OFFICE

2014 HAMPTON ROADS
REAL ESTATE MARKET REVIEW

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2014 Hampton Roads Real Estate Market Review

General Overview

The Hampton Roads office market ended 2013 offering proof of steady, but conservative activity in the marketplace. This was characterized by slight decreases in vacancy and minor adjustments to absorption and rental rates year-over-year. As for economic growth, let’s just say there have been better years for the Hampton Roads MSA as 2013 left us wanting more.

Much of the problem for 2013 and its inability to create significant job growth and bolster the economy was due highly to fiscal uncertainty as a result of Washington’s partisanship. Unemployment in the region stood at 5.9%, while the Gross Regional Product expanded at a mere rate of 1.73%. Hampton Roads was directly impacted by sequestration that prompted billions of cuts from the defense budget that, in turn, trickled down to defense and government contracting companies in Hampton Roads realizing a decline in military spending of an estimated $330 million or 1.71% in 2013. As a result, one of the region’s larger communities of office users has now experienced major downsizing and rightsizing exercises due to these influences.

There was a very large dip in absorption in 2013. Some of this is due to sequestration and some is due to right-sizing in general. However, on the bright side, Class A and B office rental rates did increase quite nicely. Class A rates increased overall by an average of $0.62 per square foot and Class B rates increased overall by an average of $1.08 per square foot. This is a strong indication that landlords are slowly gaining leverage over office market conditions after five years; however, not all markets have reached this mark. Some suburban submarkets will still need to offer incentives and concessions to inch down their vacancy percentages focusing largely on tenant retention.

The 4th quarter of 2013 ended with a slight decrease in the overall vacancy rate at 11.8%, down from 12.1% in 2012. This slight decrease is due to a lack of major new construction projects and a few new office growth deals such as USAA, which absorbed over 80,000 square feet in Chesapeake, Liberty Live’s occupation of over 20,000 square feet in Suffolk, and growth of the old faithful medical sector on the Peninsula, CHKD’s occupancy of 20,000 square feet at Butler Farm, and Riverside Healthcare Associates occupation of over 16,000 square feet in Oyster Point.

METHODOLOGY

The information in this report relies on market reports from CHMURA Economics and Analytics website, Governor Announces New Chmura Economics(95,504),(916,894)(95,504),(916,894) Economics Report Finding New Spending on Construction Will Annually Sustain 13,058 Jobs and Have $9.5 Billion in Economic Impact; www.whitehouse.gov, Impacts and Costs of the 2013 Federal Government Shutdown, Sequestration, It’s Impact on Virginia 2013-2014; www.thomjefferson.org, Sequestration, It’s Impact on Virginia; www.joneslanglasalle.com, for regional office market conditions. Other references include www.pilotonline.com, Hospitals Asses How to Deal with Cuts; www.virginiabusiness.com New East Tower at Norfolk’s Sentara Leigh’s Hospital is Complete; www.costar.com to reference sale and lease comparables; www.bshr.com, the Bon Secours website was utilized to refer to the new DePaul Medical Office Building; Old Dominion University, Economic Forecasting Project, College of Business and Public Administration Press, 2/5/2014. The parameters of size referenced in this report for the Class A and Class B office market buildings in the Hampton Roads MSA as a whole were 15,000 SF or higher for largest completed lease transactions in 2013; $5 million and higher in sales price for top completed office building sales transactions; and 20,000 SF and greater for top new construction office deliveries. The information in this report is not reflective of CoStar nor is the data derived and delivered in the same format or meant for the same audience. A select group of commercial real estate professionals assisted in data collection and collation for each submarket. The data is collected in December of the reporting year, yielding an accurate year-to-year summary of market performance.
A Window of Transparency Offers Some Rebound Potential for Hampton Roads

EMPLOYMENT AND ECONOMY

Some resolution to federal spending was determined late in the fourth quarter of 2013 which prompted a fragment of confidence in the Hampton Roads workforce by funding the area’s military installations and manufacturing for the next two years. The National Defense Authorization Act of 2014 and the Bipartisan Budget Act of 2013 will give back $63 billion in defense cuts in FY 2014 and FY 2015 created by the 2013 sequester. The legislation will also fund shipbuilding and repair contracts through the 2015 fiscal year ending on September 30.

