



OLD DOMINION UNIVERSITY

Strome College of Business

E.V. WILLIAMS CENTER FOR REAL ESTATE

AT THE HARVEY LINDSAY SCHOOL FOR REAL ESTATE

Annual Hampton Roads Market Review & Forecast





THANK YOU, Harvey Lindsay Family

We sincerely appreciate your generous donation and support of the ODU Real Estate Program.

The Harvey Lindsay name is synonymous with family, integrity, dedication, service and innovation.

The naming of the Harvey Lindsay School of Real Estate honors the establishment of the family's legacy by Harvey Lindsay, Sr. while also representing the forward-thinking ideals of Harvey Lindsay, Jr.



Annual Hampton Roads Market Review & Forecast



The Harvey Lindsay School of Real Estate reaches well beyond the Commonwealth of Virginia, drawing national distinction as a rigorous and enterprising center for real estate education.

Collaborations with key industries in Hampton Roads and beyond give students real-world business experiences through internships, project and case analysis, and national industry conferences and competitions.

Annual Hampton Roads Market Review & Forecast



Harvey Lindsay Jr. shared words of wisdom, with Monarch Student Society of Real Estate President, Kaleb Hinman.

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EMCEE

LAWRENCE COLORITO

Senior Managing Director
Valbridge Property Advisors





E.V. Williams Center for Real Estate Former Directors

John Crunkleton, Ph.D.

John Lombard, Ph.D.

Andrew Hansz, Ph.D.

Hampton Blvd - 25 years ago...



University Expansion and Growth



Ted Constant Convocation Center Today



By Cmett003, CC BY-SA 4.0, <https://commons.wikimedia.org/w/index.php?curid=73999416>



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COMMERCIAL REAL ESTATE



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ECONOMIC TRENDS

**VINOD
AGARWAL**

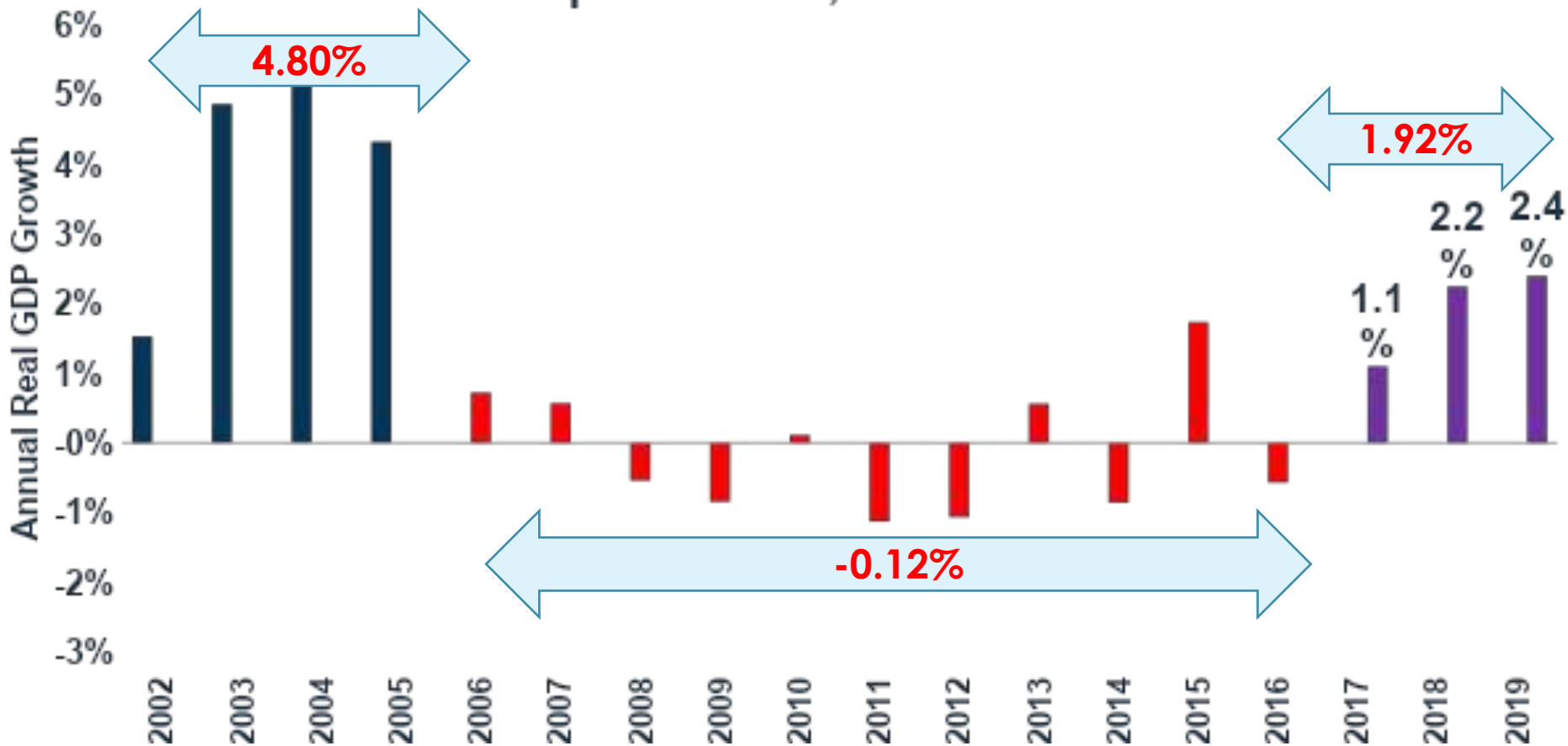
Professor of Economics and Deputy Director,
Dragas Center for Economic Analysis and Policy

Old Dominion University



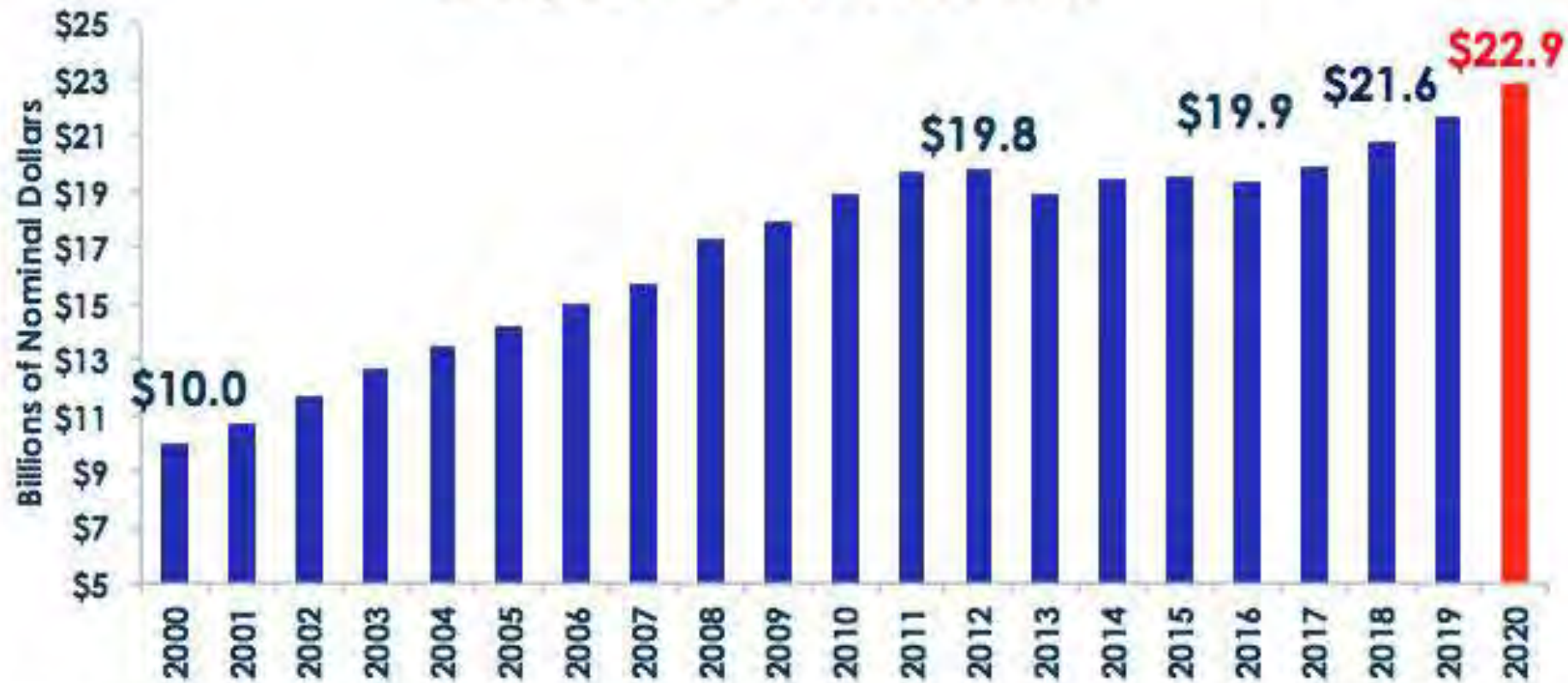
DRAGAS CENTER FOR
ECONOMIC ANALYSIS
AND POLICY

Growth in Real Gross Domestic Product: Hampton Roads, 2002-2019*



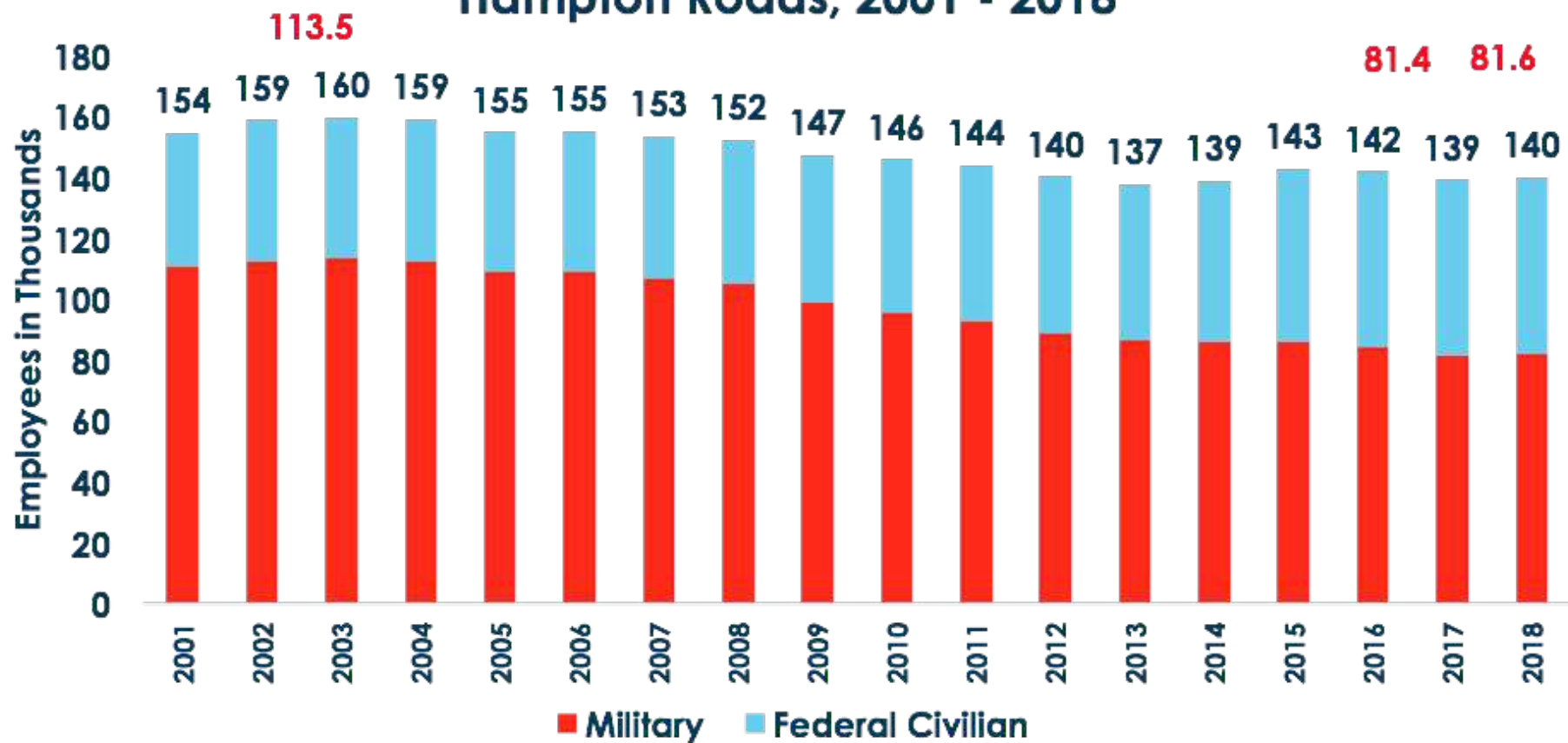
Sources: Bureau of Economic Analysis and Dragas Center for Economic Analysis and Policy. Data on GDP incorporates latest BEA revisions in December 2019. *Data for 2018 are the advance estimates and for 2019 data represent our estimate. CAGR GDP growth in horizontal bars.

