

An aerial photograph of a city, likely Richmond, Virginia. In the foreground, a large, light-colored, multi-story building with a complex roofline is visible, surrounded by green lawns and trees. In the background, a dense urban area with various buildings, parking lots, and a bridge is shown. The sky is clear and blue.

# The Richmond Large Block Availability Dilemma

Focus Report

CUSHMAN & WAKEFIELD | THALHIMER



# The Background

A limited number of quality Class A availabilities exist for large users in today's market.

**While a tight market is a sign of health, it also constrains activity.**

According to Cushman & Wakefield | Thalhimer's research, demand for large block availability (20,000 SF and greater) outstrips supply.

*Question:*

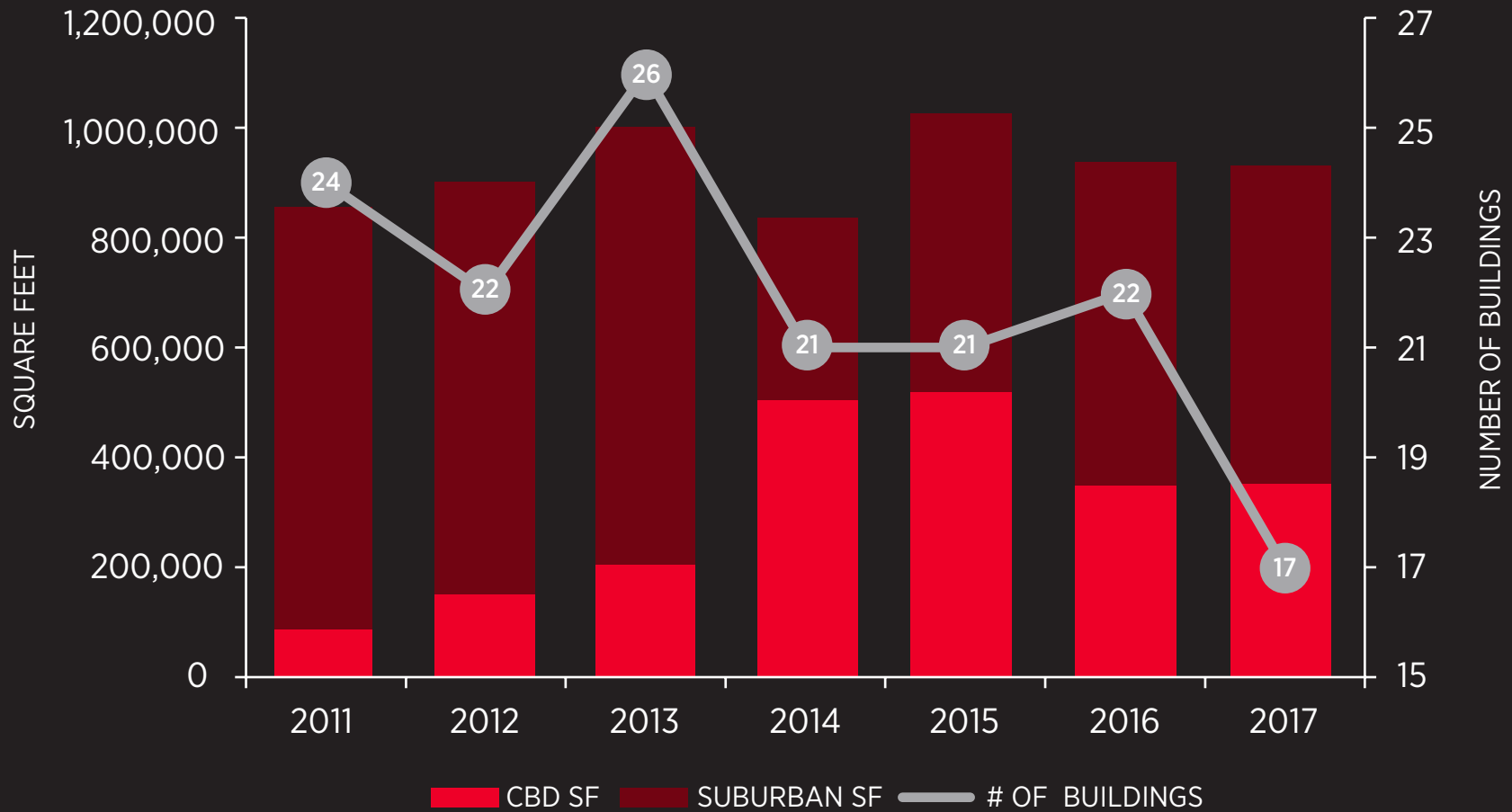
**How much  
Class A large  
block space is  
on the market?**

The amount of square footage on the market compares favorably to recent years but **the number of buildings has declined from 26 in 2013 to 17 in 2017\*.**

The Class A large block availabilities peaked in the suburbs following the great recession and the bankruptcies of Circuit City and LandAmerica. The CBD experienced a surplus of large block space following the delivery of the Gateway Plaza building.