Despite the most significant government shut down in U.S. history, as well as extended furloughs, lay-offs and the ongoing impact of sequestration throughout 2013, all of which slowed the local economic recovery, Virginia was still able to add almost 31,500 new jobs from the prior year (3,745,800 in 2012 to 3,777,300 in 2013). Although this is a weak uptick in employment growth as sequestration cost Hampton Roads 4,000 jobs, the resolution in Washington offered welcomed hope that the future may foster substantial employment growth, specifically from the government contractor sector, at least for the next two years. It is forecasted that unemployment will decline to a rate of 5.3% in 2014 and the Hampton Roads MSA will grow at a rate of 2%. While slower than the national average and the region’s historical rate of 3.1%, this measure is ahead of the GSP growth of 1%.

Class A rates increased overall by an average of $0.62 per square foot and Class B rates increased overall by an average of $1.08 per square foot. This is strong indication that landlords are slowly gaining leverage over office market conditions after five years.

The 4th quarter of 2013, ended with a slight decrease in the overall vacancy rate at 11.8%, down from 12.1% in 2012. This slight decrease is due to a lack of major new construction.
MARKET CONDITIONS

Slow and stable progress maintained across the office market as right-sizing triggered by space efficiency decelerated space absorption. Relocations and renewals drove overall leasing volume, contributing to a below yearly average of 190,147 square feet of positive net absorption for 2013; a 68.6% difference from total net absorption recorded in 2012, of 606,000 square feet. A large contributor to the vast difference in absorption volume is due to the completion of the Amerigroup/Wellpoint lease in 2012 located at the remodeled Concourse Building in Central Norfolk.

Static leasing activity attributed to very little new Class A or Class B construction in the market; however, Armada Hoffler did break ground on the new 4525 Main Street building located in the Town Center of Virginia Beach. Clark Nexsen will maintain exterior building signage as the anchor tenant in the building by occupying 80,000 SF. Additional office construction was led by tenant-owned build-to-suits or highly-specialized government buildings. These two additions gradually tightened office market conditions, specifically in the Class A inventory. Large Class-A blocks have diminished in numbers, particularly in Downtown Norfolk, where no vacant contiguous Class A blocks exist over 25,000 square feet.
The healthcare industry throughout the U.S. has also seen considerable hardships from the automatic budget cuts activated by sequestration. In March 2013, budget cuts automatically modified all health systems’ revenues. These cuts equate to approximately $9.9 billion in government insurance subsidies for seniors and disabled Americans. In Hampton Roads, it was reported that our largest local health system received roughly $1 million less per month for its operations. Our second largest system loses about $300,000 monthly, and one of our regional health centers is losing close to $200,000 every month.

These budget cuts have caused some health systems to hold off on new hires. In addition to the sequester cuts, the Affordable Care Act is projected by some to cause healthcare layoffs. For the first time in over a decade, the United States saw an increase in job loss in the healthcare industry. While the job loss was below 10,000, the healthcare sector generally averages an increase of 27,000 to 30,000 in jobs per month in the healthcare sector. Witnessing a loss is a shock particularly at a time when an increasing number of seniors will require more healthcare. Industry analysts hope that the job loss in the medical sector is just a result of the initial shock of the Affordable Care Act taking effect and working through growing pains.

Conversely, the medical sector is one constant in the Hampton Roads office marketplace that has demonstrated employment growth year over year. This industry continues to show growth as the need to expand increases due to new medical breakthroughs and the Baby Boomer generation reaching retirement and nurturing years. As noted in Old Dominion University’s 2013 State of the Region for Hampton Roads, from 2011 to 2012, 3,000 jobs in healthcare alone were added to the overall increase in employment growth. There were also considerable new medical office buildings that opened or broke ground in 2013 that are elaborated under 2013 New Construction. Growth of the healthcare industry is one of three major contributors which assist in the area. Healthcare, Port activity, and the increase in tourism spending all raise regional income and will drive growth in 2014 for the Hampton Roads MSA.
2013 NEW CONSTRUCTION

• CHESAPEAKE - The Federal Bureau of Investigation (FBI) built a 150,000 square foot Class A office building (509 Resource Row) in the Oakbrooke section of Chesapeake. Construction commenced late 2012 and completed October 2013. The agency occupied the new facility in early November 2013.

• NEWPORT NEWS – Newport News Shipbuilding - The Apprentice School. Armada Hoffler partnered with the City of Newport News and the Commonwealth of Virginia to develop the 150,000 square foot facility of which Armada Hoffler built a 90,000 square foot apprentice school. Also included in the project: workforce housing; retail space; and a parking garage. The building was delivered in November of 2013.

