Hampton Roads Industrial Vacancy Rate

12.94%

87.06% occupied!
Hampton Roads Industrial Vacancy Rate

First Number:

- **2009 ODU / CREED**
- **INDUSTRIAL REVIEW**

12.94%

- 11.1% in 2008
- 10.51% in 2007
- 5.87% in 2006

- National Vacancy Rate:
  - C&W: 10.8%
  - CoStar: 10.1%

Compared to other Markets:

- Savannah, GA: 19.9%
- Chicago, IL: 11.4%
- Richmond, VA: 10.9%
- Seattle, WA: 9.3%
- L.A. (South), CA: 5.7%

HR Submarkets (the good):

- Oyster Point: 4.35%
- Williamsburg: 3.99%
Hampton Roads Industrial Vacancy Rate

First Number:

12.94%

HR Submarkets (the good):

Peninsula: 9.49%

Lowered Vacancy in 2009:

*Bainbridge *Lynnhaven *Portsmouth
*Copeland *Oakland *Williamsburg

Norfolk Commerce Park: 38.41%
Isle of Wight: 28.45%
Suffolk: 19.13%

Second Number:

Rental Rate a Landlord would love to get for distribution space

$4.00 NNN psf/yr

*This will remain something of a benchmark for warehouse space.
*Market rents for other subgroups will cluster around:

$4.75-$5.75 NNN for general industrial
$5.50-$6.50 NNN for higher rent submarkets
The number of predictions I got wrong last year:

4

1. GVA Advantis is bullish for 2009.
2. There are two big deals about to be announced in the market.
3. The local industrial market is healthy with a modestly successful 2009.
4. Vacancy rates are not expected to rise.
The number of ‘big’ deals in the market this year:

4

1. Virginia Beach
2. Chesapeake
3. Norfolk
4. Suffolk

Wish list for additional building sales in 2010:

10

more than last year!

Hopeful for a vacancy rate in 2010 of:

10%

+1%? +2%?

1. Ford Plant sold? 2.3 million square feet off the market.
2. One large warehouse deal, please?
3. NO INDUSTRIAL LAND SALES IN 2009.
4. No speculative development.

*2009 had 20 industrial building sales compared to 34 for 2008, or a 42% reduction in sales volume.

*2009 average sales price: $69.18 per square foot.

*2008 average sales price: $70.89 per square foot.

*Financing will become even more of a challenge.
How can I be successful in: 2010?

1. You have to search for the hard-to-find eggs...
2. Get your equity piece secure.
3. Treat good tenants like the partners they are.
4. Stay in touch with your lenders.
5. Keep your sense of humor.
How can I be successful in: 2010?

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6. You want your friends to stay friends…