Estimated Direct Department of Defense Spending Hampton Roads, 2000 to 2020*

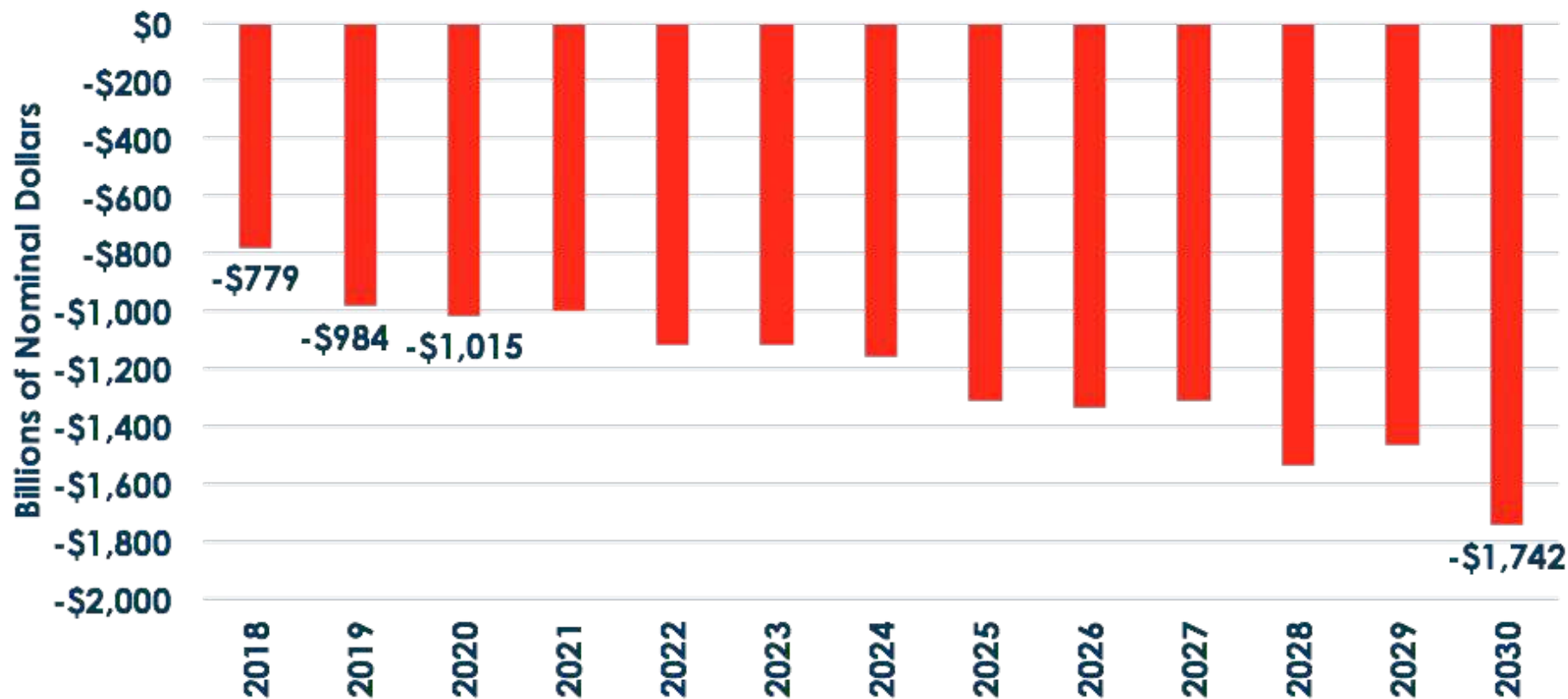


Sources: U.S. Department of Defense and Dragas Center for Economic Analysis and Policy, Includes Federal Civilian and Military Personnel and Procurement. *Data for 2019 are estimates while 2020 is our forecast. Last updated on January 2, 2020.

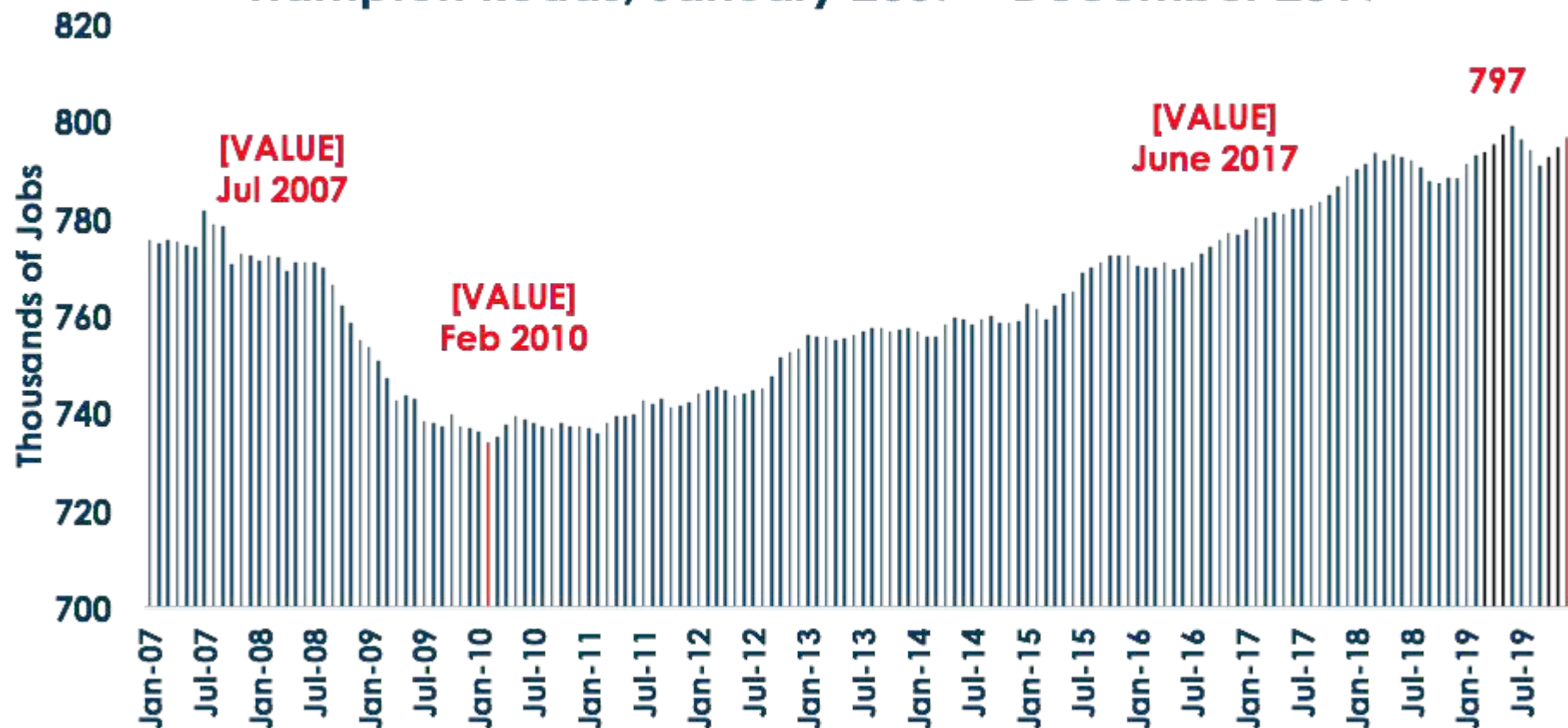
Military and Federal Civilian Employment Hampton Roads, 2001 - 2018



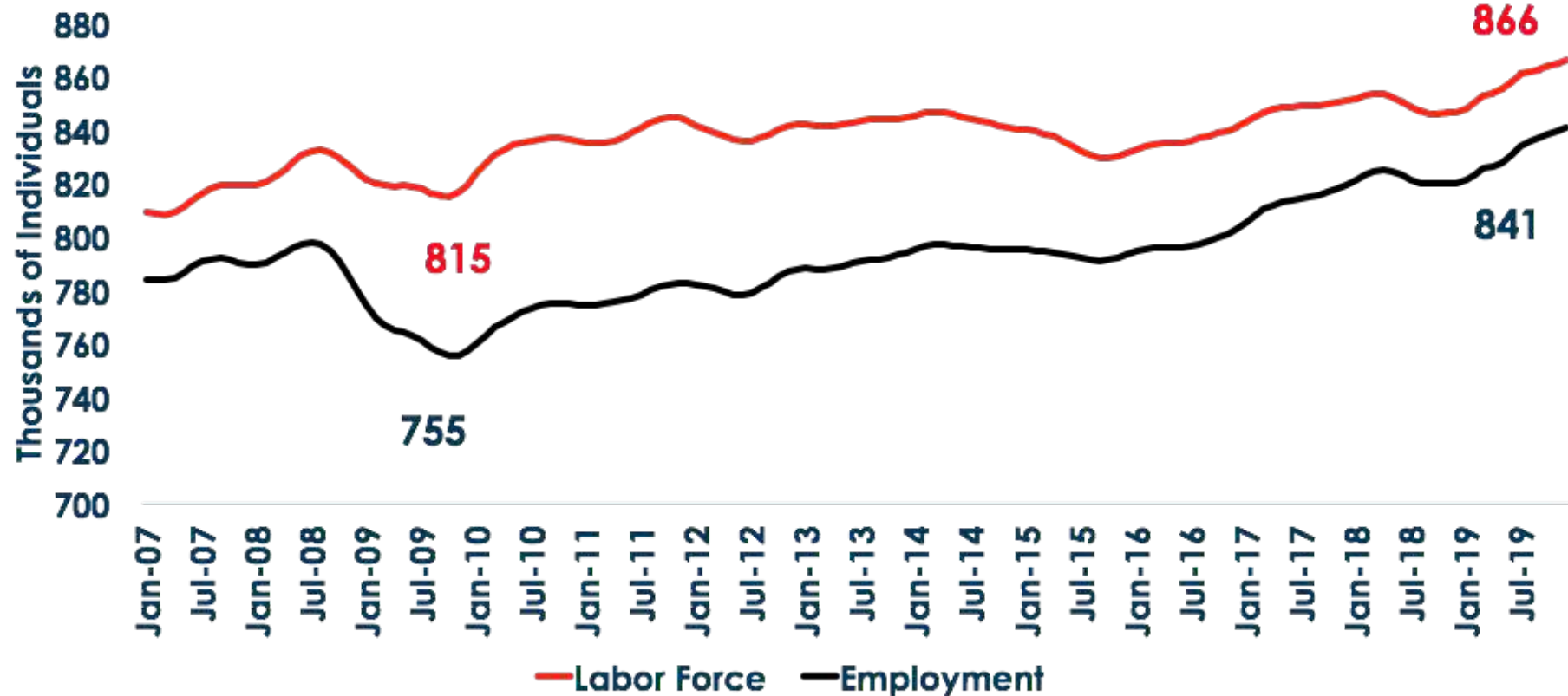
Actual and Projected Federal Deficit United States, FY 2018 – FY 2030*



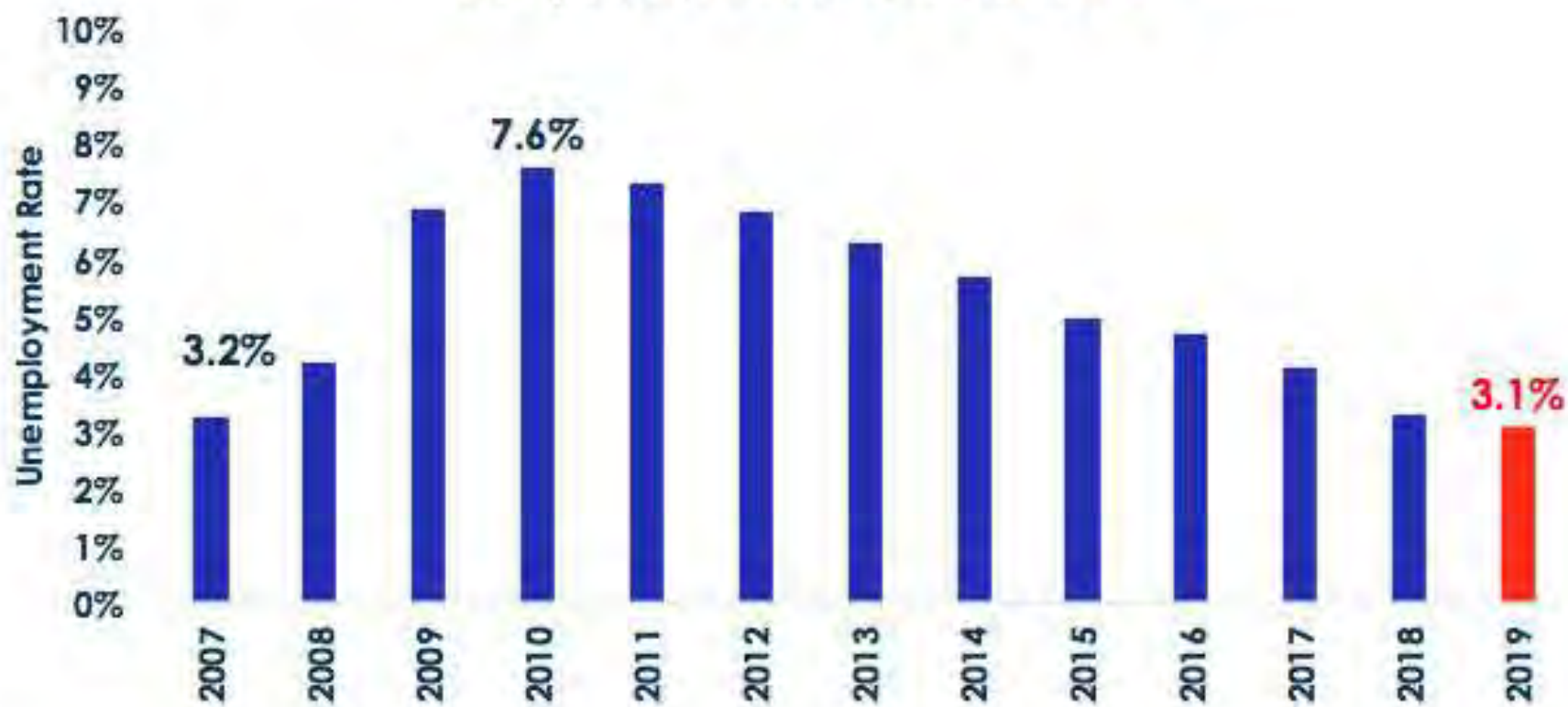
Total Nonfarm Employment (Jobs) Hampton Roads, January 2007 – December 2019



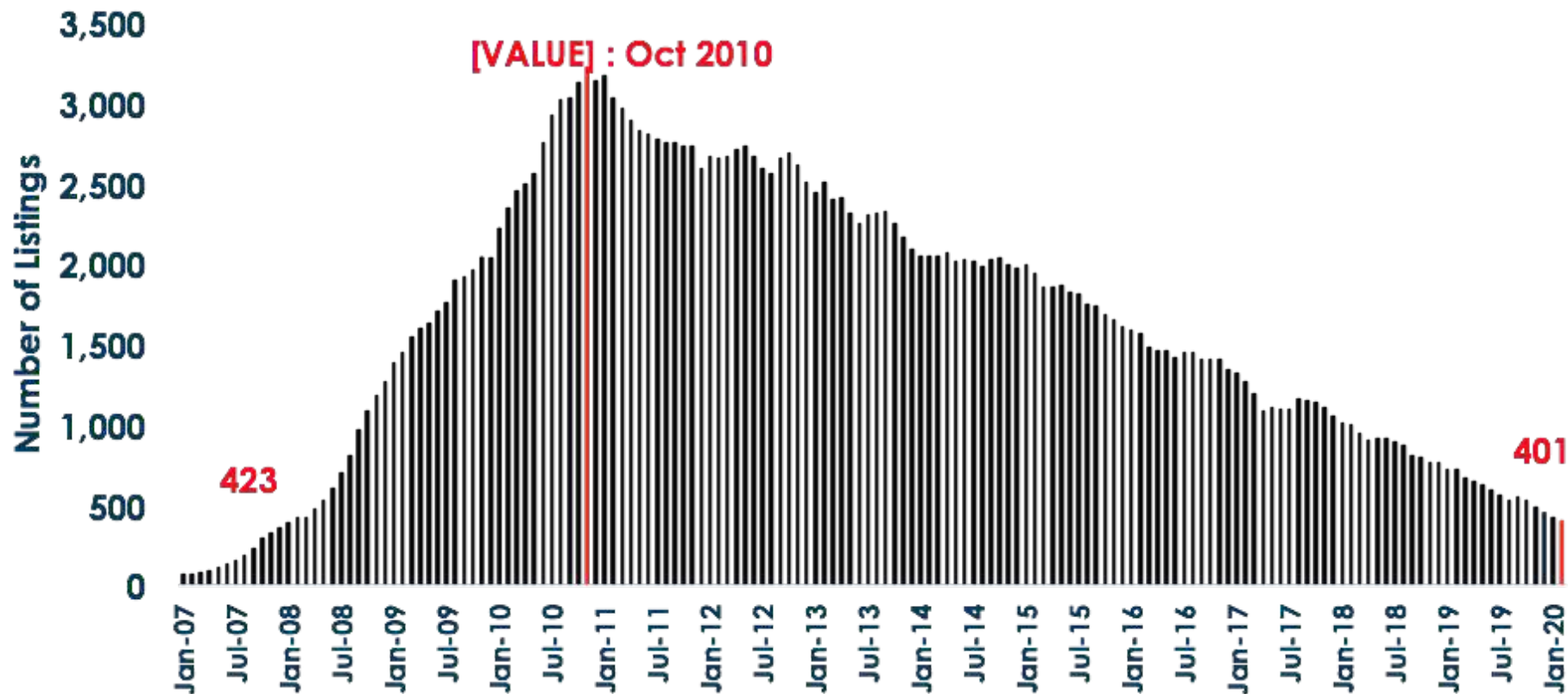
Civilian Labor Force and Employment of Individuals Hampton Roads, January 2007 – December 2019