• NORFOLK - Ghent Station - Robinson Development Group broke ground on Ghent Station in January 2014. The project will consist of a 26,400 square foot two-story medical office building that will be fully occupied by Bon Secours. Fresh Market will anchor as the retail component to the mixed-use development offering over 22,000 square foot of grocery store. The site is located on 21st Street in the Ghent section of Norfolk.

• NORFOLK – DePaul Medical Center – Lend Lease Group broke ground on a new four-story 105,000 square foot Class A medical office building. The building will be occupied by Bon Secours Primary Care practice groups and Specialists and will refer and feed off of the ancillary services offered by DePaul Hospital. The building is expected to deliver in spring of 2014.

• NORFOLK – Sentara Leigh Medical Center – The East Tower opened in November 2013. It is a five-story Class A medical building which features an Ortho-Joint center and ICU Center among several other medical facilities and beds. This building is part of a development that began in 2011. Completion of the atrium entry, outpatient center, outpatient pharmacy, and other accommodations will be completed by spring 2016.

• VIRGINIA BEACH - Operation Smile built a 73,000 square foot Class A building at 3641 Faculty Drive in Virginia Beach. The land was donated by the City of Virginia Beach. Operation Smile moved into the facility in early October 2013.

• VIRGINIA BEACH – Stratford University built a 63,000 square foot Class A building located at 555 S. Independence Blvd. in Virginia Beach. The school opened in November 2013 offering undergraduate and graduate programs for the South Hampton Roads area.

• VIRGINIA BEACH - 4525 Main Street at Town Center holds a 221,600 square foot office component within the tower which also offers retail on the first floor, 288 apartments, and almost 1000 covered parking bays. The building is slated to open in July of 2014. The building will be anchored by Clark Nexsen, occupying 80,000 square feet of office space.

• VIRGINIA BEACH - The Sidney Kellam Office Building at the Virginia Beach Oceanfront is a 70,000 square foot Class A office building developed by GoldKey/PHR. It was delivered first quarter of 2013 and is located along Pacific Avenue at 31 Ocean; in the center of mixed-use development. The building is named in honor of the late visionary and well-known leader in the City of Virginia Beach, Sidney Kellam, and is 100% leased.
TOP NEW SALES 2013

<table>
<thead>
<tr>
<th>CITY</th>
<th>SUBMARKET</th>
<th>RBA</th>
<th>TYPE</th>
<th>BUYER</th>
<th>SELLER</th>
<th>PRICE ($/SF)</th>
<th>PRICE $</th>
<th>QTR SOLD</th>
<th>REPRESENTING COMPANY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suffolk</td>
<td>Harborview/N Suffolk</td>
<td>111,084</td>
<td>Medical</td>
<td>Bon Secours</td>
<td>Monticello Medical</td>
<td>$418.41</td>
<td>$46,478,600</td>
<td>Q4 2013</td>
<td>CBRE</td>
</tr>
<tr>
<td>Newport</td>
<td>Oyster Point</td>
<td>567,753</td>
<td>Office</td>
<td>American Real Estate Partners</td>
<td>Capmark Financial Group</td>
<td>$31.55</td>
<td>$17,910,000</td>
<td>Q2 2013</td>
<td>NA</td>
</tr>
<tr>
<td>Virginia</td>
<td>Newtown/Witchduck</td>
<td>86,170</td>
<td>Office</td>
<td>Chartway Credit Union</td>
<td>Liberty Property Trust</td>
<td>$127.39</td>
<td>$10,977,500</td>
<td>Q2 2013</td>
<td>Katsias</td>
</tr>
<tr>
<td>Newport</td>
<td>Oyster Point</td>
<td>62,361</td>
<td>Office</td>
<td>Tidewater Physicians for Reproductive Medicine</td>
<td>CBL, Inc.</td>
<td>$84.19</td>
<td>$5,250,000</td>
<td>Q2 2013</td>
<td>CBRE</td>
</tr>
<tr>
<td>Hampton</td>
<td>Hampton Roads Center</td>
<td>56,564</td>
<td>Office</td>
<td>Multi-Specialty Group</td>
<td>Lexington Realty Trust</td>
<td>$89.19</td>
<td>$5,045,100</td>
<td>Q3 2013</td>
<td>Harvey Lindsay</td>
</tr>
</tbody>
</table>

