell from an average of 7.5% in 2009 to 6.7% at the end of 2010. A significant lease in the past quarter was Family Dollar backfilling 13,813 sf of a vacant Eckerd's space. A clothing store, Cranberry Twist, also backfilled the old Apple Music space at 1009 Princess Anne.

### Absorption up slightly, asking rates down

Absorption was essentially flat for the quarter at 182,083 sf. This represents less than 1.0% of the market's total inventory of 19.5 million square feet. Asking rates continue to trend down slightly. The average asking rate in 2010 was \$18.24. The asking rate is currently down about 6.6% from that level at \$17.04. If leasing activity maintains its recent pace and vacancy continues to drop, expect the declining asking rate trend to reverse course in 2011.

### INVESTMENT SALES PRICE PER YEAR



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

### ECONOMIC INDICATORS

NATIONAL	2009	2010F	2011F
GDP Growth	-2.6%	2.8%	2.8%
CPI Growth	-0.3%	1.6%	1.5%
Consumer Spending Growth	-1.2%	1.7%	2.7%
Retail Sales	-6.3%	5.9%	5.0%
REGIONAL			
Population	320,257	323,126	326,000
Unemployment	6.0%	6.5%	6.3%

Source: Moody's | Economy.com

### KEY LEASING TRANSACTIONS

PROPERTY	TENANT	SQUARE FEET
Chancellor Center	Aldi	21,530
6201 Jefferson Davis	Fredericksburg Auction Co.	15,000
10604 Courthouse Rd	Family Dollar	13,813
4173-4179 Plank Road	Kids 'n Motion	11,552
The Town Center at Aquia	The Learning Center	11,000

### KEY INVESTMENT TRANSACTIONS

PROPERTY	PRICE	SQUARE FEET
5426 Jefferson Davis Hwy	\$3,200,000	8,740
3201 Plank Road	\$1,815,000	2,600
429 Wallace Ave	\$761,748	5,009

### BEAT ON THE STREET



"With new construction in 2010 almost non-existent, retail absorption is finally making a slow improvement and is trending in a positive direction for 2011."

— Shawn Carrington, Retail Sales and Leasing



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\*The market terms and definitions in this report are based on NAIOP standards.

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