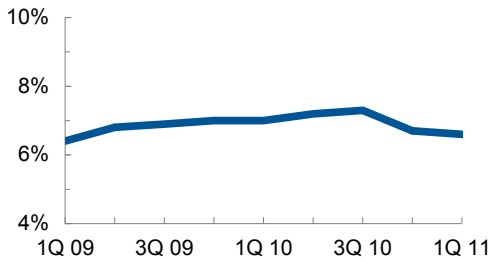
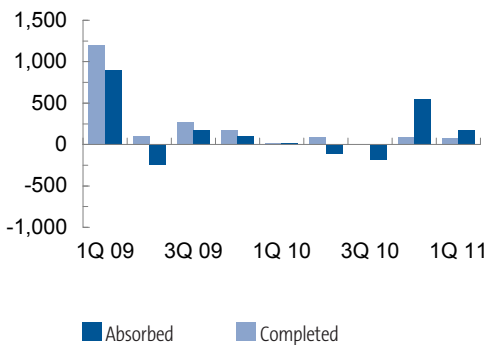


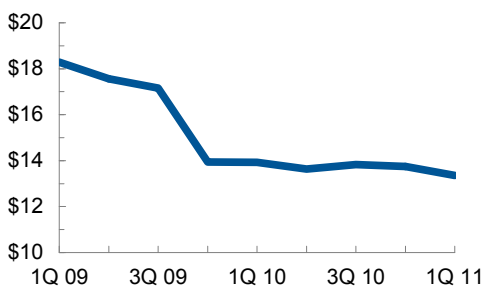
Vacancy Rate



Completions vs. Absorption (in Thousands of SF)



Asking Rental Rates (\$/SF/Yr. NNN)



Source: CoStar Group

Deal Velocity Brisk

The restaurant sector continues to be busy, especially in Short Pump, where Keagan's Irish Pub opened in West Broad Village and Bone Fish Grill will soon follow. Plaza Azteca opened at Towne Center West and Olive Garden signed on at The Corner at Short Pump.

The largest lease announcements included 50,029 square feet for Dick's Sporting Goods at Hancock Village in Midlothian and 32,203 square feet for Ross Dress for Less in the former Circuit City location at The Creeks at Virginia Center in Glen Allen.

There were several noteworthy sales. Maryland Financial Realty purchased a two-story office building from Verizon adjacent to Carytown for \$5 million. The buyer plans to redevelop the 134,380-square-foot building as Carytown Place with a rumored Fresh Market and small retail tenant space. In investment activity, Westdale Real Estate Investment and Management purchased the 176,793-square-foot West Park Shopping Center in Henrico from Centro Properties Group for \$23.3 million. The 9.738-acre portion of The Corner at Short Pump, currently improved with a Kroger, was purchased by Rebkee Partners Short Pump, LLC from Archon Group for \$7.1 million.

The long-awaited redevelopment of the former Cloverleaf Mall site at Midlothian Turnpike and Chippenham Parkway was postponed again. Chesterfield County now expects to issue the bonds for the Stonebridge project in late summer. Assuming Crosland can then close on their site, the Kroger can be open by the fall of 2012.

FORECAST

- With Taubman Company relinquishing ownership, Regency Square will benefit from a yet-to-be-identified new owner that will not have its focus diluted by also owning Stony Point Fashion Park.
- Lease-up of Westchester Commons will be slow until projected housing in surrounding developments, obliterated by the recession, materialize.
- Concessions including free rent and reduction in asking rate will continue to be negotiable depending on location and lease term.

