

# MARKETBEAT

## FREDERICKSBURG, VA RETAIL REPORT

**Thalhimer**  
commercial real estate

MID-YEAR 2008

A CUSHMAN & WAKEFIELD ALLIANCE RESEARCH PUBLICATION

### Consumers Cutting Back

Consumers, squeezed by soaring gas prices and decreasing home values, are cutting back on discretionary spending at local retailers.

### Vacancy Remaining Stable, Rental Rates Dropping

Overall vacancy in the market is hovering around 20%. While Cosner's Corner still has some small shop space available, big box tenants have leased or purchased approximately 500,000 sf. Overall, market rental rates have dropped from the \$30 per square foot per year (psf) to \$33 psf range to the \$28 psf to \$30 psf range.

### Fewer Store Openings

Many national retailers expanded rapidly in Fredericksburg and have approached their saturation point, resulting in fewer stores opening in the near future.

### Outside Investors Show Interest in Fredericksburg

Outside investors are starting to put Fredericksburg on their radar. Brafferton Center in Stafford was sold by Regency Centers to Angelo Gordon and Co. and Spectrum Partners as part of a seven property portfolio. The allocated sale price per square foot worked out to approximately \$132 psf for the 94,731-square foot center.

### ECONOMIC INDICATORS

NATIONAL	2008F	2007	2006
Real GDP Growth	1.6%	2.2%	2.9%
CPI Growth	3.6%	2.9%	3.2%
Consumer Spending Growth	1.4%	2.9%	3.1%
Retail Sales	2.1%	4.0%	5.8%
REGIONAL			
Population	330,000	318,209	307,003
Unemployment	3.7%	2.9%	2.6%

Source: Moody's | Economy.com

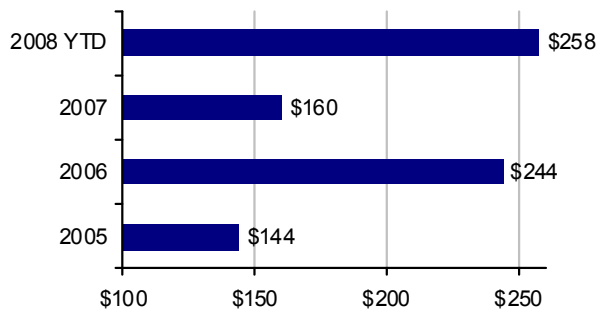
### KEY LEASING TRANSACTIONS

PROPERTY	TENANT	SQUARE FEET
Old Country Plaza	Office Products, Inc.	10,200
River Crossing	Dominion Day Services	10,000
Cosner's Corner	Alliance Bank	4,000

### KEY INVESTMENT TRANSACTIONS

PROPERTY	TENANT	SQUARE FEET
Brafferton Center	Sport & Health Clubs	94,731
5215 Plank Road	Rite Aid	11,200

### INVESTMENT SALES PRICE PER YEAR



Source: Real Capital Analytics, Washington DC Virginia suburbs

### BEAT ON THE STREET

"Landlord concession is a phrase that is back in the commercial real estate vocabulary."

—Jamie Scully, Commercial Sales/Leasing



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