TOP NEW LEASES 2013

<table>
<thead>
<tr>
<th>BUILDING</th>
<th>SUBMARKET</th>
<th>TENANT</th>
<th>SF LEASED</th>
<th>SIGNED</th>
<th>REPRESENTING COMPANY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Battlefield Technology Center II</td>
<td>Battlefield</td>
<td>United Services Auto Association (USAA)</td>
<td>81,478</td>
<td>Q1 2013</td>
<td>Jones Lang LaSalle (JLL)</td>
</tr>
<tr>
<td>Liberty I</td>
<td>Battlefield</td>
<td>Schenker</td>
<td>26,283</td>
<td>Q3 2013</td>
<td>CBRE</td>
</tr>
<tr>
<td>Liberty III</td>
<td>Battlefield</td>
<td>Gannett/GMI</td>
<td>25,825</td>
<td>Q4 2013</td>
<td>CBRE</td>
</tr>
<tr>
<td>Bridgewater Tech Center III</td>
<td>Harbour View</td>
<td>Liberty Live</td>
<td>22,161</td>
<td>Q2 2013</td>
<td>Jones Lang LaSalle (JLL)</td>
</tr>
<tr>
<td>421 Butler Farm Rd</td>
<td>Hampton Roads Center</td>
<td>Childrens Hospital for the Kings Daughters</td>
<td>20,069</td>
<td>Q3 2013</td>
<td>Harvey Lindsay</td>
</tr>
<tr>
<td>New Hope Center</td>
<td>Lynnhaven</td>
<td>New Hope Center for Reproductive Medicine</td>
<td>18,479</td>
<td>Q2 2013</td>
<td>CBRE</td>
</tr>
<tr>
<td>Bridgewater Tech Center</td>
<td>Harbour View</td>
<td>US 460 Mobility Partners</td>
<td>17,947</td>
<td>Q2 2013</td>
<td>Whitley Bain &amp; Company</td>
</tr>
<tr>
<td>The Atrium @ Oyster Point</td>
<td>Oyster Point</td>
<td>Riverside Healthcare Associates</td>
<td>16,560</td>
<td>Q2 2013</td>
<td>Thalhimer/Cushman &amp; Wakefield</td>
</tr>
</tbody>
</table>
OUTLOOK FOR 2014

Hampton Roads’ recovery will increase in pace in 2014. More construction is anticipated in the medical sector that should help bolster Office growth during the second half of 2014 with more anticipated acceleration expanding into 2015. Office users seeking Class A space will find few options outside the Class B inventory, pushing large users towards mid-sized build-to-suits. A large volume of lease expirations over the next 24 months may produce small waves of negative net absorption due to right sizing; a continuing trend in Hampton Roads and throughout the U.S. market. Short-term leases signed commonly by government contractors over the past two years will energize most of the upcoming renewal requirements. Large vacancys in the Class B inventory will begin to see spillover demand as Class A market fundamentals tighten, although these leases will be temporary as the Class A supply pipeline reemerges with characteristics of a comeback.

The medical sector will continue to show signs of growth in Hampton Roads which will lead to additional office space requirements and demand. Although there was a report of job loss in the United States in the month of December, this was not the case for Hampton Roads. In fact, Lend Lease Group broke ground in early 2013 on a 105,000 square foot, four-story medical office building at the DePaul Medical Campus located at 150 Kingsley Lane. The building will house several medical specialists and primary care medical practice groups. In addition, Sentara completed the East Tower which opened in November 2013. It is a five-story Class A medical building which features an Ortho-Joint center and ICU Center among several other medical facilities and beds. The development began in 2011 and completion of the atrium entry, outpatient center, outpatient pharmacy and other accommodations will be completed by spring 2016.

Riverside Medical Center is in the process of developing a mixed-use campus at the intersection of Route 199 and Route 60. The campus is over 25 acres and is a component of the 380+ acre mixed-use campus named Quarterpath. This includes a new hospital for Riverside together with new medical office buildings, multi-family, single family and retail around the 25 acre medical facility.

Based on the new medical growth in play, the anticipated growth in the healthcare arena, the influx of $63 billion in defense spending, and the tenacity of the American people, 2014 will produce a much better year and stronger office market moving forward. Hampton Roads has seen the worst of the setbacks and the dips in the economy. We are positioned to move forward in a modest, but steady upswing.