Average Annual Unemployment Rate: Hampton Roads, 2007 to 2019



Number of Active Listings of Distressed Homes: Hampton Roads, January 2007 to February 2020



30-Year Fixed Mortgage Rate (Weekly, ending Thursday), January 8, 2015 to March 5, 2020





The Potential Impact of the Coronavirus

- **Rapid declines in sentiment and expectations.**
- **1st and 2nd quarter year-over-year GDP growth may be negative.**
- **Strong likelihood of continued cuts in the target Federal Funds Rate and quantitative easing.**
- **Calls for federal stimulus will rise if virus spreads in United States.**
- **Availability bias and recency bias may further harm markets.**



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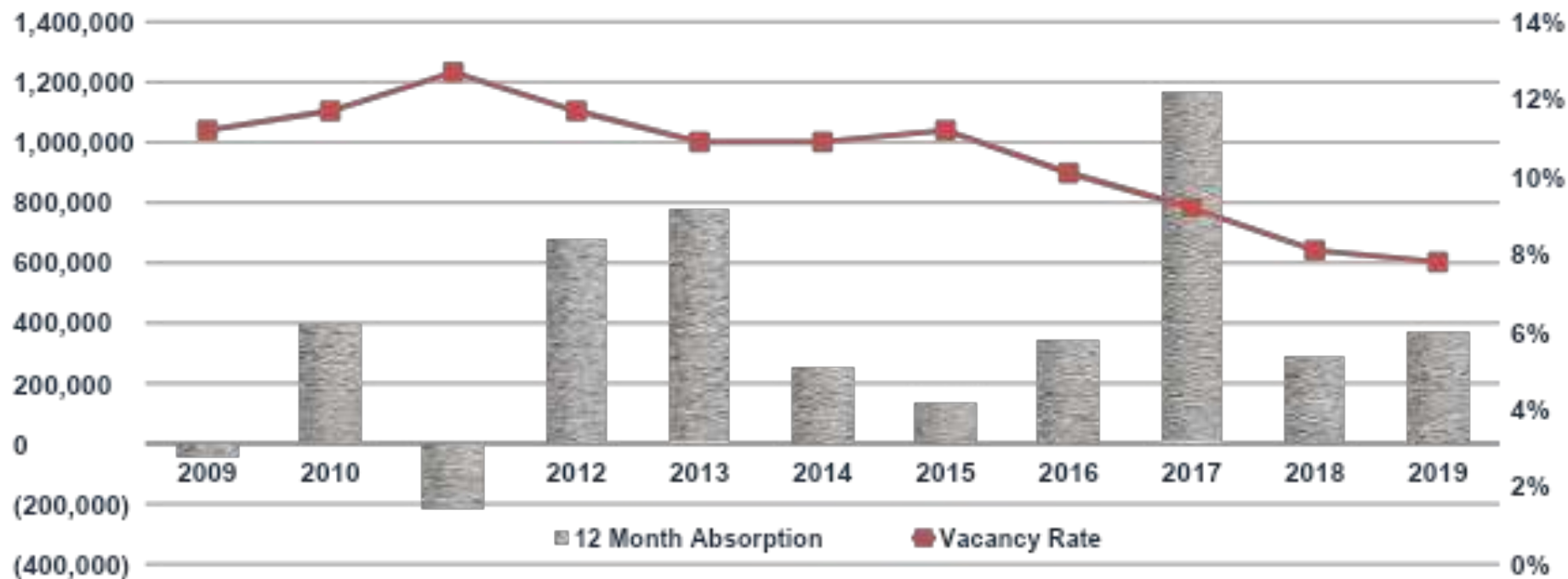
OFFICE DEBORAH STEARNS

Senior Vice President
Jones Lang LaSalle





ABSORPTION AND VACANCY



2019
was a good year
for office in the
757

Net Absorption
+80K SF
FROM 2018



Vacancy Rate
-300 BPS
FROM 2018



Top Five New Office Leases of 2019

Tenant	Property	Date	Square Footage
Huntington Ingalls Industries	Net Center 5200 W Mercury Blvd., Hampton	Q3-Q4	189,049 (22,006 + 167,043)
Life Protect 24/7	Commander Corporate Center 6160 Commander Pkwy., Norfolk	Q2	65,494
Peninsula Metropolitan YMCA	Care Plex West 4001 Coliseum Drive, Hampton	Q1	35,884
Gather Virginia Beach	Town Center of Virginia Beach 249 Central Park Avenue, Virginia Beach	Q4	28,541
Burns & McDonnell	Liberty Three 1317 Executive Blvd., Chesapeake	Q3	25,625



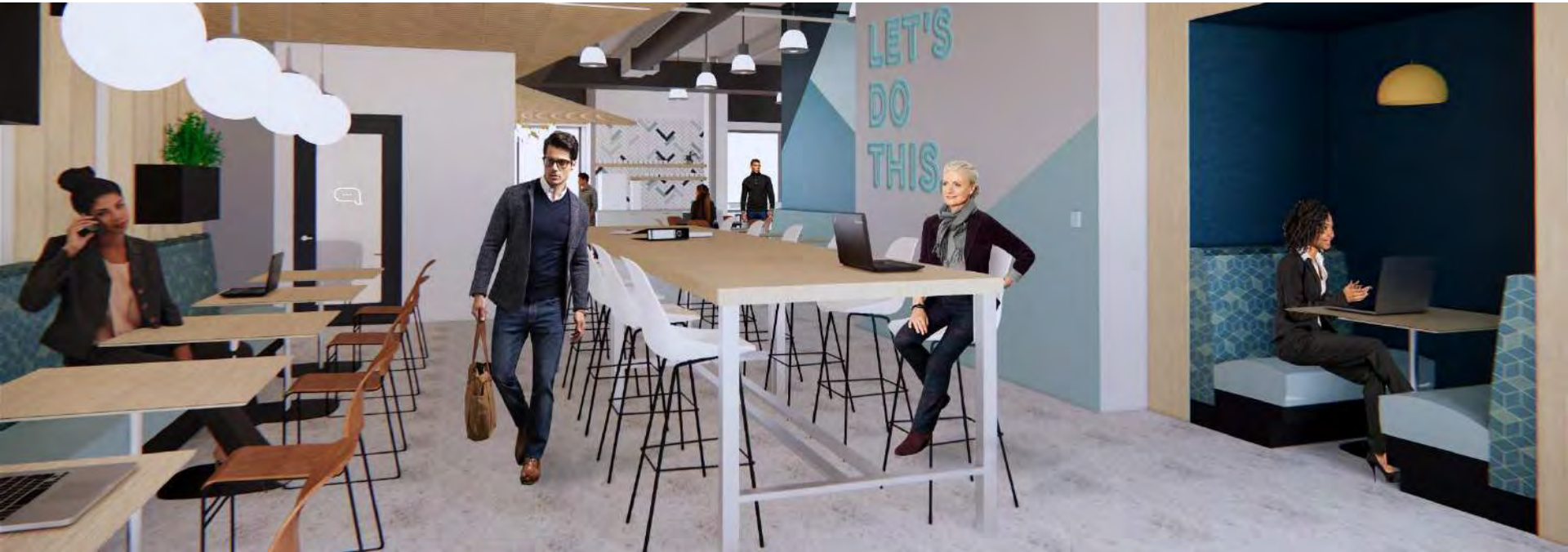
**Huntington Ingalls Industries at NetCenter
189,049 SF in two transactions – Q3 & Q4**

Life Protect 24/7 at Commander Corporate Center

65,494 SF – Q2



Gather at 249 Central Park Avenue 28,541 SF – Q4





**Burns &
McDonnell
at Liberty Three**

35,884 SF – Q1

BURNS  MCDONNELL

Top Five Office Sales Transactions of 2019

Property	Square Footage	Sale Date	Sale Price	Price Per SF	Buyer Type
Acme Equities portfolio Chesapeake, Hampton, Virginia Beach	1,322,000	Q1	\$183,000,000	\$137.89	Investor
116 Lake View Parkway Suffolk	406,737	Q2	\$79,200,000	\$194.72	Investor
Interstate Corporate Center 14 office buildings, Norfolk	342,508	Q4	\$43,000,000	\$126.00	Investor
Twin Oaks I & II 5700 & 5800 Lake Wright Drive, Norfolk	171,564	Q1	\$24,900,000	\$145.14	Investor
240 Corporate Boulevard Norfolk	87,497	Q3	\$12,970,000	\$148.23	Owner-occupier

New Investors



\$19.7 million investment
in Town Point Center



\$183 million investment in
former Lingerfelt portfolio



\$24.9 million investment
in Twin Oaks I and II



\$43 million investment in
Interstate Corporate Center



Owner-occupant
\$12.9 million
investment



Owner-occupant
\$4.0 million
investment



Owner-occupant
\$8.5 million investment



Investing in
government-leased
assets





**Acme Equities
22-building
portfolio
Chesapeake
Hampton
Virginia Beach**



**1,322,000 SF
\$183,000,000
\$137.89 per SF
Investor – Q1**

ACME EQUITIES



**U.S. Joint Staff
Command
116 Lake View
Parkway, Suffolk**

406,737 SF

\$79,200,000

\$194.72 per SF

Investor – Q2





**Interstate
Corporate Center
(14 buildings)
Norfolk**

342,508 SF

\$43,000,000

\$126.00 per SF

Investor – Q4

AXONIC

**EDGE HILL
INVESTMENTS**





**Twin Oaks I & II
5700 & 5800 Lake
Wright Drive,
Norfolk**

**171,564 SF
\$24,900,000
\$145.14 per SF
Investor – Q1**



Additional Owner- Occupiers



Novel Coworking
223 E. City Hall Ave.



**Hampton Roads
Connector Partners**
240 Corporate Blvd.



InMotion Hosting
555 S Independence Blvd



BayPort FCU
2 BayPort Way



OVM Financial
5040 Corporate Woods Dr.



Coworking

- 400,000+ SF of executive office and coworking space
- Occupancy is strong
- An important element of a healthy market

gather.

Regus

IncuHub 1701 WORK/PLACE
PERCOLATOR

Novel
COWORKING

ASSEMBLY

Walkable, amenity-rich environments

- Thriving from downtown to town centers
- Attracts everyone from Millennials to Boomers
- Live, work, shop and play in one high-style place



New construction

- **Ferguson Enterprises, \$83 million Newport News Headquarters with 260,000 SF**
- **555 Belaire Ave, Summit Pointe 150,000 SF under construction**
- **Sabre Office Park, Virginia Beach 75,000 SF, under consideration**
- **Tech Center II, Newport News 80,000 SF, land is being cleared**
- **Town Center of Virginia Beach 200,000 SF, seeking anchor**
- **YNot Italian HQ, Virginia Beach 45,000 SF, construction announced; anchoring Virginia Beach biosciences park**



Disaster Recovery



**Most Transformational
Project Of The
Past 25 Years**

**THE TOWN CENTER
OF VIRGINIA BEACH**



THE TOWN CENTER OF VIRGINIA BEACH

- 800,000 SF of office space
- 256,000 SF of retail
- 935 residential units
- Over 400 hotel rooms
- Two performing arts venues
 - Sandler Center for the Performing Arts: 1,308 seats
 - Zeiders American Dream Theater: 300 seats



2021 Forecast

- **Vacancy: Holding steady around 7.5% with opening of 555 Belaire Avenue**
- **Average Rents: Increasing 10% to \$20.00/sf**
- **Concessions: Diminishing in all classes**
- **North Hampton Roads/Peninsula: Current tenant-favorable market moves to balanced market**

2021 Forecast

Norfolk
Southern
Tower is no
longer the
elephant in
the room





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INDUSTRIAL

WILLIAM THRONE

First Vice President

Cushman & Wakefield | Thalhimer



THALHIMER



Stephen M. Katz

2020 Hampton Roads REAL ESTATE market review & forecast



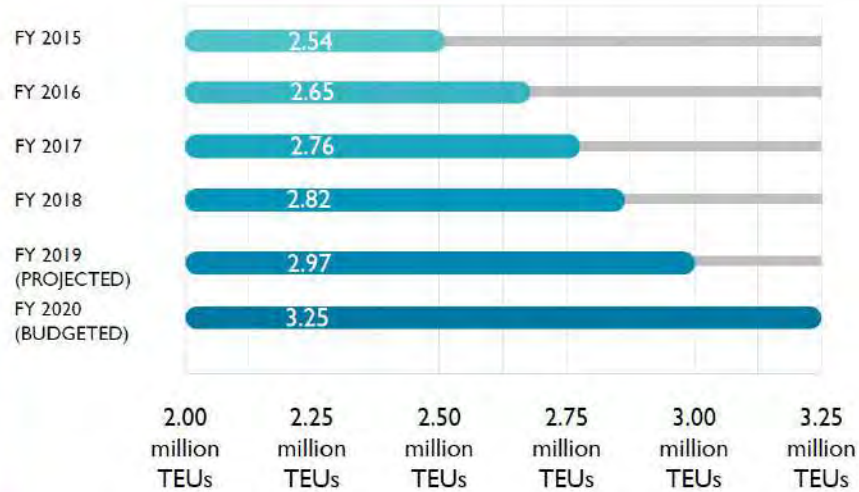
“2019 was one of the most exciting years in memory for the Industrial Market in Hampton Roads. Every major driver of industrial demand produced a positive influence on the market.”

1. Port of Virginia growth
2. Supply chain warehouse demand
3. Cold storage
4. Offshore wind
5. Increasing Military budgets
6. Record ship building and repair contracts
7. Funded and active road and infrastructure projects
8. Subsea cables
9. Development Sales



RECORD-SETTING VOLUMES

We are handling more than 400,000 TEUs more than we did in FY2015 – a 15% increase.





