

MARKETBEAT

FREDERICKSBURG, VIRGINIA RETAIL REPORT

A CUSHMAN & WAKEFIELD ALLIANCE RESEARCH PUBLICATION

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1Q09

Activity is Local, not National

Most of the retail leasing activity in Fredericksburg is focused on the smaller local tenants and less on the large nationals. The local tenants are taking advantage of favorable lease terms to relocate, while many of the national retailers are in a holding pattern for new locations.

Urgent Care Medical Clinics on the Rise

A number of Urgent Care clinics have opened in the area in recent months. These include locations from operators such as Prime Care and MediCorp. MediCorp has opened two new NextCare clinics this quarter. CVS is also in the market with their Minute Clinics, and Richmond based Patient First is actively hiring for the Fredericksburg market.

Sales Activity Remains Stagnant

There were no significant sales in the first quarter. Real Capital Analytics reports only \$18.7 million in retail property sales for the first quarter in Northern Virginia, which includes Fredericksburg and the surrounding counties. None of those sales were in the Fredericksburg area.

Short Term Leases

Landlords are accepting short term leases in order to avoid locking in lower rental rates for an extended period. Tenants that need flexibility or have uncertain futures are also seeking shorter terms.

ECONOMIC INDICATORS

NATIONAL	2008	2009F	2010F
Real GDP Growth	1.1%	-2.9%	1.8%
CPI Growth	3.8%	-1.0%	1.9%
Consumer Spending Growth	0.2%	-2.0%	1.5%
Retail Sales	0.5%	-1.5%	0.8%
REGIONAL			
Population	315,387	330,289	345,022
Unemployment	4.1%	6.5%	6.0%

Source: Moody's | Economy.com, Virginia Employment Commission

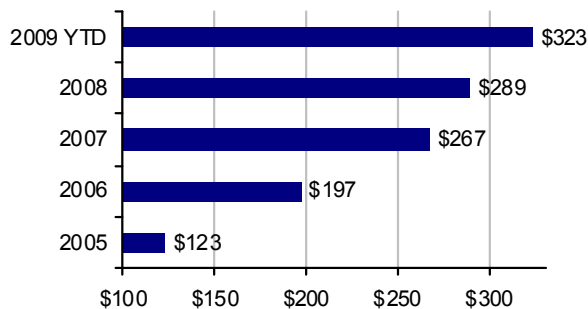
KEY LEASING TRANSACTIONS

PROPERTY	TENANT	SQUARE FEET
3435-3455 Jeff Davis	N/A	4,500
5022-5045 Pland Road	Unitarian Church	3,000
20 Plantation Road	PL Physicians	2,314

KEY INVESTMENT TRANSACTIONS

PROPERTY	TENANT	SQUARE FEET
N/A		

INVESTMENT SALES PRICE PER YEAR



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

BEAT ON THE STREET



"Smaller retail tenants are actively looking to take advantage of the lower rents and Landlord incentives being offered in this market"

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

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