Deborah Stearns, CPM, SIOR
Senior Vice President

Office Market Review

Jones Lang LaSalle
Real value in a changing world
## 2013 year in review

Hampton Roads office market

<p>| | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>Inventory</strong></td>
<td>39 million r.s.f.</td>
</tr>
<tr>
<td><strong>Absorption</strong></td>
<td>190,000 r.s.f.</td>
</tr>
<tr>
<td><strong>Vacancy</strong></td>
<td>11.8%</td>
</tr>
<tr>
<td><strong>Average rate</strong></td>
<td></td>
</tr>
<tr>
<td>Class A:</td>
<td>$21.88</td>
</tr>
<tr>
<td>Class B:</td>
<td>$16.83</td>
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</tbody>
</table>
## Comparative markets

**Hampton Roads office market**

<table>
<thead>
<tr>
<th></th>
<th>Hampton Roads</th>
<th>Richmond</th>
<th>Raleigh/Durham</th>
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<tbody>
<tr>
<td><strong>Inventory</strong></td>
<td>28,287,873</td>
<td>39,931,353</td>
<td>62,321,702</td>
</tr>
<tr>
<td><strong>Vacancy</strong></td>
<td>12.2%</td>
<td>10.5%</td>
<td>12.2%</td>
</tr>
<tr>
<td><strong>Average rate</strong></td>
<td>$16.94</td>
<td>$17.79</td>
<td>$18.97</td>
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2013 top office lease
520 Independence Parkway – Battlefield Technology Center II, Chesapeake

- Battlefield Corporate Center
- USAA – Relocation
- 81,460 r.s.f.

- Landlord: Levitt Properties
- Tenant rep: Gregg Christoffersen, JLL
- Landlord rep: Pat Mugler, CBRE
- Maureen Rooks, JLL
- Perry Frazer, CBRE
2013 2nd largest office lease
101 W. Main Street – World Trade Center

- Downtown Norfolk
- NYT Shared Service Center
- 34,825 r.s.f.

- Landlord: Harbor Group Management
- Tenant rep: Perry Frazer, CBRE
  Lang Williams, CBRE
- Landlord rep: Wes Edwards, JLL
  Deborah Stearns, JLL
2013 3rd largest office lease
1305 Executive Boulevard, Liberty One

- Greenbrier
- Schenker International
- 26,283 r.s.f.

- Landlord: Liberty Property Trust
- Tenant rep: Don Crigger, CBRE
- Landlord rep: Pat Mugler, CBRE
  Gray Randolph, CBRE
2013 top office sale transaction
5200 W. Mercury Boulevard, Hampton

- Net Center, Hampton/Newport News
- $17.9 million
- $32.00/r.s.f.

- Seller: Capmark Financial Group
- Buyer: American Real Estate Partners
2013 2nd largest office sale
5700 Cleveland Street, Virginia Beach

- The Westmoreland Building
- $10.9 million
- $127.00/r.s.f.

- Seller: Liberty Property Trust
- Buyer: Chartway Federal Credit Union
- Agent: John Katsias, Katsias Company

Rob Wright, Katsias Company
2013 3rd largest office sale
11751/11761 Rock Landing Drive, Oyster Point

- $5.25 million
- $84.00/r.s.f.
- Seller: CBL
- Buyer: TPMG
- Seller’s Agent: Scott Adams, CBRE
- Buyer’s Agent: Clark Baldwin, HLCRE
2014 Forecast

• Improved market stability- federal budget passed

• New construction
  ❖ Town Center
  ❖ Ghent Station
  ❖ Virginia Tech Technology Campus
  ❖ DePaul Medical Center

• Improved occupancy and rent growth
• Changing workforce/evolving workplace