

MARKETBEAT

FREDERICKSBURG, VA RETAIL REPORT

A CUSHMAN & WAKEFIELD ALLIANCE RESEARCH PUBLICATION

Thalhimer
commercial real estate

MID-YEAR 2009

Spotsylvania Towne Centre

In stark contrast to the current economy, the renovation and redevelopment of Spotsylvania Towne Centre is moving in the right direction. The Village at Towne Centre is welcoming Saxon Shoes in August and a number of other retailers shortly thereafter. These include Saxon Shoes, Bravo! Cucina Italiana, Coldwater Creek, Firebird's Wood Fired Grill, Muvico Splitsville, The Green Turtle Bar & Grill, Sephora, and Swarovski. Most of the stores should be open by Spring 2010.

Former Winn-Dixie filled, Wegmans enters market

Regency Furniture is backfilling the space vacated by Winn Dixie at 2301 Salem Church Road. The furniture retailer plans to open this summer. In other grocery news, Wegmans opened their long-anticipated 138,655-sf store at 2281 Carl D Silver Parkway this quarter. This is the 5th store in Virginia and the location that is furthest south in their footprint.

Overall Vacancy up to 7.6%

Overall vacancy in the Fredericksburg market continues to climb, although it is still at fairly healthy levels. Currently there are approximately 57 sf of retail for every person in the Fredericksburg region. This is higher than the national average of approximately 45-50 sf/person.

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	320,117	325,880
Unemployment	4.1%	6.8%	6.3%

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

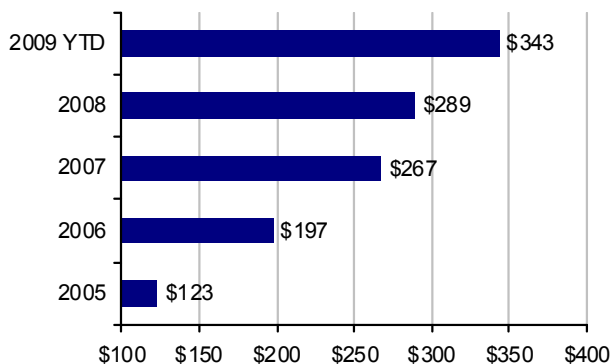
KEY LEASING TRANSACTIONS

PROPERTY	TENANT	SQUARE FEET
North Stafford Plaza	Aldi, Inc.	16,826
2866 Jefferson Davis Hwy	Mick's Place	6,300
11 Hope Road	Internal Medicine of Va	2,471
Stafford Marketplace	Verizon	2,400

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



"The retail environment continues to face challenges which include increasing vacancy and fewer national or regional tenants searching for locations. However, the market is not stagnant and the tenants in play are taking advantage of the current buyers market"

—Shawn Carrington, Retail Sales and Leasing