The Port of Virginia

*How did we get
here?*



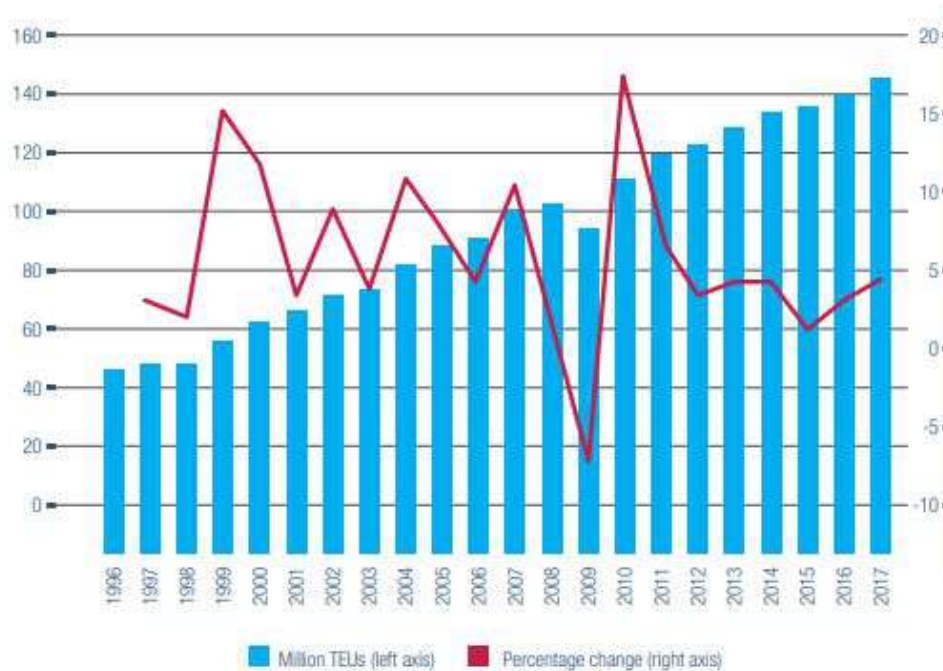


The man on the left is Malcolm McLean, a North Carolina trucking company owner ...inventor of the modern intermodal shipping container.

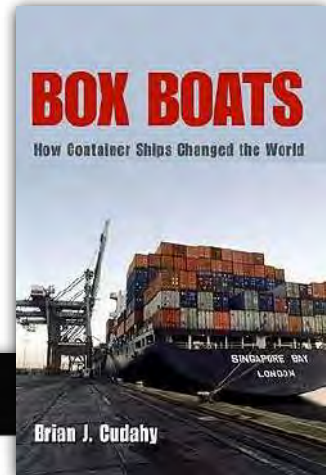
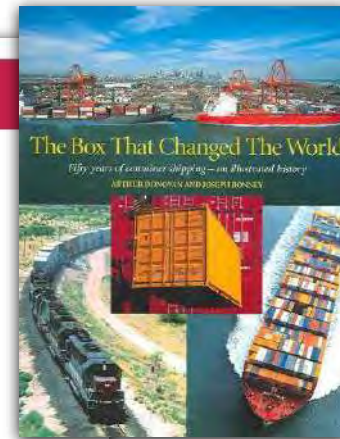


The modern intermodal shipping container began its first voyage on the converted WWII tanker the SS Ideal X in 1956. The ship was loaded with 58 containers and sailed from Newark to Houston.

Figure 1.5. Global containerized trade, 1996–2017
(Million 20-foot equivalent units and annual percentage change)



Source: UNCTAD secretariat calculations, based on data from MDS Transmodal, 2017.
Note: Data for 2017 are projected figures.



MAERSK GETS OK FOR PORTSMOUTH TERMINAL

MARCH 19, 2004 | PORTSMOUTH

The parent company of the Maersk Sealand steamship line has signed off on a deal worth up to \$400 million to build a privately owned marine terminal in Portsmouth, a local official with knowledge of the deal said Thursday.

The move, expected to increase by nearly a third the capacity of the Port of Hampton Roads to handle container cargo, will be announced the week of April 19.

The Maersk terminal, which is set to have more than 3,500 feet of berthing area and nearly 300 acres of terminal space, will have the ability to handle more than 500,000 additional container units a year at the port. The three state-owned port terminals moved 1.65 million containers in 2003, with the port ranking as the third busiest on the East Coast in terms of container shipments.

Daily Press



CenterPoint details port proposal for HRACRE

By VINCENT SCHILLING
INSIDE BUSINESS | AUG 17, 2009 | 12:00 AM

Correspondent

As the first company to bid on Virginia Port Authority's terminals, CenterPoint Properties Trust, based in Illinois, has used several opportunities to educate the business community about its plans, including a July 23 meeting with the Hampton Roads Association for Commercial Real Estate.

The company is one of three vying to operate the four main port facilities - Norfolk International Terminals, Portsmouth Marine Terminal, Newport News Marine Terminal and the Virginia Inland Port in Front Royal.

The proposed partnership, which would also help to pay for a new cargo terminal at Craney Island in Portsmouth, is a contract valued by CenterPoint at \$8.9 billion over the 60-year life-expectancy of the deal, or \$3.5 billion in today's dollars.



A steady hand at the helm

Reinhart guides turnaround at the Port of Virginia

PUBLISHED NOVEMBER 30, 2016 BY JESSICA SABBATH

In the summer of 2013, John Reinhart was vacationing in China Lake, Maine when he broached the idea of a career change with his wife, Mary, and their three adult children.

The Port of Virginia was looking for its next executive director, and a number of people had asked if Reinhart was interested in the job.

At first he wasn't, even encouraging others to apply. But the more he thought about the opportunity, the more it intrigued him.

Reinhart had been CEO of Norfolk-based Maersk Line Ltd. (MLL) since 2000. Under his leadership, MLL, a subsidiary of the Danish shipping company Maersk Line, became the largest U.S.-flag commercial fleet in international trade. Annual revenues had grown fivefold under his watch.

Reinhart told his family: "I can work another few years at Maersk and retire and go away, or I can chuck it in now, retire early and go sign on for this opportunity to rebuild the Port of Virginia."

Initially, his wife was shocked.



John Reinhart stands in a conference room overlooking Virginia International Gateway. Photo by Mark Rhodes



WE'RE STONE-COLD SERIOUS ABOUT REFRIGERATED CARGO.

Our recent completion of the **USDA Cold-Treatment pilot program** and the fact that we're **increasing our capacity for refrigerated cargo by 66%** means we're stone-cold serious about going after this growing market sector.





← WE ARE LINEAGE →

The Journey of Food. Reimagined.

We are transforming the supply chain by preserving, protecting, and optimizing the distribution of food around the world – in a way that hasn't been done before. We are Lineage, and we are reimagining the journey of food.





Offshore wind

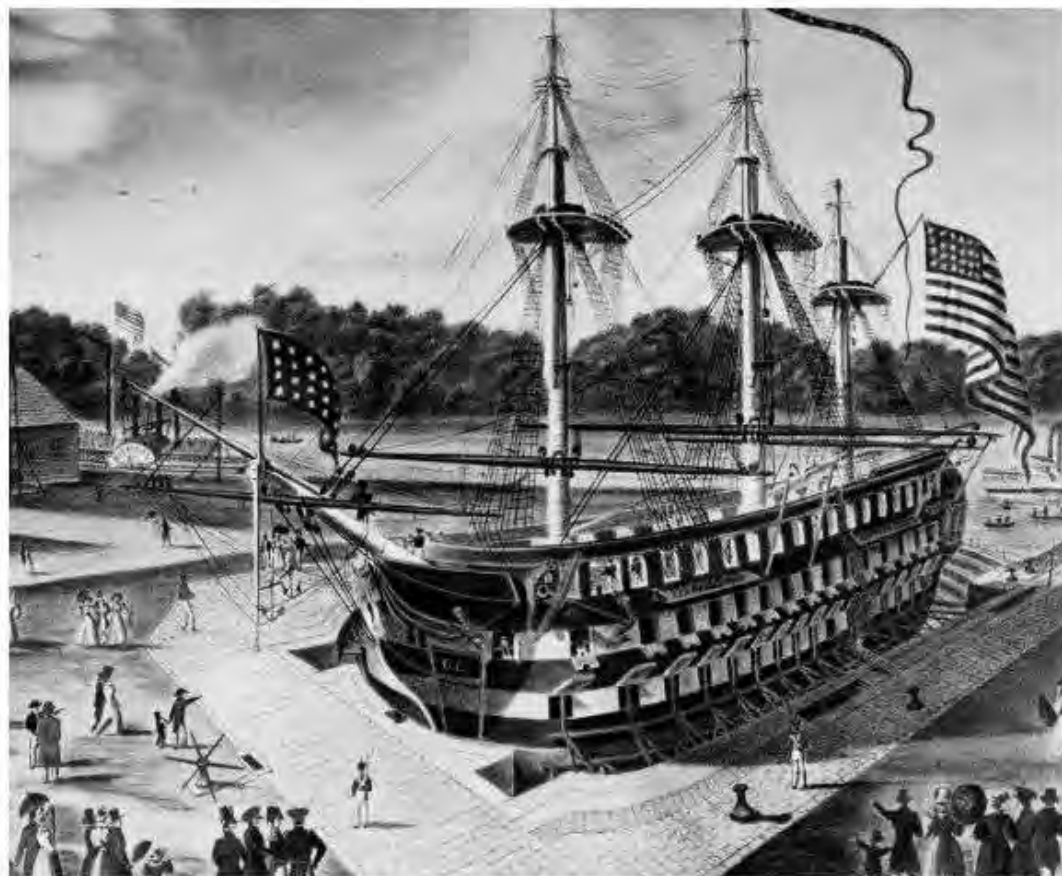
Limitless supply. Limitless
opportunity

Shipbuilding

*How did we get
here?*



VIRGINIA SHIP
REPAIR ASSOCIATION



As the first ship drydocked in America, in the Gosport Navy Yard on June 17, 1833, the 74-gun ship-of-the-line Delaware was once one of the world's largest and mightiest warships.



The Sextant

Taking a Piece on the History and Heritage of Today's U.S. Navy

June 17, 2015 | Operations, Platforms

By Michael Brayshaw, NNSV Lead Public Affairs Specialist





VIRGINIA SHIP
REPAIR ASSOCIATION



U.S.S. ARIZONA.
UPON COMPLETION
OF MODERNIZATION.
NFK NAVY YD, PORTS, VA.
SERIAL NO. 141-31. 3-2-31.



VIRGINIA SHIP
REPAIR ASSOCIATION



CUSHMAN & WAKEFIELD THALHIMER

HAMPTON ROADS

Industrial Q4 2019

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	YTD LEASING ACTIVITY (SF)**	OVERALL VACANCY RATE
Copeland	10,814,352	280,198	301,194	2.8%
Gloucester	225,794	37,200	0	16.5%
Oakland	4,569,791	60,807	14,830	1.3%
Oyster Point	4,423,482	52,392	121,494	2.6%
Williamsburg	8,449,653	89,414	8,139	1.1%



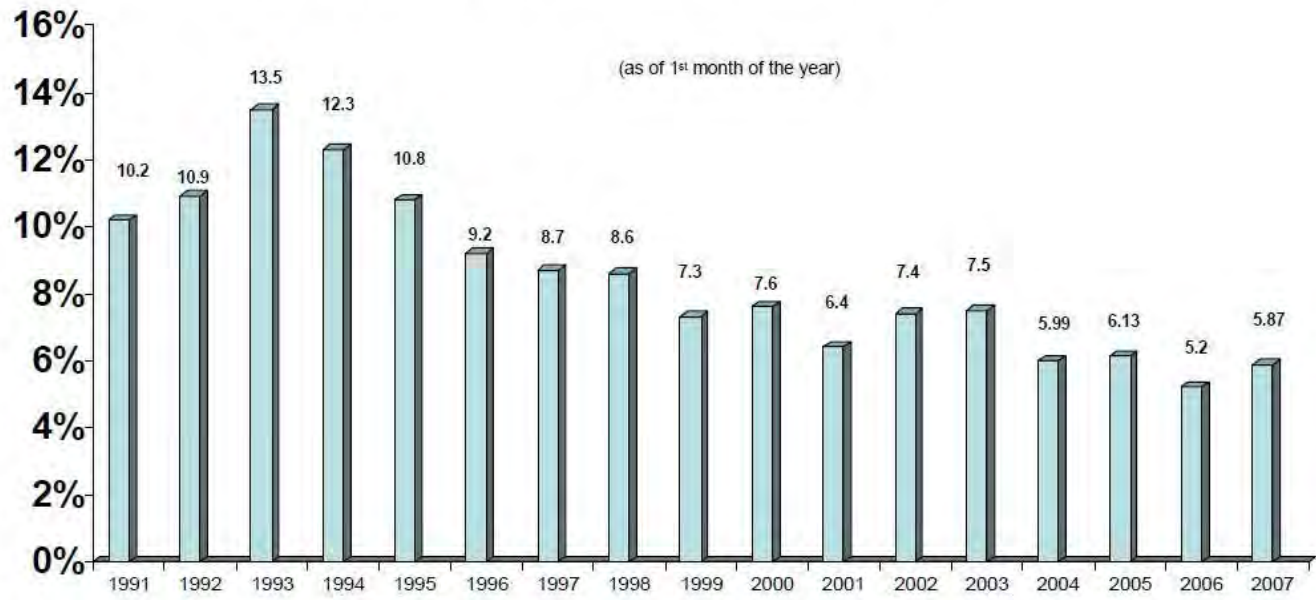
The Local Market

*How did we get
here?*



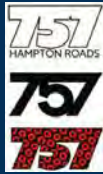


HAMPTON ROADS INDUSTRIAL MARKET VACANCY RATE

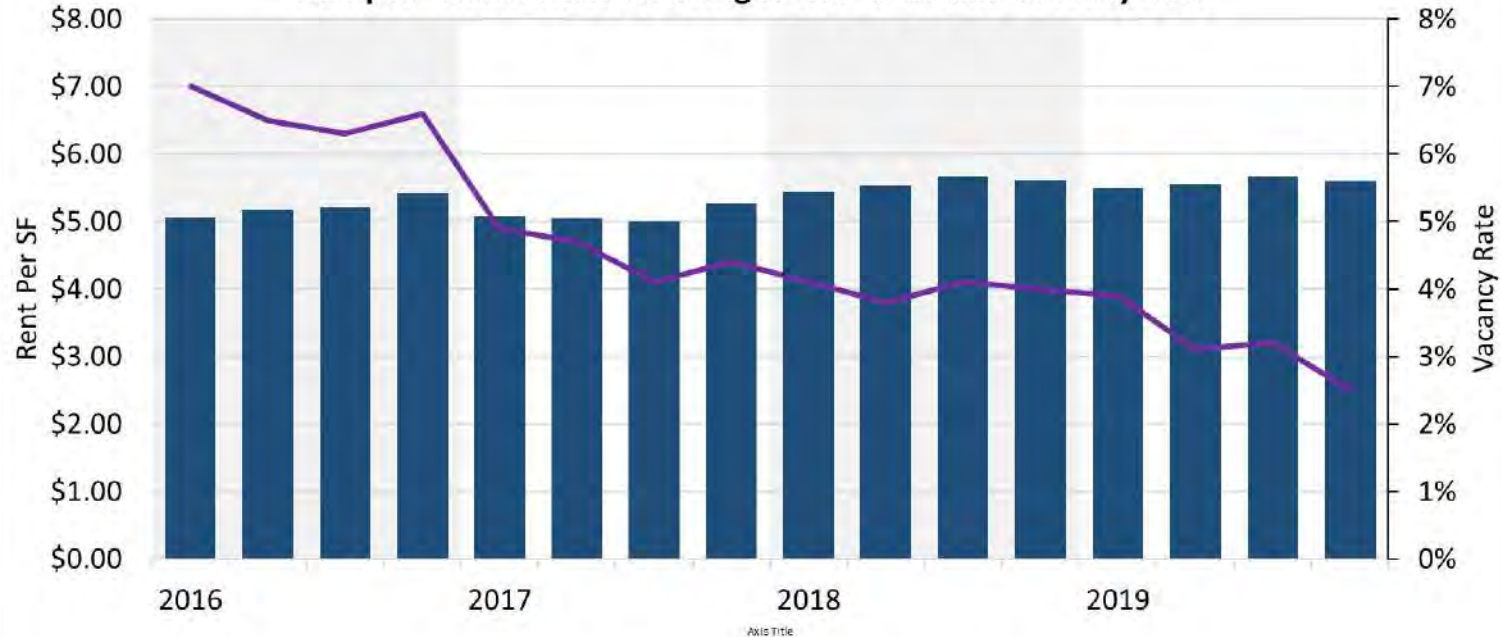


Source: Old Dominion University E.V. Williams Center for Real Estate and Economic Development.