REGIONAL OFFICE MARKET COMPARISON

The Mid-Atlantic Office markets ended 2013 as follows: Washington D.C. concluded with a total inventory of 327,262,253 square feet and a vacancy rate of 14%, or 45,816,715 square feet available. Richmond, Virginia, has a total inventory of 27,410,300 square feet with a year-end vacancy rate of 11.9%, or 3,261,826 square feet available. Finally, the Hampton Roads MSA ran almost head to head with Richmond at an 11.8% vacancy, or 3,246,949 square feet available at the close of 2013, with an inventory of 27,516,514 square feet.
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# 2013 Office Building Directory
## DOWNTOWN NORFOLK
### CLASS A
- **Crow Center**, 580 East Main Street ........................................ 58,674
  - Owner Occupied: Capital Group Companies, 5300 Robin Hood Road 106,000
  - Total: 106,000

### CHESAPEAKE/GREENBRIER
#### CLASS A
- BOCO Corp Hq, 609 Independence Parkway ................................ 22,400
  - Child Healthcare Center, 733 Volvo Parkway .......................... 25,000
  - Chubb Building, 600 Independence Parkway ............................ 97,500
  - Crossways Commerce Center, 1434 Crossways Boulevard ........... 45,000
  - Denrite One, 1309 Executive Boulevard ................................ 50,000
  - Greenbrier Tower I, 860 Greenbrier Circle ............................ 87,900
  - Greenbrier Tower II, 870 Greenbrier Circle ............................ 80,976
  - HR Reaisha Association Building, 850 Independence Parkway ........ 60,000
  - Independence Place, 676 Independence Parkway ...................... 73,345
  - Lake Center I, 501 Independence Parkway ................................ 61,000
  - Lake Center II, 505 Independence Parkway .............................. 64,000
  - Liberty IV, 1313 Executive Boulevard .................................. 50,000
  - Liberty One, 1305 Executive Boulevard ................................ 50,000
  - Liberty Three, 1317 Executive Boulevard ............................... 75,000
  - Liberty Two, 1301 Executive Boulevard ................................ 51,000
  - Total: 1,095,141

#### CLASS B
- Atlantic Business Center, 1122 Executive Boulevard ................. 56,000
  - 1420 Crossways Boulevard .................................................. 71,100
  - ABNB, 830 Greenbrier Circle ............................................. 47,000
  - Armada Hoffler Business Center, 840 Greenbrier Circle .......... 45,000
  - Battlefield Corporate Center, 553 Independence Parkway .......... 98,000
  - Lakeside Tech Center L, 525 Byron Street (Flex) .................. 38,590
  - Lakeside Tech Center II, 533 Byron Street (Flex) ................. 29,000
  - Battlefield Technology Center I, 510 Independence Parkway .... 97,000
  - Battlefield Technology Center II, 520 Independence Parkway .... 81,478
  - Battlefield Technology Center III, 530 Independence Parkway .... 10,000
  - Battlefield Technology Center, 500 Independence Parkway ....... 51,578
  - Branch Executive Quarter, 4014-4016 Raintree Road ............... 42,300
  - Crossways at Greenbrier, 1408 Stephanie Way ...................... 53,500
  - Crossways Commerce Center I, 1440 Kristina & 1501 Crossways Boulevard .... 149,166
  - Crossways I, 1441 Crossways Boulevard ............................... 145,000
  - Crossways II, 1440 Crossways Boulevard .............................. 84,751
  - Crossways III, 1430 Kristina Way ...................................... 61,902
  - Dominion Business Center, 1001 Siconic Parkway (Flex) ........ 20,000
  - Eden North, 1021 Eden Way ............................................. 25,000
  - Gateway Bank, 1403 Greenbrier Parkway .............................. 75,000
  - Greenbrier Business Center, 1244 Executive Boulevard (Flex) .. 71,000
  - Greenbrier Business Center, 850 Greenbrier Circle ............... 81,370
  - Greenbrier Circle Corp Quarter, 825 Greenbrier Circle & 1801 Sara Drive (Flex) .................................................. 232,138
  - Greenbrier Tech Center ll, 814 Greenbrier Circle ................. 78,870
  - Greenbrier Tech Center I, 814 Greenbrier Circle .................. 95,414
  - Greenbrier Tech Center II, 826 Greenbrier Circle ................. 82,340
  - Hanbury Office Park, 131-135 Hanbury Road ......................... 24,000
  - Independence Technology Center, 700 Independence Parkway .... 97,000
  - Rose and Womble Business Center, 1307-1215 Volvo Parkway ....... 215,251
  - Suntrust Bank Building, 100 Volvo Parkway ......................... 23,000
  - Volvo Office Park, 737 Volvo Parkway (Flex) ...................... 36,000
  - Volvo Building, 1210-1226 Progressive Drive ....................... 52,000
  - Total: 2,116,048

