

MARKETBEAT

FREDERICKSBURG, VIRGINIA INDUSTRIAL REPORT

Thalhimer
commercial real estate

1Q09

A CUSHMAN & WAKEFIELD ALLIANCE RESEARCH PUBLICATION

AT A GLANCE

- The majority of the industrial inventory in the Fredericksburg market is located in Spotsylvania and Stafford counties. The vacancy rate in those two counties has increased 410 basis points from 12.6% to 16.7% since the first quarter of 2008.
- There has been increased interest from users currently located in the Northern Virginia area that are looking for lower costs.
- Absorption for the quarter was flat and leasing activity was slow. There were no significant construction completions in the quarter. New construction will be limited until absorption increases.
- The Fredericksburg market has an unemployment rate of 6.6% as of February this year. This is an increase from 3.7% one year ago. The labor force expanded by 3,024 jobs while the number of employed dropped by 2,036 in that same one year period. However, only Charlottesville and the rest of Northern Virginia have a lower unemployment rate in the state.

ECONOMIC INDICATORS

National	2008	2009F	2010F
GDP Growth	1.1%	-2.9%	1.8%
CPI Growth	3.8%	-1.0%	1.9%
Regional			
Unemployment	4.1%	6.8%	6.0%
Employment Growth	0.1%	0.3%	0.4%

Source: Moody's | Economy.com

BEAT ON THE STREET

"Activity has increased in space under 15,000 sf. Larger blocks of space are still available but generating less interest."



—Virgil Nelson, CCIM
Vice President

MARKET HIGHLIGHTS

SIGNIFICANT 1Q09 NEW LEASE TRANSACTIONS

BUILDING	TENANT	SF	PROPERTY TYPE
9351 Northeast Drive	MAPEI, Corp	73,000	Distribution
11900 Main Street	Fredericksburg Distributing Co.	12,687	Distribution
400 Nelms Circle	Rainbow International	5,400	Warehouse

SIGNIFICANT 1Q09 SALE TRANSACTIONS

BUILDING	BUYER	SF	PURCHASE PRICE
3509 Shannon Park	English Family Trust	2,000	\$295,000

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

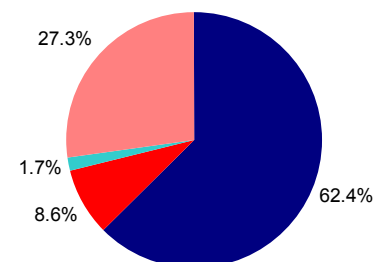
BUILDING	MAJOR TENANT	SF	COMPLETION DATE
Synan Road	N/A	40,000	6/09
Rappahannock Ind. Park	Inspire Dance	16,500	5/09

MARKET STATISTICS

MARKET/ SUBMARKET	OVERALL INVENTORY	OVERALL VACANCY RATE	DIRECT WEIGHTED AVERAGE NET RENTAL RATE*
Caroline County	578,392	60.3%	N/A
King George County	220,390	75.1%	\$3.39
Fredericksburg City	877,937	10.1%	\$8.63
Spotsylvania County	4,363,348	18.8%	\$5.93
Stafford County	3,548,745	14.0%	\$7.31
TOTAL	9,588,812	21.5%	\$5.60

Inventory by Property Type

■ Warehouse/Distribution
■ High Tech
■ Manufacturing
■ Office Service



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

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