Hampton Roads Market Asking Rents Per SF and Vacancy Rate



Asking Rent, \$ PSF Vacancy Rate



Norfolk - VA

Industrial Market

119 M

810 K

Inventory SF

Under Constr SF

Summary

Leasing

Rent

Construction

Sales



119 msf



Period	Asset Value	Vacancy Rate	Availability Rate	Market Rent/SF	Annual Rent Growth	Inventory SF
2020 Q1 QTD	\$9.2 B	2.9%	4.7%	\$7.52	3.5%	119 M
2019 Q4	\$9.2 B	3.0%	4.5%	\$7.53	4.2%	119 M
2019 Q3	\$9.1 B	3.0%	4.9%	\$7.47	4.3%	119 M
2019 Q2	\$8.9 B	2.9%	5.0%	\$7.36	3.7%	119 M
2019 Q1	\$8.8 B	3.2%	5.1%	\$7.29	3.5%	119 M
2018 Q4	\$8.7 B	2.9%	5.3%	\$7.22	3.6%	119 M
2018 Q3	\$8.6 B	3.4%	6.0%	\$7.17	4.3%	119 M
2018 Q2	\$8.4 B	3.3%	5.8%	\$7.10	4.3%	119 M
2018 Q1	\$8.4 B	3.6%	6.2%	\$7.04	4.3%	119 M
2017 Q4	\$8.3 B	3.9%	5.9%	\$6.97	4.6%	119 M
2017 Q3	\$8.1 B	3.7%	6.0%	\$6.87	4.1%	119 M
2017 Q2	\$8.2 B	4.3%	6.7%	\$6.81	4.0%	118 M
2017 Q1	\$8.1 B	5.1%	7.4%	\$6.76	4.1%	118 M
2016 Q4	\$8 B	5.7%	7.2%	\$6.67	3.6%	118 M
2016 Q3	\$7.9 B	5.4%	7.4%	\$6.60	3.3%	118 M
2016 Q2	\$7.8 B	5.5%	8.1%	\$6.54	3.1%	117 M
2016 Q1	\$7.7 B	5.9%	8.4%	\$6.49	3.0%	118 M
2015 Q4	\$7.6 B	6.0%	8.1%	\$6.43	2.5%	118 M
2015 Q3	\$7.4 B	5.9%	8.7%	\$6.39	2.3%	118 M
2015 Q2	\$7.2 B	6.4%	8.9%	\$6.35	1.8%	117 M
2015 Q1	\$7.1 B	6.8%	9.1%	\$6.30	1.5%	117 M

1.7% growth over five years



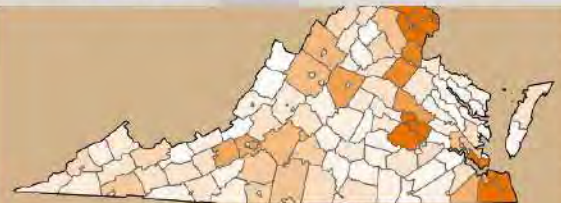
117 msf





DEMOGRAPHICS RESEARCH GROUP

HOME POPULATION DATA MAPS REPORTS WEB SERIES SUBSCRIBE CONTACT US GENUS 2020



Buena Vista City	6,650	6,454
Charlottesville City	43,435	49,181
Chesapeake City	222,209	245,748
Colonial Heights City	17,411	17,194
Covington City	5,961	5,694
Danville City	43,055	39,932
Emporia City	5,927	5,589
Fairfax City	22,565	23,943
Falls Church City	12,332	14,331
Franklin City	8,582	8,261
Fredericksburg City	24,286	28,532
Galax City	7,042	6,545
Hampton City	137,467	135,753
Harrisonburg City	48,914	53,987
Hopewell City	22,591	22,718
Lexington City	7,042	7,432
Lynchburg City	75,568	80,783
Manassas City	37,821	41,757
Manassas Park City	14,273	16,636
Martinsville City	13,821	12,793
Newport News City	180,866	181,000
Norfolk City	247,807	243,054

City % Growth

Chesapeake	11%
Hampton	-.01%
Newport News	0.0%
Norfolk	0.9%



As you would expect, prices are rising...



Sold: 8/10/2000 \$630,000 \$30.96 per square foot

Sold: 2/16/2005 \$735,000 \$36.12 per square foot

Sold: 04/16/2017 \$1,042,500 \$51.23 per square foot

2019 Median price per square foot: \$52.66 psf

2019 Average price per square foot: \$52.72 psf



**5898 Thurston Avenue
Virginia Beach, Virginia
20,350 square feet**





Big Box

*How did we get
here?*





now that's **logistics**

POWERED BY  **SCHENKER**

Insights Shipping & Logistics Digitalization Trade Industries

Home > Insights

Location, Location, Location

2023-04-14

The importance of port selection in today's massive product-movement environment can't be understated. The new mega-ships mentioned at the outset, for example, can cause mega congestion. Automation was *supposed to* mitigate this. While many automated container terminals do now routinely handle exchanges in excess of 10,000 TEUs at a single port of call, these efficiencies can easily be lost as inland-bound cargo moves from the quay to the intermodal connections.

The Port of Los Angeles-Long Beach, for example — the biggest port in the US — has already experienced a number of these issues. A “maxed out” rail system, the threat of labor disruptions, and traffic mitigation fee hikes have left many clients wondering if it's such a good idea to “put all their eggs in one basket” and rely so heavily on a single port.



CASE STUDY

LLamasoft



Automotive Manufacturer Increases Profits by 28% with Greenfield Analysis and Network Optimization

Challenge

A major automotive manufacturer wanted to improve the structure of its Australian service parts distribution network in order to align it with the brand's global strategy and turn it into a competitive advantage. Apart from the lack of control over distributor to dealer pricing and order fulfillment lead time to dealers, the company also desired greater visibility of the entire dealer/distributor to dealer supply chain in the Australian region.

Specifically, the company wanted to move from the current state:



...to the future state of an end-to-end OEM managed part distribution process:



This move would likely add logistics costs due to the addition of new self-managed facilities but could bring in an extra 15 percent of product price to the OEM while cutting out the dealers as the "middle-man". The company enlisted the help of LLamasoft to identify the optimal regional DC size and locations and how to best fulfill orders from these locations.

With the elimination of the dealer "middle-man" from the supply chain and improved end-to-end distribution of service parts, the company was able to add

\$23 million
to its bottom line

28%
increase in current profits



Specifically, the company wanted to move from the current state:



...to the future state of an end-to-end OEM-managed part distribution process:





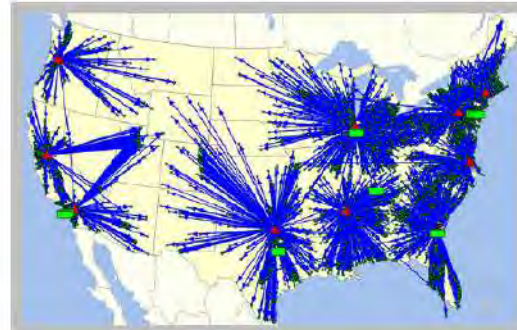
PROJECT EXAMPLES

Dollar Tree



St. Onge Company has provided logistics consulting services to Dollar Tree's distribution network. St. Onge was hired to perform a distribution network optimization study for Dollar Tree in order to ensure the network was running efficiently.

During the study, the number and location of distribution centers to accommodate the company's planned future growth was identified. St. Onge personnel also evaluated multiple DC capacity alternatives such as expansion and automation. Alternate distribution strategies, such as slow mover consolidation and import consolidation DCs, were investigated. Finally, a detailed rollout plan based on yearly store growth was developed.





Three DC model wins...

Port Analysis

- *Baltimore
- *Port of Virginia
- *Charleston
- *Savannah

Cities considered

- *Baltimore
- *Hampton Roads
- *Raleigh-Durham
- *Charlotte

Considerations

- *Employees
- *Dray cost
- *Infrastructure
- *Competition

***Supply chain analysis points to the Port of Virginia
and Hampton Roads for a Regional
Distribution Center***



2020

*Where are we
going?*





2020 Projections:

1. *Trump wins a second term*



2020 Projections:

1. *Trump wins a second term*
2. *Virginia wins back-to-back National Titles*



2020 Projections:

1. *Trump wins a second term*
2. *Virginia wins back-to-back National Titles*
3. *Amazon crushes the market with new DC's*



2020 Projections:

1. *Trump wins a second term*
2. *Virginia wins back-to-back National Titles*
3. *Amazon crushes the market with new DC's*
4. *It will be a very good year for the industrial market*



THALHIMER



Thank you!



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RETAIL

MIKE ZARPAS

Vice President of Retail
Brokerage and Development
S.L. Nusbaum Realty Co.





COVID-19

CELEBRATING

1995 2020



YEARS



ORCA MANUFACTURING CO., INC.

- **First Annual ODU Market Review & Forecast**
- **World Wide Web becomes fully privatized (U.S. Government ends subsidy)**
- **Amazon becomes online bookseller with motto “get big fast”**
- **Sony introduces PlayStation to consumer delight**
- **Dow Jones closes above 5,000 for the first time**
- **Federal Reserve Interest Rate: 8.5%**
- **Taubman announces MacArthur Center development in Downtown Norfolk**
- **Gerald Divaris continues land acquisitions to create a new “Downtown Virginia Beach”**

TOWN CENTER VIRGINIA BEACH, VIRGINIA



1995



2020





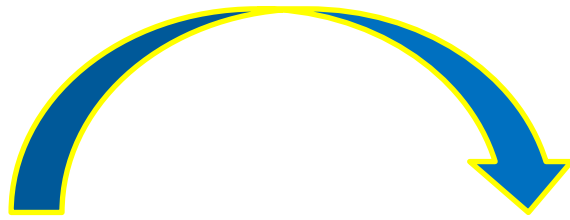
Virginia Beach Town Center





Virginia Beach Town Center





KEY HAMPTON ROADS MARKET STATISTICS & ACTIVITY

DELIVERIES	NET ABSORPTION	VACANCY RATE	RENT GROWTH
124,888 SF	24,652 SF	5.1%	0.5%

TYPE	SQUARE FEET	RATE PER SF	VACANCY RATE	AVAILABILITY RATE
Malls	8,896,530	\$24.01	2.1%	4.1%
Power Centers	7,737,232	\$20.06	5.9%	7.4%
Neighborhood Centers	35,323,100	\$16.80	8.9%	12.0%
Strip Centers	6,821,222	\$16.01	5.8%	7.5%
General Retail	44,707,768	\$15.26	2.5%	5.1%





IKEA
Norfolk, Virginia



Wegmans
Virginia Beach, Virginia





**Apex Entertainment
Virginia Beach, Virginia**



**Rosie's Gaming Emporium
Hampton, Virginia**



TOP 5 RETAIL LEASES

84,000 SF Apex Entertainment, Virginia Beach

41,262 SF Surge Adventure Park, Virginia Beach

39,000 SF Rosie's Gaming Emporium, Hampton

30,098 SF Gordmans, Norfolk

27,000 SF SK8 House Family Entertainment Center, Virginia Beach



Red Mill Commons / Red Mill Walk
Virginia Beach, Virginia

Landstown Commons
Virginia Beach, Virginia



TOP 5 RETAIL SALES

\$87,000,000 Landstown Commons, Virginia Beach

\$79,815,000 Red Mill Commons and Red Mill Walk, Virginia Beach

\$30,275,000 Lightfoot Marketplace, Williamsburg

\$29,507,000 Hilltop Marketplace, Virginia Beach

\$29,250,000 Fairfield Shopping Center, Virginia Beach



**Rooms To Go
Virginia Beach, Virginia**

**Summit Pointe
Chesapeake, Virginia**

**Midtown Row
Williamsburg, Virginia**



TOP 5 RETAIL DEVELOPMENTS

55,906 SF Midtown Row, Williamsburg

44,685 SF Rooms To Go, Virginia Beach

40,000 SF Summit Pointe, Chesapeake

36,820 SF Harbourview Shops, Suffolk

29,004 SF Lidl, Virginia Beach

GROCERY WARS II



???





