

# MARKETBEAT

## FREDERICKSBURG, VIRGINIA INDUSTRIAL REPORT

**Thalhim**  
commercial real estate

3Q08

A CUSHMAN & WAKEFIELD ALLIANCE RESEARCH PUBLICATION

### AT A GLANCE

- Vacancy was 21.8% in the third quarter, up from 20.0% in the second quarter. Spaces larger than 15,000 square feet are moving slower than a few quarters ago.
- We are seeing some small downward movement in rates and increased free rent incentives.
- Absorption in the next several quarters will be minimal and possibly negative. Industrial users appear to be downsizing to smaller space, and it is not being backfilled as quickly.
- New flex space built on speculation is moving slower, and that will likely continue until next spring. Speculative building will remain slow through the first half of 2009.

### ECONOMIC INDICATORS

National	2006	2007	2008F
GDP Growth	2.8%	2.0%	1.9%
CPI Growth	3.2%	2.9%	4.4%
Regional			
Unemployment	3.2%	3.0%	4.6%
Employment Growth	2.4%	3.0%	2.0%

Source: Fredericksburg Regional Alliance, Moody's | Economy.com

### BEAT ON THE STREET



"Space is continuing to move but at a slower rate, with a lot more alternatives for prospective tenants."

—Virgil Nelson, Commercial Sales/Leasing

### MARKET HIGHLIGHTS

#### SIGNIFICANT 2008 YTD NEW LEASE TRANSACTIONS

BUILDING	TENANT	SF	PROPERTY TYPE
7419 Commerce Parkway	LE Myer	8,100	Warehouse
202 Freedom Court	RJ Griffen	3,300	Warehouse

#### SIGNIFICANT 2008 YTD SALE TRANSACTIONS

BUILDING	BUYER	SF	PURCHASE PRICE
Chatham Square Office Park	Pelican Investments LLC	6,000	\$1,100,000
Stafford Industrial Park	Stafford Residential I LLC	16.42 acres	\$2,181,400

#### SIGNIFICANT 2008 YTD CONSTRUCTION COMPLETIONS

BUILDING	MAJOR TENANT	SF	COMPLETION DATE
2525 Celebrate Virginia Parkway	N/A	51,000	8/08
106 Juliad Court	N/A	50,400	7/08

#### SIGNIFICANT 2008 PROJECTS UNDER CONSTRUCTION

BUILDING	MAJOR TENANT	SF	COMPLETION DATE
1000 Corporate Drive	n/a	140,000	3/08
2501 Cowan Blvd	n/a	14,500	9/08

### MARKET STATISTICS

MARKET/ SUBMARKET	OVERALL INVENTORY	OVERALL VACANCY RATE	DIRECT WEIGHTED AVERAGE NET RENTAL RATE
Caroline County	528,942	66.0%	\$2.0
King George County	145,390	62.2%	\$7.0
Fredericksburg City	651,807	7.7%	\$6.2
Spotsylvania County	4,172,384	21.0%	\$6.3
Stafford County	3,410,212	14.5%	\$8.2
<b>TOTAL</b>	<b>8,908,735</b>	<b>21.8%</b>	<b>\$6.09</b>

\*Rental rates reflect \$psf/year



For further information, please contact one of our Brokerage Services Professionals:

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