KEY TRANSACTIONS

Dick's Sporting Goods leased 50,029 SF Hancock Village Midlothian, VA from EWN Development Co. Inc.	Ross Dress for Less leased 32,302 SF at The Creeks at Virginia Center Glen Allen, VA from Developers Diversified Realty	Westdale Real Estate Investment & Mgmt purchased West Park Shopping Center Richmond, VA from Centro Properties Group for \$23.3 Million
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* Indicates Transaction Represented by Grubb & Ellis|Harrison & Bates

Retail Trends Report—First Quarter 2011

Richmond, VA



By Submarket	Total SF	Vacant SF	Vacancy %	Net Absorption YTD	Deliveries YTD	Under Construction	Asking Rate
Amelia County	104,828	4,300	4.1%	250	-	-	\$12.00
Cumberland County	14,845	-	-	-	-	-	-
Dinwiddie County	155,309	-	-	-	-	-	\$21.60
Downtown Richmond	6,402,083	226,327	3.5%	(2,770)	-	58,000	\$13.69
Goochland County	312,005	12,050	3.9%	5,200	-	-	\$8.65
King & Queen County	37,040	-	-	-	-	-	-
King William County	327,796	77,355	23.6%	-	-	-	\$10.32
Louisa County	507,968	24,952	4.9%	52,396	61,428	-	\$9.18
New Kent County	263,052	21,650	8.2%	-	-	-	\$6.00
Northeast Richmond Metro	6,251,255	360,773	5.8%	19,006	-	-	\$11.80
Northwest Richmond Metro	26,383,858	1,509,351	5.7%	2,623	-	6,678	\$16.02
Powhatan County	552,411	44,603	8.1%	3,225	-	-	\$12.38
Prince George County	815,349	33,793	4.1%	(4,286)	-	-	\$9.30
Southeast Richmond Metro	4,229,893	395,807	9.4%	10,695	16,302	-	\$10.39
Southwest Richmond Metro	25,207,870	2,008,539	8.0%	58,133	-	110,150	\$13.41
Sussex County	113,697	31,850	28.0%	-	-	-	\$5.22
TriCities (Hopewell/P'burg/Col Hts)	6,957,316	431,575	6.2%	22,293	-	-	\$11.43
Totals	78,636,575	5,182,925	6.6%	166,765	77,730	174,828	\$13.36

By Category	Total SF	Vacant SF	Vacancy %	Net Absorption YTD	Deliveries YTD	Under Construction	Asking Rate
General Retail	37,796,059	1,453,471	3.8%	25,554	7,000	174,828	\$11.39
Mall	7,958,648	360,707	4.5%	12,360	9,302	0	\$21.36
Power Center	3,674,199	126,255	3.4%	1,800	-	-	\$17.94
Shopping Center	29,153,141	3,242,492	11.1%	127,051	61,428	-	\$13.71
Specialty Center	54,528	-	-	-	-	-	\$25.00
Totals	78,636,575	5,182,925	6.6%	166,765	77,730	174,828	\$13.36

Source: CoStar Group

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RETAIL TERMS AND DEFINITIONS

Total SF: Retail inventory includes all multi-tenant and single tenant buildings in the Richmond market.

Retail Building Classifications: General Retail are typically single tenant freestanding, general purpose commercial buildings with parking. Malls include Lifestyle Centers, Regional and Super Regional Malls. Power Centers generally consist of several freestanding anchors and only a minimum of small specialty tenants. Shopping Centers include Community, Neighborhood and Strip Centers. Specialty Centers include Airport Retail, Outlet Centers and Theme/Festival Centers.

Vacancy and Availability: The vacancy rate is the amount of physically vacant space divided by the inventory and includes direct and sublease

vacant. The availability rate is the amount of space available for lease divided by the inventory.

Net Absorption: The net change in physically occupied space over a period of time.

Asking Rent: The dollar amount asked by landlords for available space expressed in dollars per square foot per year in most parts of the country and dollars per square foot per month in areas of California and selected other markets. Retail rents are reported on a triple net basis where all costs including, but not limited to, real estate taxes, insurance and common area maintenance are borne by the tenant on a pro rata basis.

*Grubb & Ellis statistics are audited annually and may result in revisions to previously reported quarterly and final year-end figures.

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