

# MARKETBEAT

## FREDERICKSBURG, VA RETAIL REPORT

**Thalhimer**  
commercial real estate

A CUSHMAN & WAKEFIELD ALLIANCE RESEARCH PUBLICATION

**YEAR-END 2008**

### Tenant's Market

Tenant's looking to relocate or enter the market are finding favorable conditions. The overall vacancy rate is holding steady at around 6%, but even renewal tenants are looking for concessions upon lease expiration. Landlords recognize the value in tenant retention and are taking the necessary steps to achieve their occupancy goals.

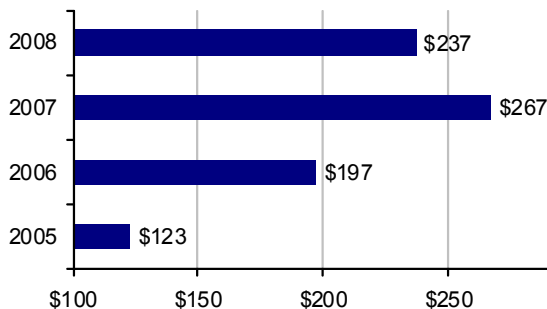
### New Space Seeing More Activity

Despite lower rates, 2<sup>nd</sup> and 3<sup>rd</sup> generation space is not where the activity has been. Newer projects are attracting the bulk of the tenants in the market.

### Rental Rates Coming Down

In a change from what was reported last quarter, we are now seeing decreases in asking rents. When concessions like free rent are factored in, the effective rate drops even further.

### INVESTMENT SALES PRICE PER SQUARE FOOT



Source: Real Capital Analytics, Washington DC Virginia suburbs, TTM

### ECONOMIC INDICATORS

NATIONAL	2007	2008	2009F
Real GDP Growth	2.0%	1.2%	-1.5%
CPI Growth	2.9%	4.2%	0.9%
Consumer Spending Growth	2.8%	0.2%	-2.0%
Retail Sales	4.1%	0.0%	-6.0%
REGIONAL			
Population	318,209	349,991	365,000
Unemployment	3.0%	4.6%	6.5%

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
4500 Plank Road	Citifinancial	3,085

### KEY INVESTMENT TRANSACTIONS

PROPERTY	SIZE	PURCHASE PRICE
1421 Carl D Silver Pkwy	29,067	\$5,200,000
1006 Warrenton Road	2,352 sf	\$860,000
Former Brooke Nursing Home	7,400	\$450,000

### BEAT ON THE STREET



"We are seeing asking rates decreasing by up to 20%, our theory is right now is a great time to be a tenant."

—Shawn Carrington, Commercial Sales/Leasing

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

Thalhimer  
725 Jackson Street, Suite 101  
Fredericksburg, VA 22401  
www.thalhimer.com

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