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Spotlight on Fredericksburg, VA | Retail

December 2016



Photographed by Sean Rowe

Fredericksburg

Fredericksburg, VA, an independent city of 29,000 residents, is situated on the Interstate 95 corridor in central Virginia nestled between Stafford and Spotsylvania counties, midway between Washington, D.C. and the state capital at Richmond. Bordered on the north by the Rappahannock River, Fredericksburg was a prominent port in Virginia during the colonial era and experienced two significant battles during the Civil War due to its strategic location between the opposing capitals. Today, tourism is a major component of the local economy, adding over \$171 million annually in revenue with the many historic sites attracting 1.5 million visitors each year. Convenient access to the nearby larger metropolitan areas is provided by Interstate 95 and U.S. Route 1, affording north-south transportation, and by VA Route 3, running east-west. Fredericksburg is also served by Amtrak and the Virginia Railway Express for rail service to Washington, D.C.

Fredericksburg has seen tremendous growth in recent years, having ranked as Virginia's fastest-growing locality since 2010 with an increase in population of more than 15%. The region offers a highly educated workforce with almost 40% of residents holding a bachelor's degree or better. The University of Mary Washington in Fredericksburg is one of the city's major employers, having expanded with two satellite campuses and serving more than 5,200 students. The university is nationally ranked by *U.S. News & World Report* as sixth among public southern universities. *Money Magazine* and *Forbes* also include the University on their lists of "Best Colleges." An additional major employer in the area is Mary Washington Healthcare, a 440-bed, full-service regional hospital featuring a Level II Trauma Center, surgical and critical care divisions, and a dialysis unit. A regional office of GEICO employs a staff of 2,800 on its 44-acre campus in Fredericksburg.

Fredericksburg is home to several major commercial centers adding to the vibrant business community of the city. Historic Downtown Fredericksburg is a 40-block area containing more than 350 original 18th and 19th century buildings and offering

more than 100 boutique stores, antique shops, art galleries, and restaurants. Nearby is the proposed Liberty Place, a new mixed-use redevelopment project which will include 49 luxury condos and 55,000 square feet of commercial space with delivery slated for late 2017. Just south of the river lies Celebrate Virginia South, a commercial center anchored by Wegman's Grocery, Hilton Garden Inn, Homewood Suites, and the Fredericksburg Expo Center which hosts more than 250 events each year. Adjacent is Central Park, one of the largest retail centers on the East Coast, with over 90 retail and entertainment venues and 50 restaurants in more than 2.4 million square feet.



University of Mary Washington

This market report features six shopping centers in Fredericksburg. In the Fredericksburg submarket, triple net inline asking rents average in the mid-teens per square foot which is an increase of 13.7% over the previous year. The vacancy rate for the submarket for Q4 2016 stands at 5.3%, down from 5.5% in Q3 2016 with an overall increase of 0.8% for the past year.



**EAGLE VILLAGE**  
 1243-1289 Jefferson Davis Parkway  
 Fredericksburg, VA 22405

Year Built: 1963  
 GLA: 116,669 SF  
 Occupancy: 100%  
 In-Line Asking Rent: \$15.00/SF  
 Tenants: Giant Food, University of Mary Washington, Planet Fitness, Rent-A-Center, Play It Again Sports, Sweet Frog, USPS



**CELEBRATE VIRGINIA NORTH**  
 560-570 Celebrate Virginia Parkway  
 Fredericksburg, VA 22406

Year Built: 2007  
 GLA: 79,599 SF  
 Occupancy: 49%  
 In-Line Asking Rent: \$13.00/SF  
 Tenants: Giant Food, ABC Store, PostNet, Great Clips, Fitness 1440, Eden Nails



**GATEWAY VILLAGE**  
 2336-2380 Plank Road  
 Fredericksburg, VA 22401

Year Built: 1987  
 GLA: 145,224 SF  
 Occupancy: 97%  
 In-Line Asking Rent: \$12.00  
 Tenants: Gold's Gym, Tuesday Morning, Habitat for Humanity, AT&T, Baker's Boot & Shoe Repair, Jenny Craig, Wave Printing



