

# THE PORTER REPORT

Summary of the Richmond, Virginia Industrial Market

2nd Quarter 2011

## MODERATE ACTIVITY CONTINUES THROUGH 2ND QUARTER.

⇒ Moderate market activity has continued through the 2nd quarter, and industrial occupancy has posted an incremental gain to 80%. The majority of large sale transactions have been the result of investor activity: Investment - the Byrd Center Business Park sold to a Miami-based group (joint venture), the former Brown & Williamson facility in Petersburg is being planned for mixed use redevelopment, and the former Garden Ridge retail facility near the Airport transferred with the possibility of reopening. Looking forward, the industrial market deal velocity will likely maintain a similar even trend for the balance of the year.

NOTE: Porter Realty Company Transactions Shown Below in Red.

### SELECTED SALE TRANSACTIONS.

⇒ 475,000 SF Flex	SOLD at Byrd Center Business Park 10-Building Flex Complex	Henrico County
⇒ 317,428 SF	SOLD at 109 S. Perry Street Former Multi-Story Mfg Plant/Multi-Family Conversion	City of Petersburg
⇒ 141,588 SF Retail	SOLD at 401 International Center Drive	Henrico County
⇒ 32,000 SF Industrial	SOLD at 1440 Hickory Hill Road	City of Petersburg
⇒ 23,350 SF* Industrial	SOLD at 1221 Admiral Street	City of Richmond
⇒ 16,930 SF* Industrial	SOLD at 2030 Westmoreland Street	Henrico County
⇒ 16,875 SF* Industrial	SOLD at 11107 Air Park Road	Hanover County

### SELECTED INDUSTRIAL LEASE TRANSACTIONS.

⇒ 43,536 SF	LEASED at Enterchange at Walthall (Bldg D)	Chesterfield County
⇒ 36,336 SF	LEASED at Enterchange at Walthall (Bldg A)	Chesterfield County
⇒ 34,500 SF	LEASED at Fairgrounds Distribution Center	Henrico County
⇒ 21,600 SF	LEASED at Airport Center I	Henrico County
⇒ 20,934 SF	LEASED at 2318 Deepwater Terminal Rd	City of Richmond

## FEATURED PROPERTY

25410 Weakley Road • Tri-Cities Area, VA

Up to ~85,00 SF +/- Available • Includes 10 Docks (2 Ea. Step Van Height)

230,520 SF +/- Modern Facility (350' x 650') • Includes 6,040 SF +/- 2-Story Office

~13.8 Miles from New Rolls Royce  
Jet Engine Manufacturing Facility  
(Prince George, VA)

- Enterprise Zone Location!
- Low Tax Locality; Dinwiddie County
- Just off I-85 @ Exit #63A (Route 1)...
- Minutes to I-95!
- Acreage: 19.14 Acres Zoned Industrial
- Onsite Expansion: Up to 310k SF
- Ceiling Height: 22'6" to 27'8"
- Column Spacing: 50' x 50'
- Sprinklers: ESFR
- Parking Onsite: 292 Spaces
- 1,600 Amp 277/480 Volt 3 Phase Service
- Utilities: Water/Sewer/Gas

Contact Exclusive Agent:

Richard W. Porter @ 804-521-1443



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R E A L T Y

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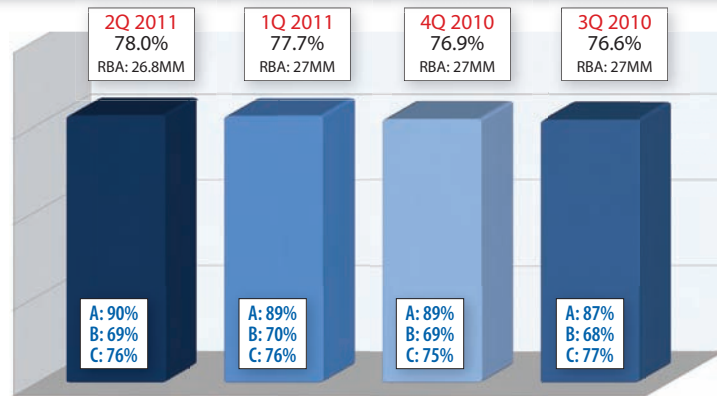
# INDUSTRIAL MARKET VACANCY

2nd Quarter 2011

## VACANT & INVESTOR-OWNED PRODUCT 40K SF MIN RBA\* EXCLUDES FLEX & OWNER-OCCUPIED PROPERTIES

\*RBA Total: 26.8MM SF in 167 Existing Buildings (Class A, B, C)

### 2ND QUARTER 2011: OCCUPANCY RATES & OCCUPANCY BY BUILDING CLASS



2Q 2011: The industrial **occupancy rate** has increased to 80.0% from 77.7% in the 1Q 2011.

