A Look Back

Since the early 1800’s, Norfolk has been a catalyst for economic growth, development and trade, not only for the Hampton Roads region, but for the entire Commonwealth of Virginia. After years of suburban sprawl however, many residences and businesses wound up moving away from the city center, but stayed in the region. Now things have come full circle with downtown Norfolk re-establishing itself as a vibrant 24/7 epicenter of business, entertainment, and culture. This is largely due to the strong collection of regional assets that make it such an ideal location to live, work, and play.
The Port of Virginia, already the East Coast’s third largest in terms of volume, is also its fastest growing and boasts the largest natural deep-water harbor ON EARTH. Every major shipping line in the world calls on the Port of Virginia, providing direct access to over 80 ports worldwide and 9.4% of the state’s entire resident workforce have port-related jobs. In addition to the 50-foot deep channels, the port is only 18 miles from open ocean and enjoys a mild climate that allows year-round shipping. Coupled with the largest and fastest container cranes on the planet, the rapid pace that seems to break records practically every month in TEU volume, shows no signs of slowing down.

The region also enjoys access to two Class I railroads with double-stacked container capabilities allowing distribution throughout the East Coast and Mid-West.

The region plays host to a rich and growing international community with 164 international firms representing 28 different countries.

Norfolk International Airport is mere minutes from downtown, providing daily access to hundreds of cities worldwide.

103,000 students between the eight universities and four community colleges in the Hampton Roads region provide a well-educated pool of talent for companies throughout the region.

Hampton Roads is home to the world’s largest naval base and has sizable installations for every branch of the armed forces providing a trained and dependable labor force when personnel leave the military.
10 HAMPTON ROADS-BASED COMPANIES MAKE TOP 50 LIST
Fastest Growing Businesses In Virginia
Business Climate - A Rebirth

- The sale of One and Two Commercial Place in downtown Norfolk early in 2016 and 500 E. Main Street later in the year demonstrated the demand for property in the Norfolk CBD. Eric Robison of Thalhimer’s Capital Markets team noted that interest in the properties was quite high and bidding was competitive, indicative of a “surging investment climate and investor confidence in downtown Norfolk” from both regional and out of town investors.

- Now, just over a year later, a renovated Two Commercial Place has sold for more than 2.5 times the total sale price of both buildings combined a year earlier as a result of a full-building lease to AA-credit tenant ADP. ADP leased over 288,000 SF and chose Norfolk in part because of the potential of its labor force.

- The absorption of Two Commercial Place coupled with the absorption of tenants moving from One Commercial Place to existing office space in the market once One Commercial Place was converted to multifamily should lead to tightening in vacancy in the CBD which will stabilize the market and encourage rent growth in the area.

- The rebound for the entire region is evident in the graph to the right, as employment has recovered and even surpassed pre-recession highs while unemployment is quickly approaching pre-recession lows.
BUT IT’S SO MUCH MORE THAN JUST BUSINESS...

This increase in demand for the Norfolk CBD is fueled by more than just commerce and trade; the area is going through a cultural, and residential rebirth that is quickly developing into the 24/7 live-work-play environment that so many urban areas are striving for.

Culture

• Town Point Park is host to more than 100 days of free special events each year. The lineup includes a regular Friday-after-work concert series, Norfolk’s annual Harborfest celebration, the Bayou Boogaloo & Cajun Food Festival, the Town Point Jazz and Blues Festival, the Virginia Children’s Festival, the Town Point Virginia Wine Festival and many more.

• Norfolk also boasts the renovated 138,000 square foot, $65 million Slover Library on Plume Street. It includes a 3D printer, 130 computers, a digital media lab, free Wi-Fi, video gaming lounge, and large touch-screens that can be used to search historic photos.

• The Library also received the prestigious 2015 Library Building Award selected by the American Institute of Architects and the American Library Association.

Residential

• While Two Commercial Place was renovated into Class A office space after its 2016 purchase, One Commercial Place is being renovated into luxury apartments as demand to live downtown continues to grow.

• According to CoStar, there are 971 units currently under construction in the city of Norfolk, more than double the 5-year average.

• Despite all of the additional supply, absorption has been steady as multifamily vacancy sits at 6.1%.
Cordish recently opened the region's premier entertainment venue, ICON AT CITY WALK.

Redevelopment of the former Bank of America tower into a 275-unit luxury apartment development, THE MAIN HILTON.

288,000 SF leased entirely by ADP, THE ATLANTIC AT CITY WALK.

$147 million mixed-use project, THE MAIN HILTON.

$500.00/SF in sales, MACARTHUR CENTER MALL.

Phase II of construction and redevelopment underway, MACARTHUR SQUARE LIGHT RAIL STATION.
Culture & Retail

WATERSIDE DISTRICT

The Cordish Companies, developers of this revamped district in the heart of Norfolk, have stated a goal of establishing “the living room of the city” through a $40 million investment into the area. A Guy Fieri restaurant, Starr Hill Brewery, and Chipotle are among the new tenants and will be accompanied by a slew of other restaurants, bars, entertainment venues, and various other retail tenants. Facing the water is a lawn area for picnicking, playing cornhole, or just enjoying the weather. This type of development is the epitome of what downtown Norfolk is becoming, and exactly what it needs.

NEON DISTRICT

Norfolk’s first official arts district has arrived! With an emphasis on creativity, culture, and vibrance, it consists of a highly walkable area home to a plethora of museums, art venues, theatres, studios, and restaurants for both artists and the ones enjoying their work. And they have a website to keep track of all of their major events.

GRANBY STREET

In April of this year, the New York Post listed it as one of the “8 Amazing American Streets You’ve Never Heard Of,” garnering some national attention for the area. Extending south through the NEON district, nearly all the way to the water, it is home to some of the finest restaurants and studios the newly dubbed arts district has to offer. The article highlights coveted residency programs for artists as well as the eclectic array of tastes that a non-artistic visitor can satisfy, all while emphasizing the walkability of the area.
March of this year saw the grand opening of The Main Norfolk: a Hilton hotel and conference center literally unlike any other in the Mid-Atlantic in terms of its qualifications. Not only does it have the copious amenities (restaurants, rooftop lounge, etc.) that one would expect of a luxury hotel, but its meeting facilities are advanced to the point of certification from the International Association of Conference Centers and its security is SCIF-approved to host government and defense contractors. It is the only meeting space in the Mid-Atlantic to hold both designations and is considered one of the most technically advanced in the country.

And it’s connected!

The Tide light rail system allows easy transportation throughout Norfolk, even when a destination isn’t quite walkable. In its five years of existence, the rail system has averaged just over 1.5 million riders per year, but the debate rages on as to whether to expand the system even further, as detractors question whether further expansion is worth the time, effort, and money.
FOR MORE INFORMATION, PLEASE CONTACT:

Tim Morris
Research Coordinator
804 344 7161
tim.morris@thalhimer.com