#### TOTAL CLASS A & B: ........................................ 3,215,189
### OWNER OCCUPIED
- Capital Group Companies, 5300 Robin Hood Road ........................ 106,000
- Total: 106,000

### CORPORATE LANDING
#### CLASS B
- Executive Center at Corporate Landing, 5226 Indian River Rd ........ 45,000
- Princess Anne Executive Park, 2388 Court Plaza Drive .............. 61,500
- Total: 106,500

#### OWNER OCCUPIED
- Al-Anon Family Group Headquarters ..................................... 160,000
- 1330 Amherst Way ............................................................ 106,000
- Total: 247,000

### KEMPsvillE
#### CLASS A
- Amegroup Building I, 1300 Amegroup Way ................................ 106,000
- Amegroup Building II, 1330 Amegroup Way ........................... 106,000
- Metropolis I, 1333 Regent University Drive .......................... 35,000
- Total: 247,000

#### TOTAL CLASS A & B: ........................................ 374,995

### LYNNHAVEN
#### CLASS A
- Lynnhaven Plaza, 620 Lynnhaven Parkway ................................ 87,157
- March Landing, 575 Lynnhaven Parkway ................................ 62,117
- Oceana Center One, 484 Viking Drive ................................... 39,804
- Oceana Center, 448 Viking Drive ......................................... 73,502
- Pineland Center, 477 Viking Drive ....................................... 103,000
- Reflections I, 2829 South Lynnhaven Road ......................... 62,294
- Reflections II, 2809 Golden Oak Court .................................. 72,676
- Reflections III, 2859 Golden Oak Court ................................ 67,000
- Reflections IV, 2807 South Lynnhaven Road ......................... 60,000
- 500 Viking Building, 500 Viking Road ................................ 52,000
- Windward Center, 780 Lynnhaven Parkway ......................... 77,622
- Total: 766,690

#### CLASS B
- 582 Lynnhaven Parkway ....................................................... 23,408
- 2700 International Parkway .................................................. 53,000
- Chase Building, 556 Lynnhaven Parkway ................................ 31,910
- Gateway Executive Center, 469 Viking Drive ......................... 71,680
- Lynnhaven Commons, 562, 580, 605, 607, 609, 611, 613, 615 ... 61,788
- Lynnhaven Pkwy ............................................................... 61,788
- Lynnhaven Corporate Center I, 770 Lynnhaven Parkway .......... 38,046
- Lynnhaven Corporate Center II, 780 Lynnhaven Parkway .......... 39,184
- Lynnhaven Fwy, 629 Phoenix Drive ....................................... 24,549
- Lynnhaven Station, 110 North Lynnhaven Road ...................... 26,226
- Parkway Center III and IV, 2697 International Parkway .......... 64,156
- Parkway Center I and II, 2695 International Parkway ............. 52,112
- Parkway I (Lynnhaven) ....................................................... 50,428
- Parkway West, 509 Viking Drive ......................................... 41,563
- Sabre Street I, 2675 Sabre Street ....................................... 60,074
- Sabre Street II, 2600 Sabre Street ....................................... 60,000
- Sabre Street II, 2901 Sabre Street ....................................... 40,000
- Sabre Street IV, 2929 Sabre Street ...................................... 40,000
- South Lynnhaven Business Park, 2364 South Lynnhaven Road .... 60,000
- The Viking Building, 440 Viking Drive ................................ 20,341
- Yorktowne Commercial Center, 226 North Lynnhaven Road ....... 30,529
- Total: 814,024

#### TOTAL CLASS A & B: ........................................ 1,580,714
### COLISEUM CENTRAL

**CLASS A**
- Class A Building, 4410 East Coliseum Square: 150,000
- Central Park Six, 6 Manhattan Square: 32,500
- Sentara Health Campus, 4000 Coliseum Drive: 103,600
- Sentara Center, 4011 Coliseum Drive: 59,000
**TOTAL:** 345,100