Wegmans



WHOLE
FOODS
MARKET

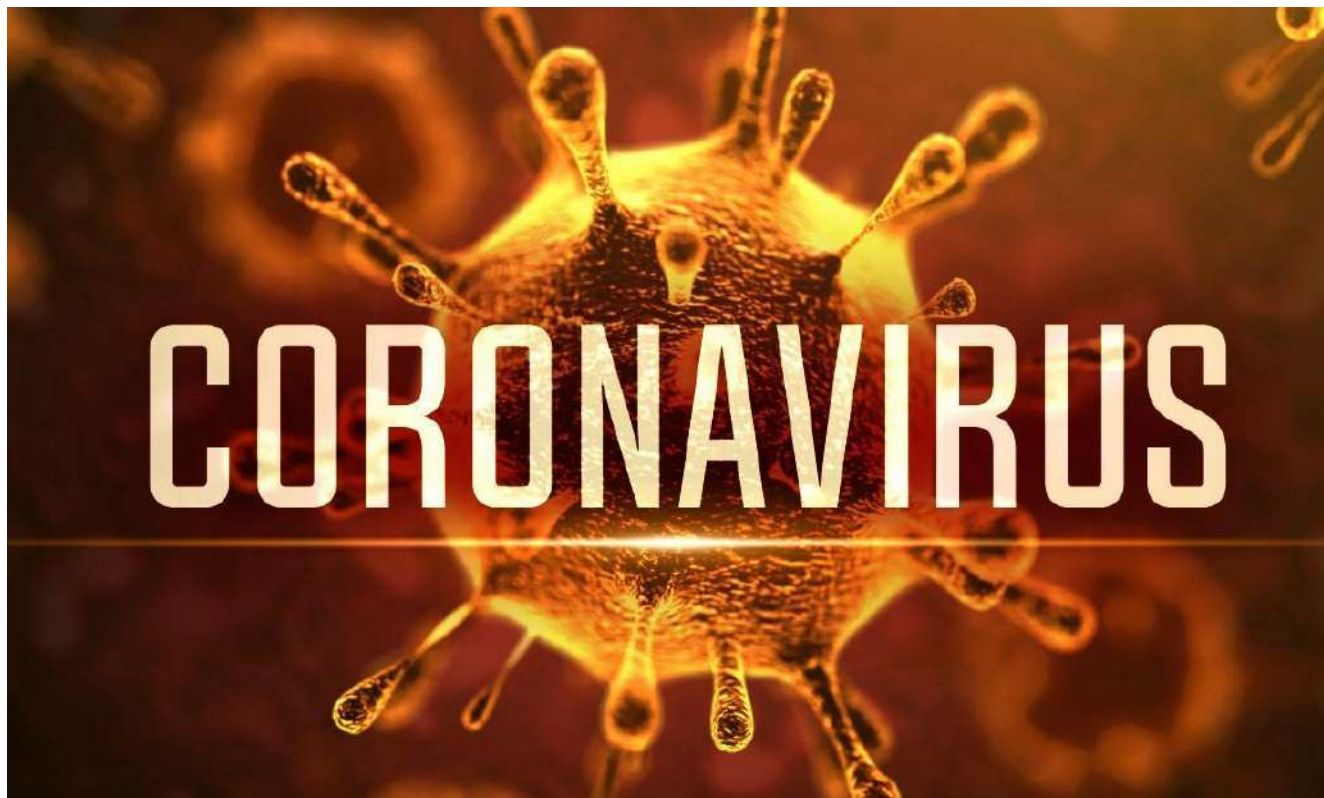


Publix®



Save
a lot





RETAIL CLOSURES



Walgreens

dressbarn

GameStop™

Z GALLERIE

Payless
SHOESOURCE®

FAMILY DOLLAR

DESTINATION
MATERNITY

LifeWay

Frank Spicer
Restaurant
Equipment

A.C. MOORE
ARTS & CRAFTS

THE CHILDREN'S
PLACE



ZOOTS

PERFORMANCE
BICYCLE

PartyCity

chico's

JCPenney

DICK'S
SPORTING GOODS

RITE
AID

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Pier1®

fye

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russe

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VICTORIA'S
SECRET

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Great Food with Your Health In Mind™



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avenue®
LOVE YOURSELF

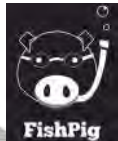
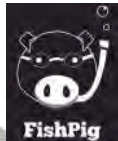
BAM!
BOOKS-A-MILLION

FOREVER 21

Office DEPOT.
OfficeMax®

Eddie Bauer

RETAIL OPENINGS & COMING SOON





ZARP'S TOP TEN PREDICTIONS



- #1** Ten of you in this room will sign a deal with me before year end
- #2** Department stores will become partnership centers
- #3** Second hand merchandise will spread well beyond thrift stores
- #4** BOPIS will gain in popularity due to quick factor (at home delivery for added \$)
- #5** Strong brands will open “wow” pop-up centers to pique consumer interest
- #6** New retailers will emerge to greatly disrupt current competition
- #7** Online brands will continue search for brick and mortar locations
- #8** 5G technologies will enable retailers to drive sales volume
- #9** Omnichannel retailers will be the clear winners moving forward
- #10** Physical retail stores will continue to dominate overall retail sales



CELEBRATING
1995 2020
25
YEARS



CoStar, Sandy Dwyer, Marie and Mary Zarpas
AND ALL OF YOU FOR COMING TODAY!



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MULTI-FAMILY

RICHARD COUNSELMAN

Vice President and Partner

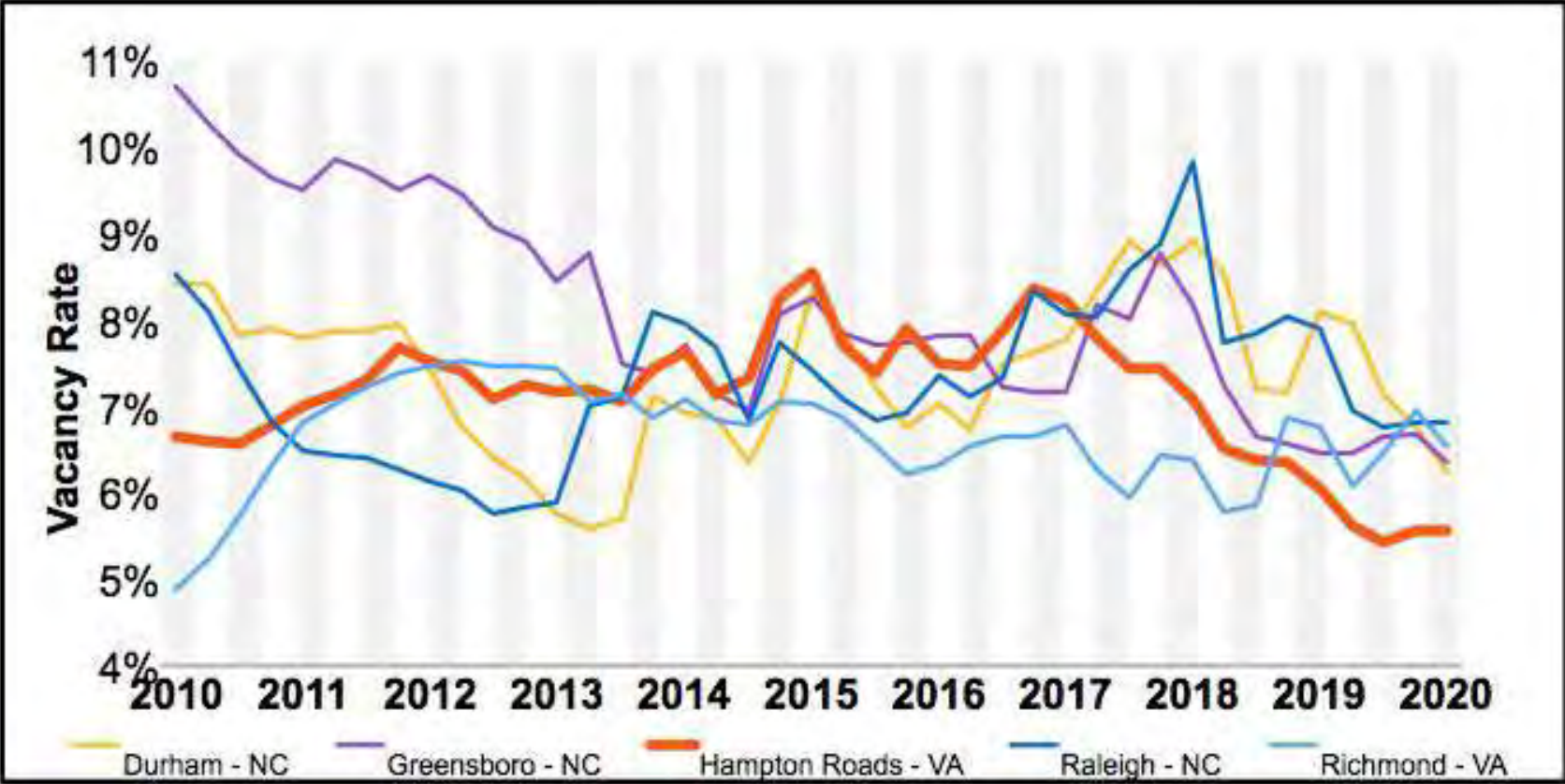
S.L. Nusbaum Realty Co.



Breaking Records!

