

# MARKETBEAT

## FREDERICKSBURG, VA RETAIL REPORT

A CUSHMAN & WAKEFIELD ALLIANCE RESEARCH PUBLICATION



3<sup>rd</sup> Quarter 2008

### Contracting Retail Market

The retail market is contracting as consumers pull back on discretionary purchases. The overall vacancy rate was 5% in the third quarter, which is up from the second quarter. However, for smaller space—less than 15,000 sf—which makes up a significant amount of the marketplace the vacancy rate was 17%.

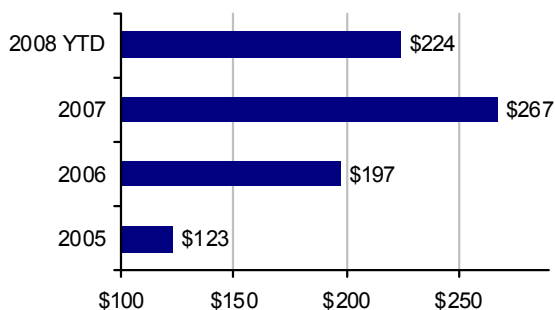
### Smaller Retailers Having Trouble

Big box retailers seem to be holding steady, but smaller retailers that have not yet established solid customer bases are facing more pressure and increasingly pulling out of older strip-malls. Six locally-owned restaurants have closed in the third quarter.

### Rental Rates Stay Steady

So far rents are holding steady. Landlords are offering a month or two of free rent, but so far are not showing willingness to lower asking rates.

### INVESTMENT SALES PRICE PER SQUARE FOOT



### ECONOMIC INDICATORS

	2008F	2007	2006
<b>NATIONAL</b>			
Real GDP Growth	1.9%	2.0%	2.8%
CPI Growth	4.4%	2.9%	3.2%
Consumer Spending Growth	1.4%	2.9%	3.1%
Retail Sales	2.1%	4.0%	5.8%
<b>REGIONAL</b>			
Population	330,000	318,209	307,003
Unemployment	4.6%	3.0%	3.2%

Source: Moody's | Economy.com

### KEY LEASING TRANSACTIONS

PROPERTY	TENANT	SQUARE FEET
Old Country Plaza 6525 Jefferson Davis Highway	Holiday Blossoms	2,000
3940 Plank Road	Blosman Gas	1,983
3940 Plank Road	UA Nails	1,600

### KEY INVESTMENT TRANSACTIONS

PROPERTY	SIZE	PURCHASE PRICE
1421 Carl D Silver Pkwy	29,067 SF	\$5,200,000
6308 Five Mile Centre Park	1.94 Acres	\$3,056,967

### BEAT ON THE STREET



"Smaller spaces are remaining vacant longer in established shopping centers."

—Shawn Carrington, Commercial Sales/Leasing



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\*Market terms & definitions based on BOMA and NAIOP standards.

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