**CLASS B**
- Executive Tower, 2101 Executive Drive: 135,000
- Pinhook Plaza, 1910 Coliseum Drive: 70,000
- Raytheon Building, 130 Research Drive: 50,000
**TOTAL:** 255,000

**TOTAL CLASS A & B:** 600,100

**OCCUPIED OWNER**
- Langley Federal Credit Union, 1055 West Mercury Boulevard: 73,056
**TOTAL:** 73,056

### OYSTER POINT

**CLASS A**
- Albury A Oyster Point, 11832 Rock Landing Dr: 62,970
- Cedar Two, 11837 Rock Landing Drive: 27,000
- Compass Point, 1 Compass Way: 100,000
- Fountain Plaza One, 701 Town Center Dr: 100,000
- Fountain Plaza Two, 638 Town Center Dr: 80,000
- Fountain Plaza Three, 721 Lafayette Common: 80,000
- Merchants Walk, 11870 Merchants Walk: 28,000
- One City Center, 11815 Fountain Way: 70,000
- One Oyster Point, 637 Diligence Dr: 27,000
- Oyster Point Intersectate Center, 675 Old Oyster Point Rd: 64,000
- Patrick Henry Corporate Center, 12350 Jefferson Ave: 38,000
- Peninsula Professional Building, 11818 Rock Landing Dr: 30,800
- Riverside Medical Office Building (Warwick), 1220 Warwick Blvd: 104,500
- SunTrust Tower, 11817 Canon Blvd: 100,500
- TowneBank Center, 1 Old Oyster Point Road: 56,300
- Two City Center, 11820 Fountain Way: 63,600
- Two Oyster Point, 825 Diligence Way: 50,000
- Wells Fargo Building, 601 Thimble Shoals Boulevard: 42,900
**TOTAL:** 1,206,125

**CLASS B**
- Williamsburg Commerce Center, 2101 Executive Drive: 135,000
- Sentara Center, 4001 Coliseum Drive: 59,000
- Sentara Health Campus, 4000 Coliseum Drive: 103,600
- Claiborne Building, 4410 East Claiborne Square: 150,000
**TOTAL:** 318,625

### YORK COUNTY

**HAMPTON ROADS CENTER**

- DOWNTOWN NEWPORT NEWS
- COLISEUM CENTRAL
- SUBMARKET
- COLISEUM CENTRAL
- DOWNTOWN HAMPTON
- DOWNTOWN NEWPORT NEWS
- HAMPTON ROADS CENTER
- OYSTER POINT
- SUBURBAN NEWPORT NEWS

**OCCUPIED OWNER**
- Williamsburg/James City County/York County
- Williamsburg/James City County/York County

### SUBURBAN NEWPORT NEWS

**CLASS A**
- Arbutus, 263 McLaws Circle: 26,000
- Casey Center, 5400 Discovery Park Boulevard: 30,000
- Courthouse Green, 4003 Ironbound Road: 30,000
- Cybernetics Building, 111 Cybernetics Way: 60,000
- Discovery Business Park Building II, 5308 Discovery Business Drive: 20,000
- Discovery Business Park Building, 5303 Discovery Business Park Drive: 20,000
- Ironbound Professional Center, 4125 Ironbound Road: 22,200
- Nationwide Building, 501 Village Avenue (Yorktown): 25,000
- Paladium Office Building, 5408 Discovery Park Boulevard: 21,200
- Patriot Park Business Center, 5388 Discovery Park Boulevard: 23,800
- Ryan Homes Building, 5360 Discovery Park Boulevard: 20,000
- Scott Thomas Building, 5372 Discovery Park Boulevard: 20,000
- Sentara Medical Building, 4374 New Town Avenue: 49,200
- SunTrust, 4801 Courthouse Street: 30,000
- Wells Fargo, 428 McLaws Circle (Busch Corporation): 20,000
- William E. Wood Building, 5208 Monticello Avenue: 22,066
**TOTAL:** 516,816

**CLASS B**
- Bionetics Building, 101 Production Drive (Yorktown): 30,000
- Busch Gardens Building, 300-344 McLaws Circle: 113,800
- Rivergate Center, 309 McLaws Circle: 318,487
- Williamsburg Commerce Center, 469 McLaws Circle: 31,150
**TOTAL:** 212,550