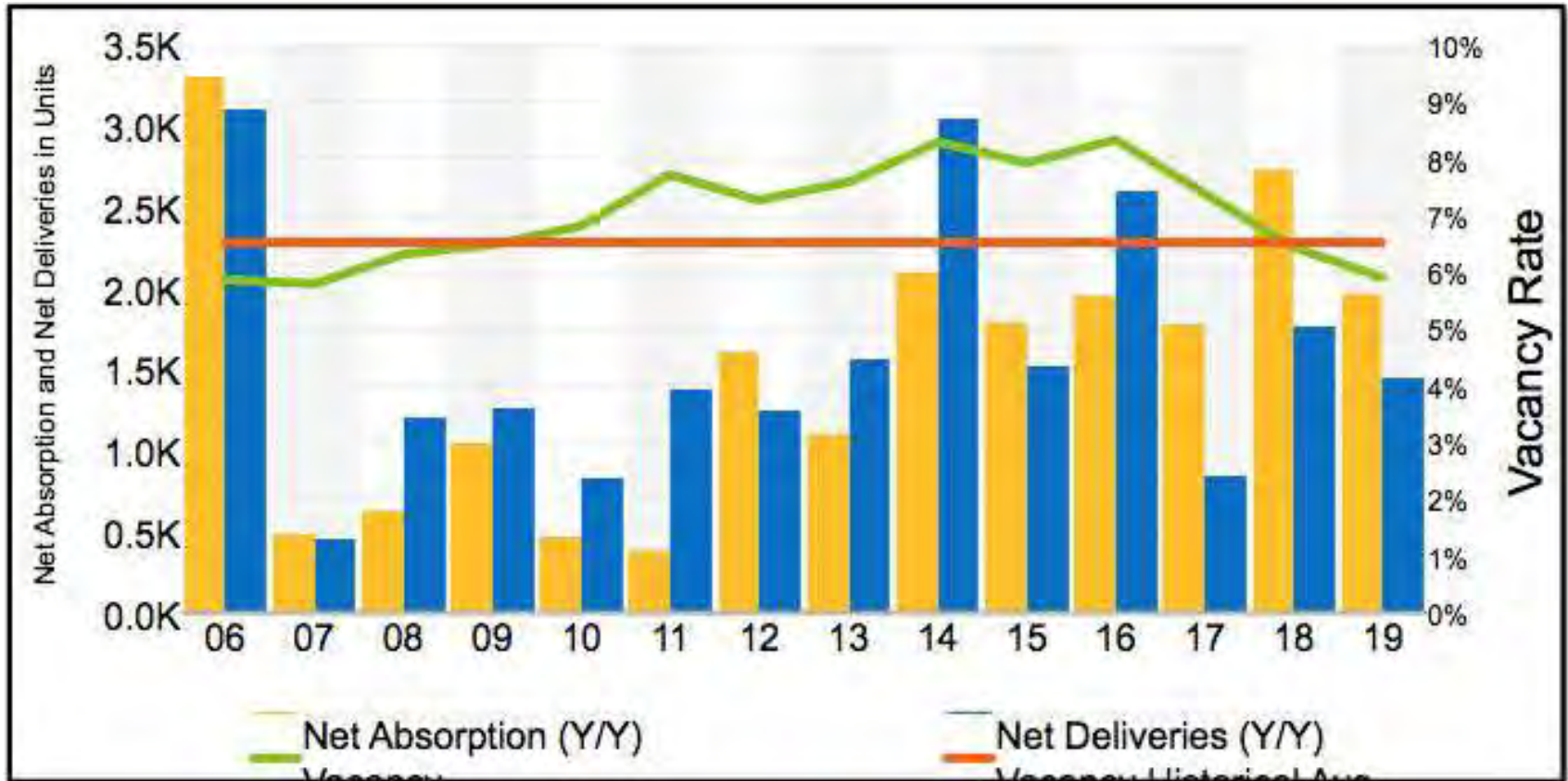


Multifamily Vacancy – Hampton Roads and Peer Cities

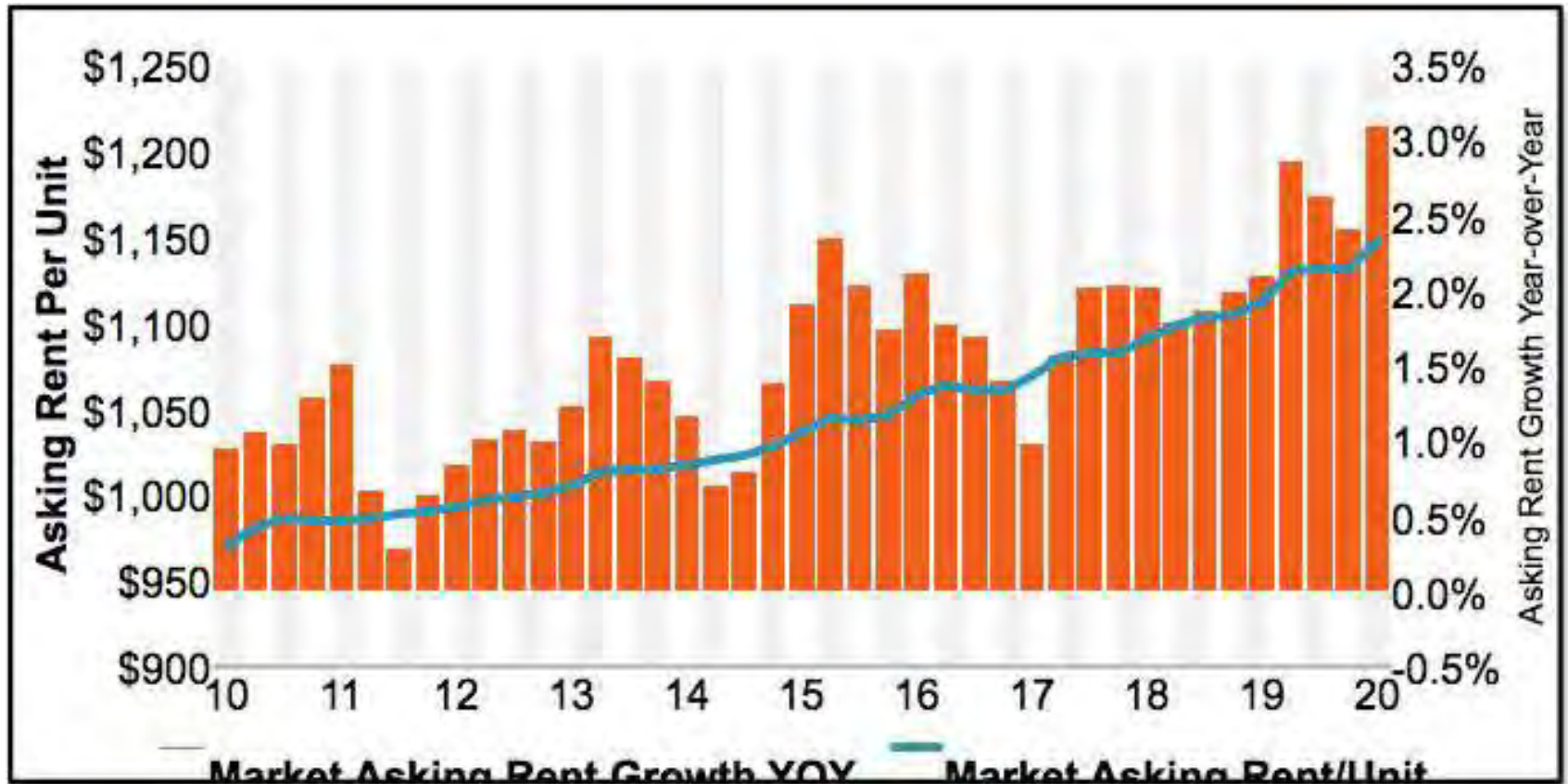


Source: CoStar Group

Base Case Forecast: Supply, Demand and Vacancy



Southside - Rent Levels and Growth

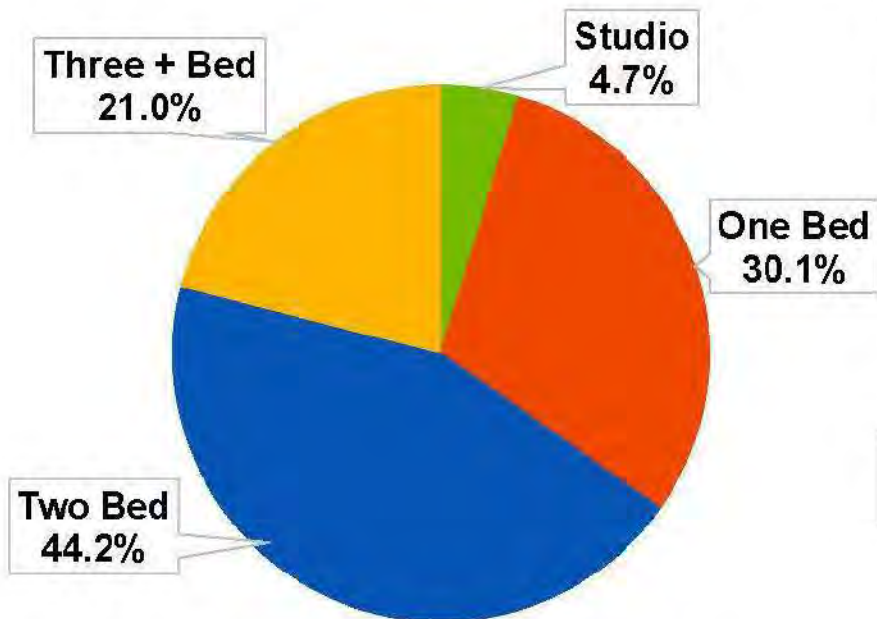


Peninsula - Rent Levels and Growth



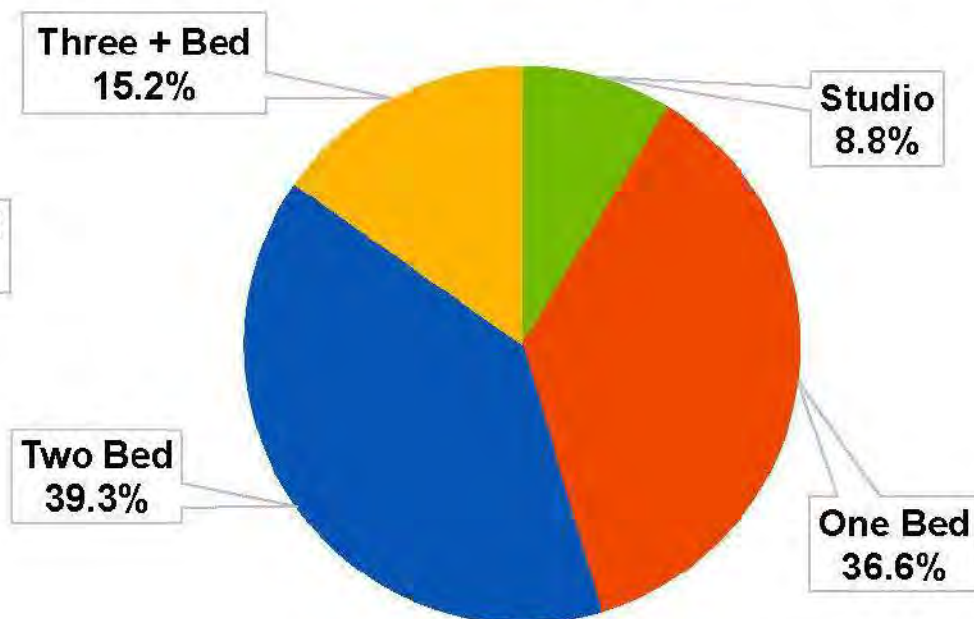
12-Month Search Data by Bedroom

Norfolk



Based on 7.3 Million Searches

National Benchmark



Based on 1.5 Billion Searches

Renter Search Behavior on Apartments.com

Rent Range



< \$500	1%
\$599 – 799	26%
\$800 – 1,000	40%
\$1,000 – 1,499	22%
\$1,500 – 1,799	7%

Unit Size



Studio	10%
1 bed	33%
2 bed	37%
3 bed	17%
4+ bed	4%

Bath



1 bath	50%
2 bath	44%
3+ bath	6%

Pets



77%
23%

Device



19%
81%

Style



Apartment	63%
Condo	7%
Home	18%
Townhome	13%

Top Amenities



- In Unit W/D
- Air Conditioning
- Dishwasher
- Utilities Included
- Parking

Top Keyword Searches



- Garage
- Balcony/Patio
- Hardwood Floors
- Fireplace
- Discounts/Specials

Renter Demographics



18-24	12%
25-34	33%
35-54	38%
55+	18%

Gender



61%



39%

Children



37%

Married



47%

Education



< High School	14%
High School Grad	28%
Some College	29%
Grad College+	29%

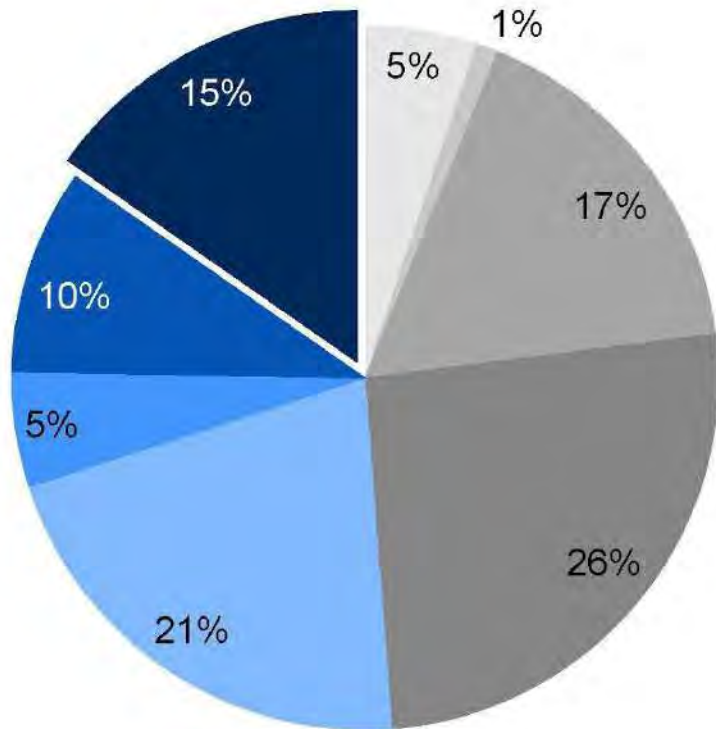
Household Income



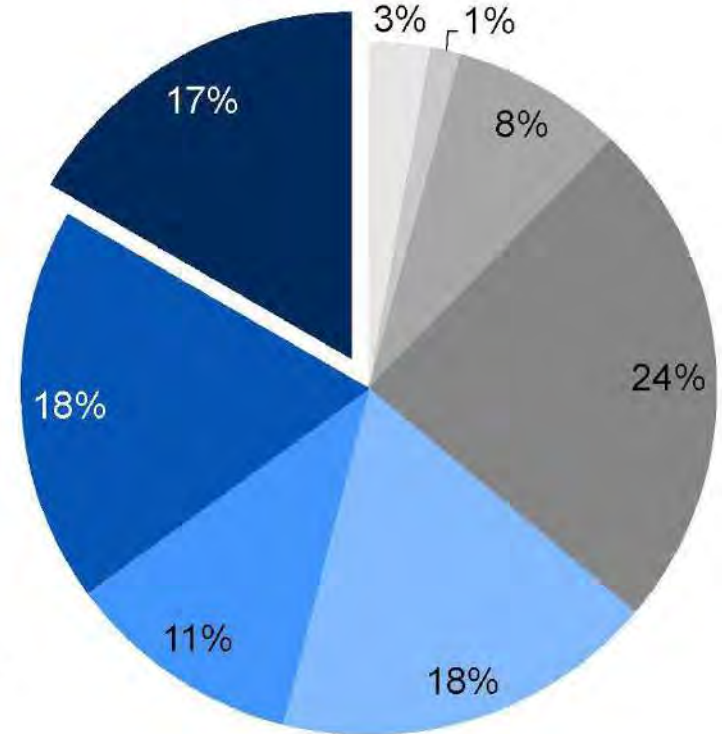
< \$40K	35%
\$40-75K	25%
\$75-100K	14%
\$100K+	26%

