

# MARKETBEAT

## FREDERICKSBURG, VIRGINIA INDUSTRIAL REPORT

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4Q08

A CUSHMAN & WAKEFIELD ALLIANCE RESEARCH PUBLICATION

### AT A GLANCE

- Virginia Gateway Distribution Center secures a 140,545-square foot (sf) lease with Iron Mountain, an international record management and data protection organization. There is still space in the center for up to another 475,000 sf of industrial buildings.
- Large block availability is increasing while there is more activity on the smaller spaces.
- Defense contracts continue to drive the regional economy. In 2007, total defense contracts awarded in the region were up 35% after being flat the previous year. 2008 data is not yet available, but the trend is expected to increase based on the activity seen in the market.
- New construction continues to slow, with any construction expected to be limited to build-to-suit projects.

### ECONOMIC INDICATORS

	2007	2008	2009F
<b>National</b>			
GDP Growth	2.0%	1.2%	-1.5%
CPI Growth	2.9%	4.2%	0.9%
<b>Regional</b>			
Unemployment	3.0%	4.1%	4.8%
Employment Growth	1.1%	0.1%	0.2%

Source: Bureau of Labor Statistics, Moody's | Economy.com  
Regional Data - Washington DC MSA

### BEAT ON THE STREET

"Activity remains steady with an increasing inventory of vacant space."



—Virgil Nelson, Commercial Sales/Leasing

### MARKET HIGHLIGHTS

#### SIGNIFICANT 2008 NEW LEASE TRANSACTIONS

BUILDING	TENANT	SF	PROPERTY TYPE
Virginia Gateway Distribution Center	Iron Mountain	140,545	Warehouse
1313 Alum Spring Drive	Executive Automotive	3,085	Warehouse
71 Commerce Parkway	ORA, LLC	3,345	Warehouse

#### SIGNIFICANT 2008 SALE TRANSACTIONS

BUILDING	BUYER	SF	PURCHASE PRICE
King George Ind. Park	Local investors	75,000	\$900,000
8312 James Madison Park	N/A	12,500	\$542,000
21 Enterprise Court	OMC Enterprises	25,230	\$1,995,000

#### SIGNIFICANT 2008 PROJECTS UNDER CONSTRUCTION

BUILDING	MAJOR TENANT	SF	COMPLETION DATE
Rappahannock Ind. Park	N/A	16,500	5/09
Synan Road	N/A	40,000	6/09

### MARKET STATISTICS

MARKET/ SUBMARKET	OVERALL	OVERALL	DIRECT WEIGHTED
	INVENTORY	VACANCY RATE	AVERAGE NET RENTAL RATE
Caroline County	531,942	65.6%	NA
King George County	220,390	41.1%	NA
Fredericksburg City	761,553	7.2%	\$6.88
Spotsylvania County	4,067,964	18.7%	\$6.01
Stafford County	3,154,696	18.3%	\$7.37
<b>TOTAL</b>	<b>8,736,545</b>	<b>20.0%</b>	<b>\$5.62</b>

\*Rental rates reflect \$psf/year

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