**TOTAL CLASS A & B:** 729,416

**OCCUPIED OWNER**
- Tidewater Physicians Multi-Specialty Group, 5424 Discovery Park Boulevard

**PENINSULA - Class B**
- Williamsburg/James City County/York County

**OCCUPIED OWNER**
- Williamsburg/James City County/York County

### SOUTHSIDE - CLASS A

**SUBMARKET**

- AIRPORT/NORTHAMPTON
- CENTRAL NORFOLK
- CHESAPEAKE/GREENBRIER
- CORPORATE LANDING
- DOWNTOWN NORFOLK
- HILLTOP/OCEANFRONT
- KEMPsvILLE
- LITTLE NECK
- LYNNAVEN
- MILITARY CIRCLE
- NEWTOWN/WITCHDUCK
- PEMBROKE/CENTRAL
- BUSINESS DISTRICT
- PORTSMOUTH
- SUFFOLK

**YEAR 2013**

<table>
<thead>
<tr>
<th>Submarket</th>
<th>NLA</th>
<th>VAC</th>
<th>% VAC</th>
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<tbody>
<tr>
<td>AIRPORT/NORTHAMPTON</td>
<td>634,200</td>
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<td>N/A</td>
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<td>1,099,141</td>
<td>148,807</td>
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<td>N/A</td>
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<td>DOWNTOWN NORFOLK</td>
<td>1,937,496</td>
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<td>HILLTOP/OCEANFRONT</td>
<td>429,710</td>
<td>24,610</td>
<td>5.73%</td>
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<td>KEMPsvILLE</td>
<td>247,000</td>
<td>5,800</td>
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<td>N/A</td>
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<td>LYNNAVEN</td>
<td>766,690</td>
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<td>MILITARY CIRCLE</td>
<td>308,512</td>
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<td>NEWTOWN/WITCHDUCK</td>
<td>573,494</td>
<td>153,100</td>
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<td>PEMBROKE/CENTRAL</td>
<td>1,404,795</td>
<td>146,737</td>
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<td>BUSINESS DISTRICT</td>
<td>85,056</td>
<td>26,569</td>
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<td>PORTSMOUTH</td>
<td>731,820</td>
<td>88,900</td>
<td>12.15%</td>
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**PENINSULA - Class B**

**SUBMARKET**

- CENTRAL NORFOLK
- CORPORATE LANDING
- DOWNTOWN NORFOLK
- HILLTOP/OCEANFRONT
- KEMPsvILLE
- LITTLE NECK
- LYNNAVEN
- MILITARY CIRCLE
- NEWTOWN/WITCHDUCK
- PEMBROKE/CENTRAL
- BUSINESS DISTRICT
- PORTSMOUTH
- SUFFOLK

**YEAR 2013**

<table>
<thead>
<tr>
<th>Submarket</th>
<th>NLA</th>
<th>VAC</th>
<th>% VAC</th>
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<tbody>
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<td>1,065,204</td>
<td>220,573</td>
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<td>KEMPsvILLE</td>
<td>127,995</td>
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<td>407,381</td>
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<td>814,024</td>
<td>115,538</td>
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<td>MILITARY CIRCLE</td>
<td>260,254</td>
<td>68,778</td>
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<td>NEWTOWN/WITCHDUCK</td>
<td>978,715</td>
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<td>PEMBROKE/CENTRAL</td>
<td>915,917</td>
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<td>BUSINESS DISTRICT</td>
<td>310,281</td>
<td>72,888</td>
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<td>PORTSMOUTH</td>
<td>538,210</td>
<td>142,067</td>
<td>26.40%</td>
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**DISCLAIMER:** The information in this report is deemed reliable. Old Dominion University/Real Estate Center makes no representation or warranty as to its accuracy.

**METHODOLOGY:** Submarket office data collected by market reporters for Class A and Class B office buildings 20,000 square feet and above on the Southside and Peninsula.
OFFICE SUBMARKETS

Southside
1 Airport/Northampton
2 Chesapeake/Greenbrier
3 Downtown Norfolk
4 Central Norfolk
5 Hilltop/Oceanfront
6 Corporate Landing
7 Kempsville
8 Little Neck
9 Lynnhaven
10 Military Circle
11 Newtown/Witchduck
12 Northern Suffolk
13 Pembroke
14 Portsmouth

Peninsula
15 Downtown Hampton
16 Hampton Roads Center
17 Coliseum Central
18 Downtown Newport News
19 Newmarket
20 Oyster Point
21 Suburban Newport News
22 Williamsburg/James City Co.
23 York County
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