**FOUR MILE FORK SHOPPING CENTER**  
 5041-5099 Jefferson Davis Highway  
 Fredericksburg, VA 22408

Year Built: 1975  
 GLA: 184,503 SF  
 Occupancy: 98%  
 In-Line Asking Rent: \$13.00/SF  
 Tenants: Aldi, Ollie's Bargain Outlet, Dollar Tree, Aaron's, Hard Times Café, Boost Mobile, H&R Block



**WESTWOOD SHOPPING CENTER**  
 2003-2051 Plank Road  
 Fredericksburg, VA 22401

Year Built: 1978  
 GLA: 98,731 SF  
 Occupancy: 98%  
 In-Line Asking Rent: \$14.00-\$15.00/SF  
 Tenants: Staples, Harbor Freight Tools, Autozone, Benjamin Moore Paints, Regis Salon, Best Dry Cleaners



**THE SHOPS AT RIVER CLUB**  
 10839-10871 Tidewater Trail  
 Fredericksburg, VA 22408

Year Built: 2003  
 GLA: 52,373 SF  
 Occupancy: 96%  
 In-Line Asking Rent: \$13.50/SF  
 Tenants: Food Lion (sold to Weis Markets), Subway, Tidewater Trail Animal Hospital, Primo Pizza, River Club Dental Care



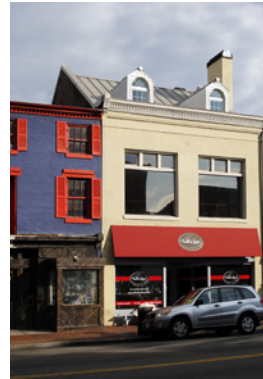
The report below features a sampling of properties sold within the last two months in the Mid-Atlantic. Please note the different locations and adjust comparisons accordingly. Also note that sales comparables provide a snapshot of recent transactions and are not a perfect predictor of future market movement and behavior.



### LANHAM CROSSING

8807-8845 Annapolis Road  
Lanham, MD

Year Built: 1970  
GLA: 83,055 SF  
Occupancy: 100%  
Sale Price: \$15,000,000  
Price/SF: \$181  
Buyer: Private  
Seller: Private  
Tenants: Retro Fitness, Zips Dry Cleaners, Budget Rent A Car, Red Lobster, Burger King



### FUTURE H&M

3245 M Street NW (Two Properties)  
Washington, D.C.

Year Built: 1900  
GLA: 10,893 SF  
Occupancy: 0%  
Sale Price: \$18,480,000  
Price/SF: \$1,697  
Buyer: Dekka Immobilien Investment GmbH  
Seller: Foxhall Partners  
Tenants: Vacant

Notes: H&M is combining both properties to make a 10,000 SF store.



### NORTH STAFFORD PLAZA

263 Garrisonville Road  
Stafford, VA

Year Built: 1988  
GLA: 77,620 SF  
Occupancy: 100%  
Sale Price: \$17,375,000  
Price/SF: \$224  
Buyer: MTH Management Corp.  
Seller: Bien/Paul Ventures, Inc.  
Tenants: Aldi, Dollar General, Power Kix Karate



### DAUPHIN PLAZA

3830-3884 Union Deposit Road  
Harrisburg, PA

Year Built: 1989  
GLA: 216,654 SF  
Occupancy: 100%  
Sale Price: \$16,000,000  
Price/SF: \$74  
Buyer: Acadia Realty  
Seller: WP Realty, Inc.  
Tenants: Price Rite, Big Lots, Family Dollar, Weight Watchers, Soul Burrito



### BEACON CENTER (LAND)

6660-6800 Richmond Highway  
Alexandria, VA

Year Built: N/A  
Land Area: 32.3 Acres  
Occupancy: 100%  
Sale Price: \$22,500,000  
Price/Acre: \$696,595  
Buyer: B.F. Saul Company  
Seller: Private  
Tenants: Lowes, Giant, Marshalls, HomeGoods, Payless ShoeSource  
Notes: Purchase of land and cancellation of ground lease below existing center.



### SHOPPES AT BELLGRADE

11400 West Huguenot Road  
Midlothian, VA

Year Built: 1991  
GLA: 57,000 SF  
Occupancy: 100%  
Sale Price: \$10,900,000  
Price/SF: \$191  
Buyer: SL Nusbaum Realty  
Seller: Private  
Tenants: Kroger (not owned), Pet Supplies Plus, Ruth's Chris Steakhouse, Great Clips

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