*\* See appendix for current Class A large block availabilities by building*

CLASS A LARGE BLOCK AVAILABILITIES  
*CBD vs. Suburbs*



RECENT LARGE  
BLOCK DEALS:



SunTrust I & II  
265,000 SF



Liberty Plaza II  
135,000 SF



Westrock  
125,000 SF



Riverfront Plaza  
90,000 SF



Riverfront Plaza  
55,500 SF



Highwoods Two  
40,000 SF



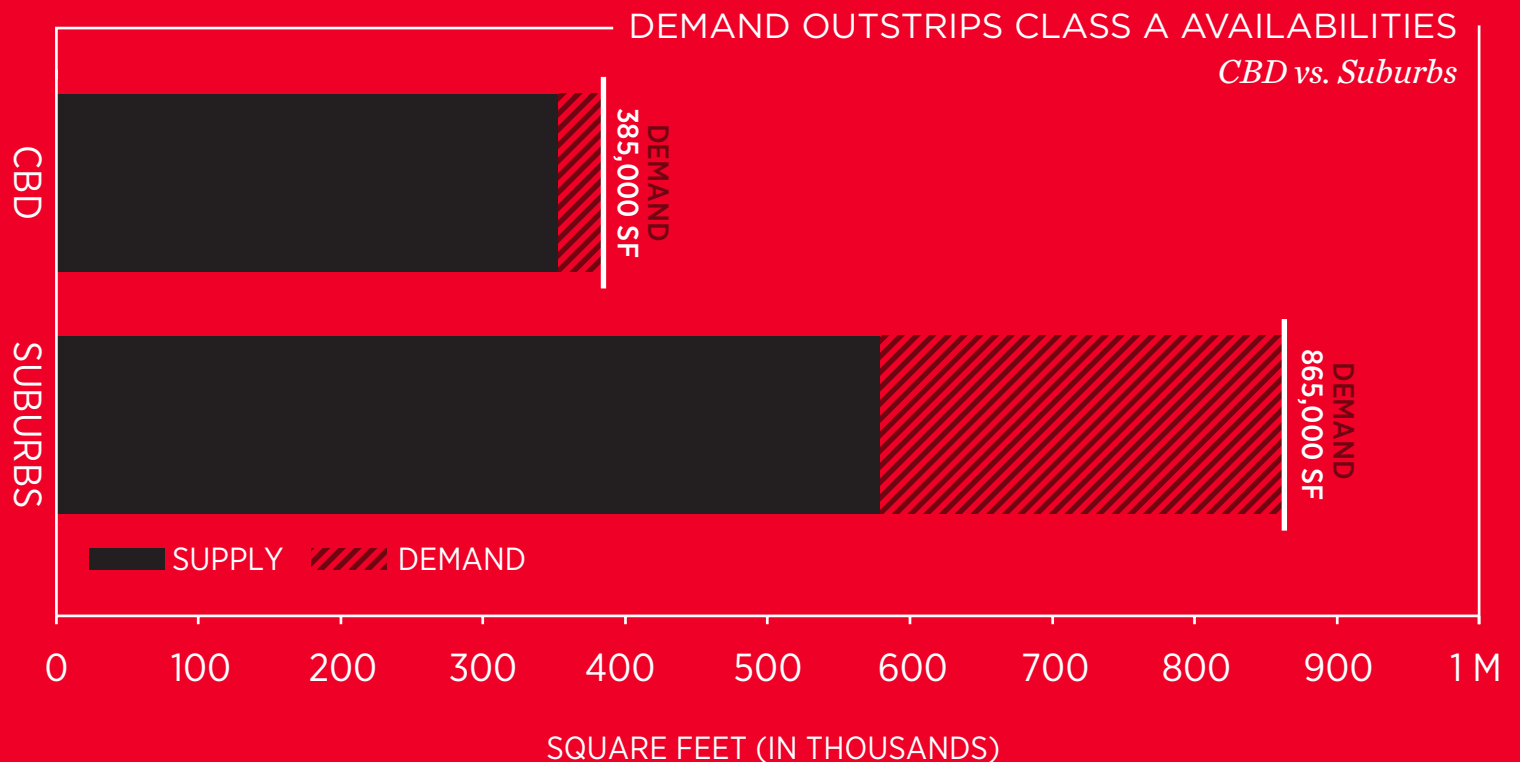
Highwoods One  
35,000 SF



Riverside on the James  
27,000 SF

# Recent Activity

There are currently 20 active tenants in the market for 20,000 SF of space and above totaling **1.25 million square feet of demand.**



# The Outcome

The limited availabilities for larger users is forcing tenants to address their real estate needs further in advance of their lease expiration date. **With no speculative construction on the horizon and limited large block opportunities,** the marketplace will remain landlord-centric providing the **opportunity to push rental rates and limit concessions and tenant improvement allowances.**





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# Appendix

## Class A Large Block Availabilities by Building

CBD Buildings	Size
One James Center	176,864 SF
SunTrust Building	67,264 SF
Riverfront Plaza, West	37,483 SF
Gateway Plaza	25,725 SF
Riverfront Plaza, East	23,272 SF
Three James Center	21,923 SF

Suburban Buildings	Size
Waterford Lake Drive 2800	99,057 SF
East Shore II	77,043 SF
East Shore I	73,125 SF
4300 Cox Rd	69,620 SF
Boulders Center	49,070 SF
Banks Brothers Building	46,054 SF
Innslake Center	43,794 SF
One Holland Place	37,645 SF
Gateway Centre II	34,155 SF
Highwoods Three	29,169 SF
Overlook I	20,225 SF