**Occupancy** by Building Class:

Class A ↑ @ 90%

Class B ↓ @ 69%

Class C ↓ @ 76% (No Change)

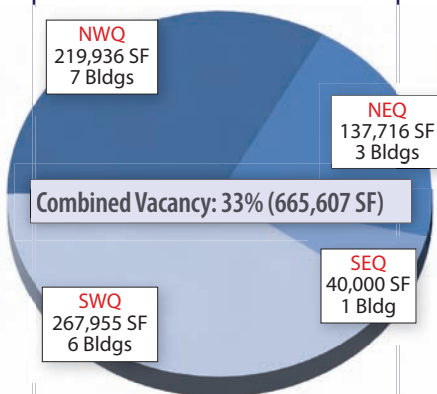
**Net Absorption** from the 1Q 2010: ↑ +109,999 SF

NOTE: CoStar (based on ALL industrial properties) reports a vacancy rate of 11%, showing no change from the 1st quarter of 2011, based on a total 107.5 million square feet RBA in 2,620 existing warehouse properties (excluding flex space, but including both owner-occupied and investor-owned properties), with a positive year-to-date net absorption of 281,464 SF.

#### 2ND QUARTER 2011

**Vacancy in Buildings  
40k < 75k SF RBA**  
RBA: 2.03MM SF (39 Buildings)

	Class A	Class B	Class C
Total Bldgs	3	18	18
Total RBA	179,455	910,415	941,254
Vacant SF	42,895	331,150	291,562
Vacancy Rate	24%	36%	31%

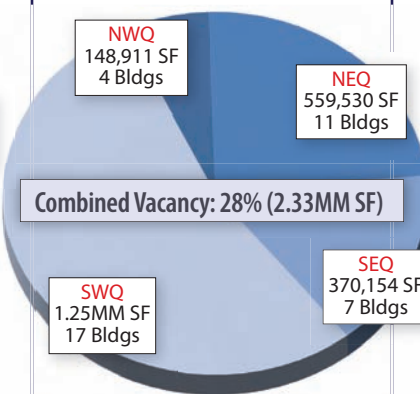


1st Quarter 2011 Comparison:  
30% (678,308 SF) Vacant  
RBA: 2.28MM SF (49 Bldgs)

#### 2ND QUARTER 2011

**Vacancy in Buildings  
75k < 150k SF RBA**  
RBA: 8.4MM SF (77 Bldgs)

	Class A	Class B	Class C
Total Bldgs	19	31	27
Total RBA	2,252,448	3,373,059	2,787,608
Vacant SF	237,355	1,355,714	738,052
Vacancy Rate	11%	40%	26%

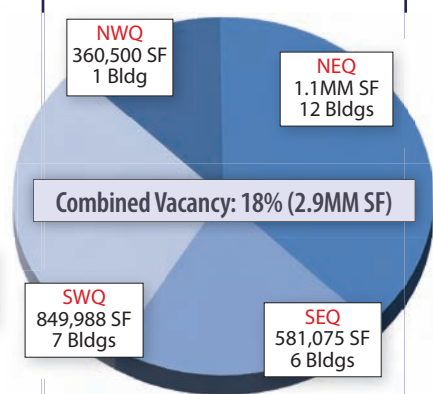


1st Quarter 2011 Comparison:  
30% (2.46MM SF) Vacant  
RBA: 8.1MM SF (74 Bldgs)

#### 2ND QUARTER 2011

**Vacancy in Buildings  
150k SF Min RBA**  
RBA: 16.38MM SF (51 Bldgs)

	Class A	Class B	Class C
Total Bldgs	18	21	12
Total RBA	6,071,985	5,076,514	5,219,931
Vacant SF	554,856	1,215,157	1,136,488
Vacancy Rate	9%	24%	22%



1st Quarter 2011 Comparison:  
17% (2.87MM SF) Vacant  
RBA: 16.7MM SF (52 Bldgs)

20 Buildings with a minimum 100k SF vacant represent 54% of the total industrial market vacancy with 3,181,949 SF

Vacancy by Bldg Class (Min 100k SF)	Class A	Class B	Class C
Total Bldgs	2	11	7
Total Vacant SF	339,801	1,510,344	1,331,804

Vacancy by Quadrant (Min 100k SF)	NWQ	NEQ	SEQ	SWQ
Total Bldgs	1	7	4	8
Total Vacant SF	360,000	1,011,806	543,957	1,265,686