Apartment Inventory: Units Built by Decade

Norfolk

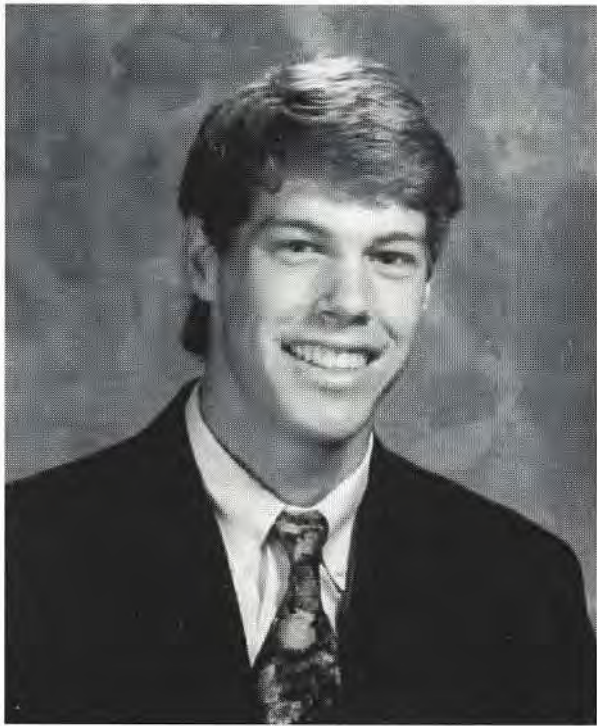


United States



- Pre-1950
- 1950's
- 1960's
- 1970's
- 1980's
- 1990's
- 2000's
- 2010-Present

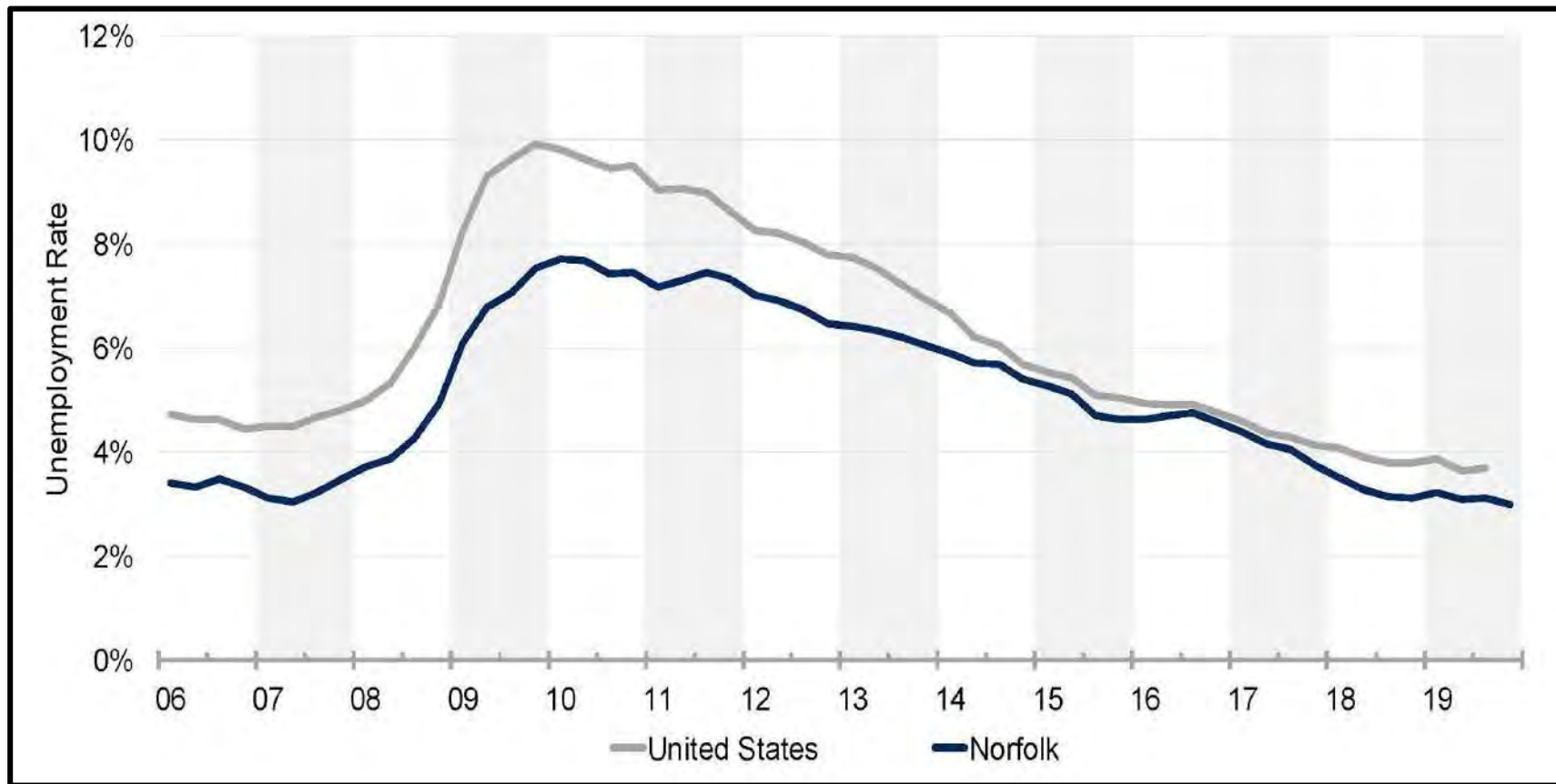
Circa 1995



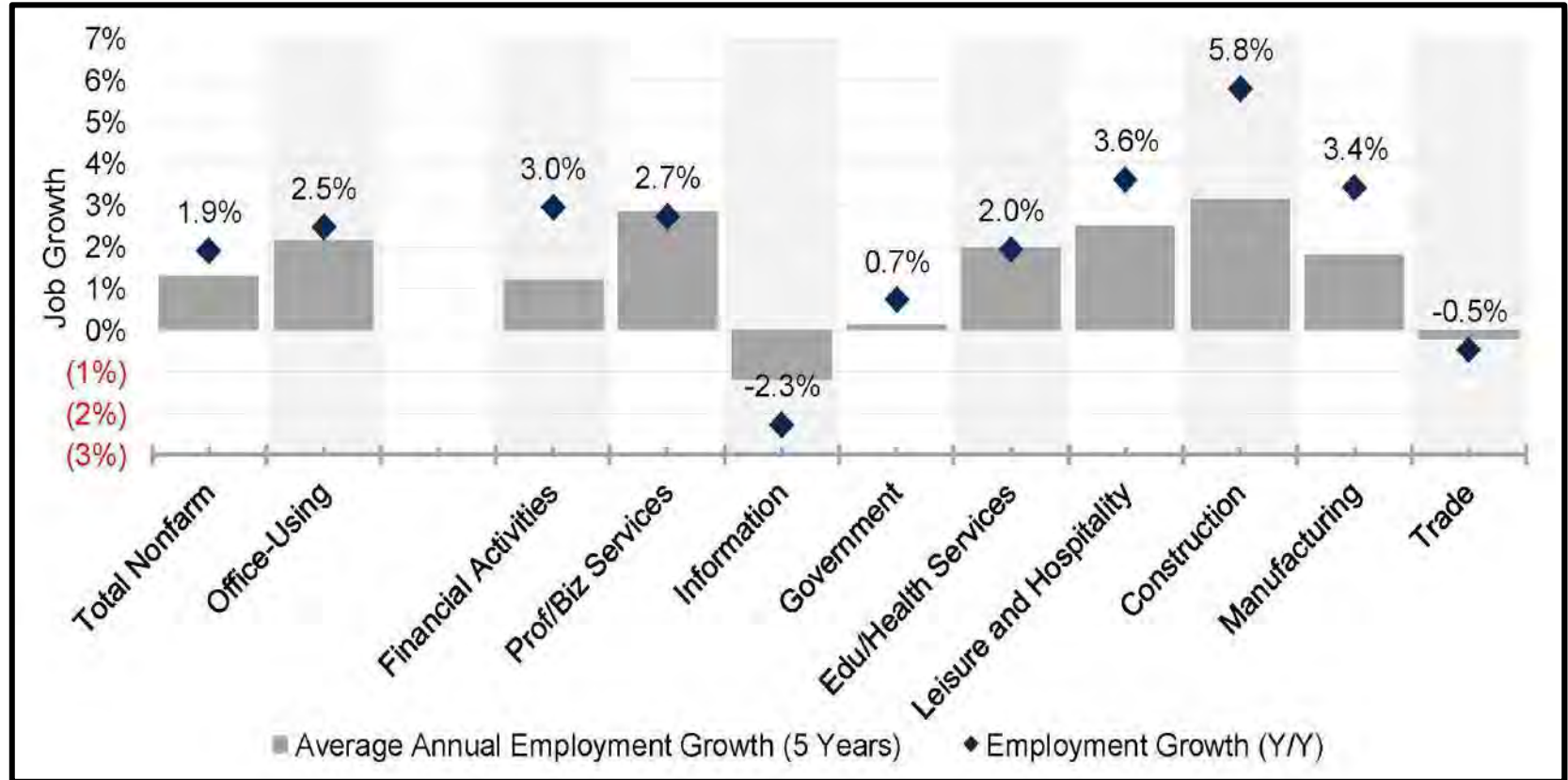
Richard Counselman



Unemployment Rate: Norfolk vs. US



Hampton Roads: Job Growth By Sector



Transaction Volume:



Recent Significant Sales - Southside



EAST BEACH MARINA APARTMENTS

Norfolk, VA

Year Built: 2015

Units: 137

Sale Price: \$35,000,000

CAP Rate: 4.80%



Recent Significant Sales - Southside



AURA DOWNTOWN / EDGE 450

Norfolk, VA

Year Built: 2017

Units: 156

Sale Price: \$29,000,000

CAP Rate: 6.00%



Recent Significant Sales - Southside

SALTMEADOW BAY APARTMENTS

Virginia Beach, VA

Year Built: 2006

Units: 229

Sale Price: \$49,000,000

CAP Rate: 5.00%



Recent Significant Sales - Peninsula

ALTA CITIZEN APARTMENTS

Newport News, VA

Year Built: 2018

Units: 209

Sale Price: \$43,000,000

CAP Rate: 5.50%



LUMEN APARTMENTS

Hampton, VA

Units: 301

Scheduled Completion:

Summer 2020

Developer: Craig Davis Properties



New Construction



AURA AT ARBORDALE

Williamsburg, VA

Units: 289

Scheduled Completion: Spring 2020

Developer: Bonaventure Realty Group



New Construction



COASTAL 61

Virginia Beach, VA

Units: 244

Scheduled Completion: 2020

**Developer: Franklin Johnston Group
& Virginia Wesleyan**



New Construction



BRIDGEPORT APARTMENTS

Suffolk, VA

Units: 285

Scheduled Completion:

Spring 2020

Developer: BECO



New Construction



THE PEARL AT MARINA SHORES

Virginia Beach, VA

Units: 200

Scheduled Completion:

Summer 2020

Developer: Gail Higgs & Brad Waitzer



New Construction

HELIX APARTMENTS

Chesapeake, VA

Units: 133

Scheduled Completion:

Summer 2020

Developer: Summit Pointe Realty



27 Atlantic

Virginia Beach, VA

Units: 285

Scheduled Completion:

April 2020

Developer: Armada Hoffler



New Construction

27 Atlantic

Virginia Beach, VA

Units: 285

Scheduled Completion:

April 2020

Developer: Armada Hoffler



27 Atlantic

Virginia Beach, VA

Units: 285

Scheduled Completion:

April 2020

Developer: Armada Hoffler



Construction Interest Rates

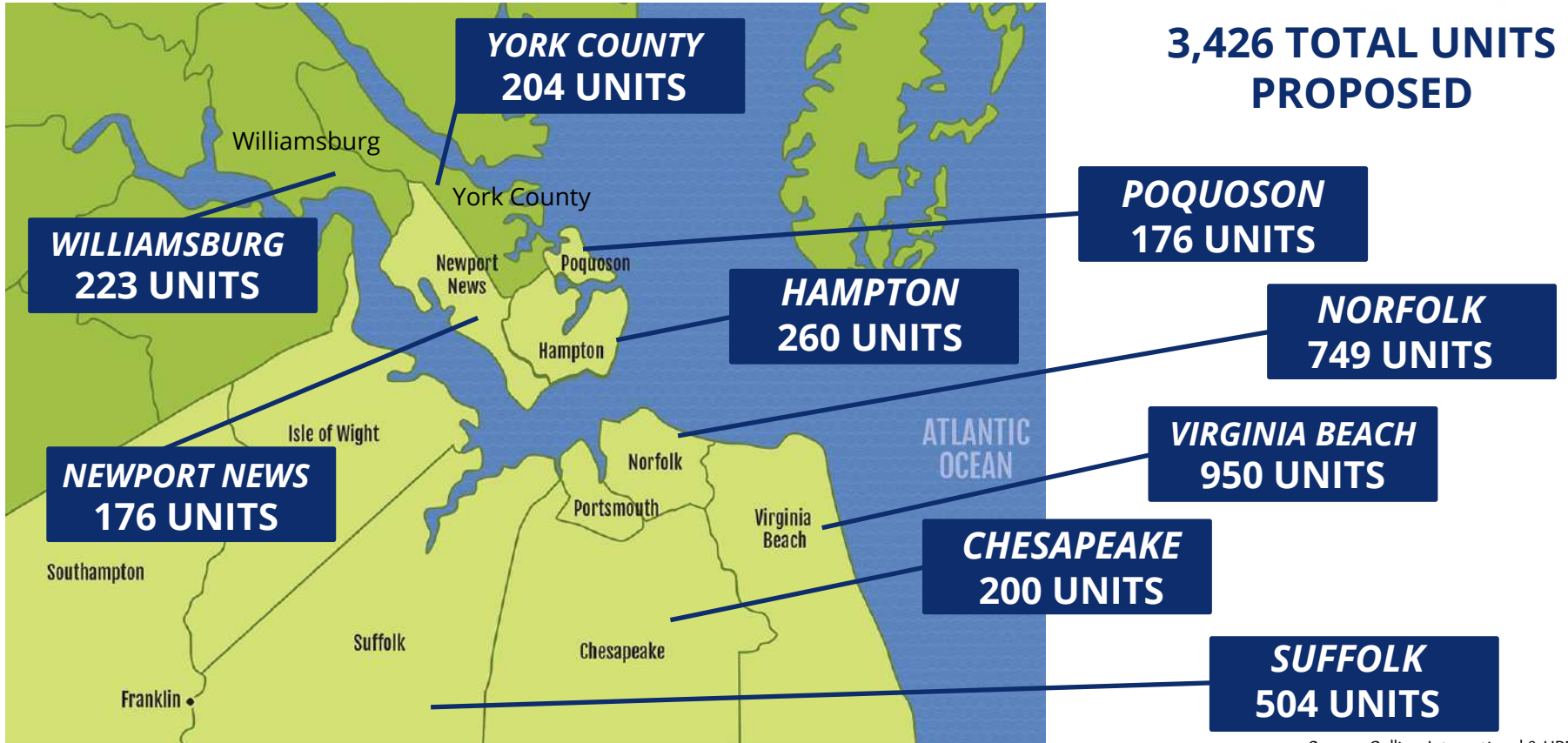


Source: AGM Financial

Construction Costs:



Proposed Developments – Southside & Peninsula



Before & After:



Records Are Made To Be Broken



THANKS!

to all those who made this
report possible





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RESIDENTIAL

**VAN
ROSE**

Chief Operating Officer

Rose&Womble Realty Co.



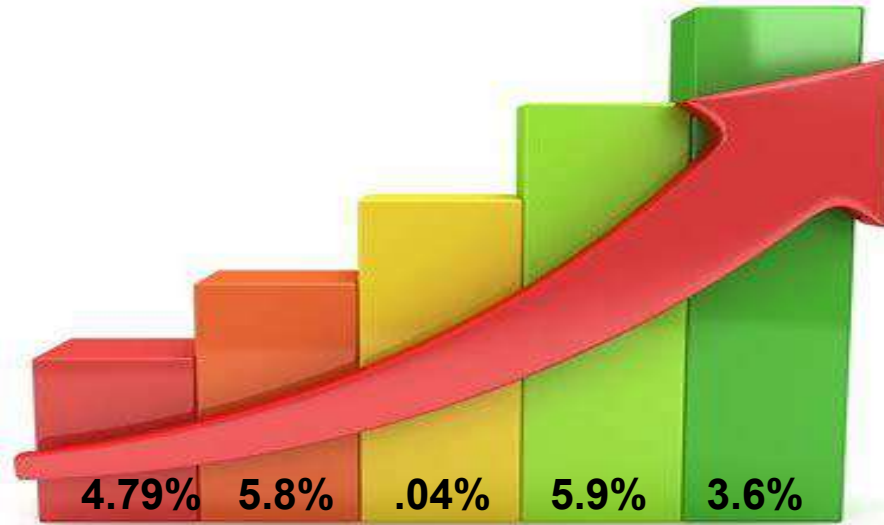


2019
29,485 Closings
\$245,000 Median Sales Price
\$79,300 Median Family Income
3.56%

2005
29,129 Closings
\$230,475 Median Sales Price
\$59,100 Median Family Income
5.91%

2010
16,500 Closings
\$198,000 Median Sales Price
**42% of all houses on market in
foreclosure**

Median Home Values Hampton Roads



4.79% 5.8% .04% 5.9% 3.6%

\$221 \$234 \$235 \$249 \$258K

2015 2016 2017 2018 2019



20.04%



The New Paradigm



2015

Income \$59,000

Int. Rate 5.53%

Could Afford \$236,000

Mo. Payment \$1344

Average SP \$231,000



2019

Income \$79,000

Int. Rate 3.63%

Could Afford \$316,000

Mo. Payment \$1442

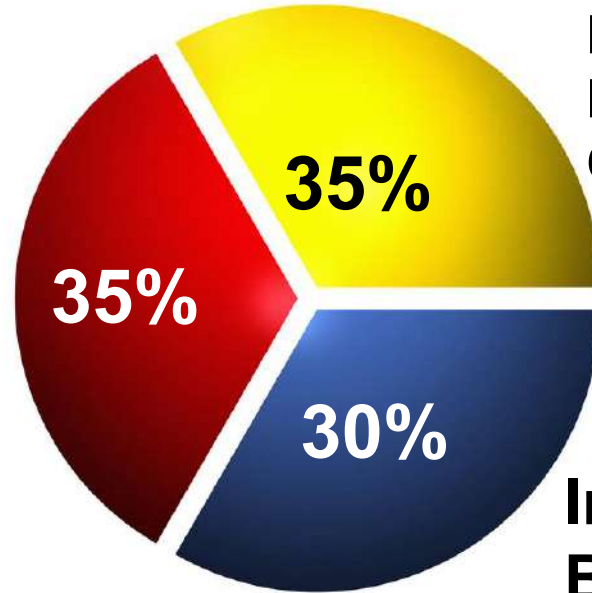
ONLY BOUGHT \$258,000

Payment \$1177.34

Change in Builder Landscape



200+ Builders



TOP 3
Ryan Homes
Dragas
Chesapeake Homes

Infill
Builders

Change in Product



**Traditional Home
McMansion
3,000 sq. ft.**



**Craftsman
Smaller
2,400 sq.ft.**

Transformational Project



East Beach, Norfolk, VA



East Beach Wiki



- **Designed in 1994 by Duany Plater-Zyberk for the Norfolk Redevelopment and Housing Authority**
- **The project started in 2001. It was originally conceived with a clubhouse, pool, pocket parks and about 700 residences (Single-Family Detached, Towns, Multi-Story Flats and apartments)**
- **The first closing occurred in May, 2004. The home was built by Mid Atlantic Development and sold for \$550,000. Many of the area's most notable builders have been involved in East Beach**
- **New Home prices have ranged from \$285,000 - \$2,850,000**
- **The community has generated over \$248,500,000 in just residential new construction sales**
- **As importantly, it led to the revitalization of the entire Ocean View area**

The Forecast

- Increase Defense Spending
- Continued Bio-Medical Increases
- Increase in Jobs
- Increase in Buyer Demographics



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