

Real Estate *Market Participants* *Survey*



Spring 2019



VCU

Kornblau Real Estate Program
School of Business

KNIGHT DORIN
& ROUNTREY
REAL ESTATE ANALYSTS

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Real Estate *Market Participants* *Survey* Parameters



In the Spring of 2019, the VCU Kornblau Real Estate Program in association with Knight, Dorin and Rountrey conducted a market participants survey using principles of anticipation to predict real estate market trends. This is a compilation of those results.

About

Since 1992, Knight, Dorin & Rountrey has surveyed the Central Virginia commercial real estate market to learn of market participants' sentiment. In Fall 2017, the Kornblau Real Estate Program teamed up with Knight, Dorin & Rountrey to produce this semi-annual survey. This is our fourth joint study.

The study's goal is to provide a diverse perspective of the real estate market for Central Virginia, Southwest Virginia, Hampton Roads, and Northern Virginia.

Parameters

The study was administered through email via Survey Monkey. Participation in the study was voluntary and participants were encouraged to skip inapplicable questions. The 24 questions asked about the respondents' future expectations for various sectors of the real estate market.

Scope

The survey results were collected in March 2019 and had 323 respondents from various real estate backgrounds.

Feedback

We received feedback regarding the questions we asked and hope to improve our parameters and questions in future surveys.

If you would like to participate in the next semi-annual survey, please contact:

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REAL ESTATE ANALYSTS

SUMMARY

323
Respondents
from diverse
backgrounds.

Respondents
are cautiously
optimistic about
market expecta-
tions for the next
six months.

The consensus
is the 10-year
treasury yield
will remain the
same for the
next 6 months.

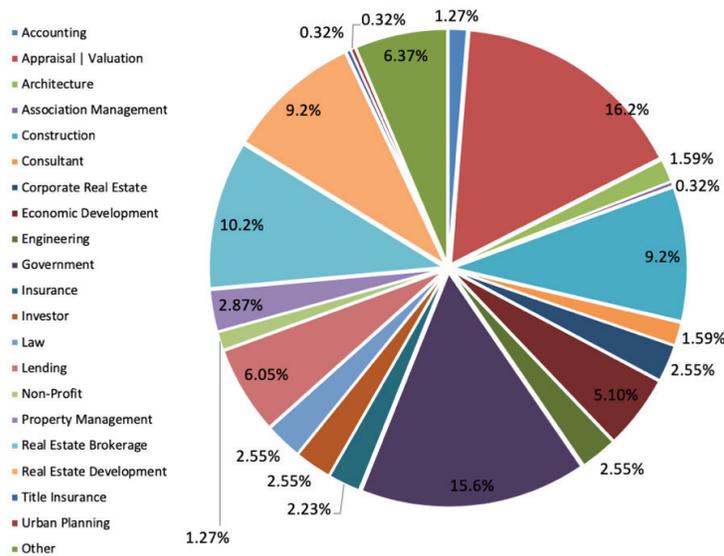
While the Treasury
Yield expectations
remain the same, the
Basis Point Spread var-
ies, with Multi-family
having the lowest aver-
age spread and Retail
having the highest.

Market participants view the real estate mar-
ket cycle as split between growth and maturity
across all sectors, with Industrial, Multi-fam-
ily, and Residential in the growth phase and
Hospitality, Office, and Retail in the maturity
phase. Retail had the greatest amount of nega-
tive responses and is leading the cycle trend
to recession.

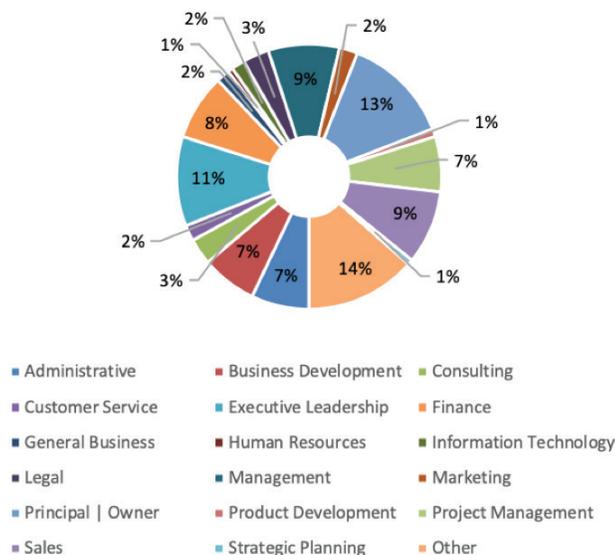
Demographics

The first few questions gathered demographic information. As illustrated in the graphs, respondents are from a variety of backgrounds in multiple sectors—including private, commercial, and corporate—as well as other levels and disciplines—including property management, insurance, law, and construction.

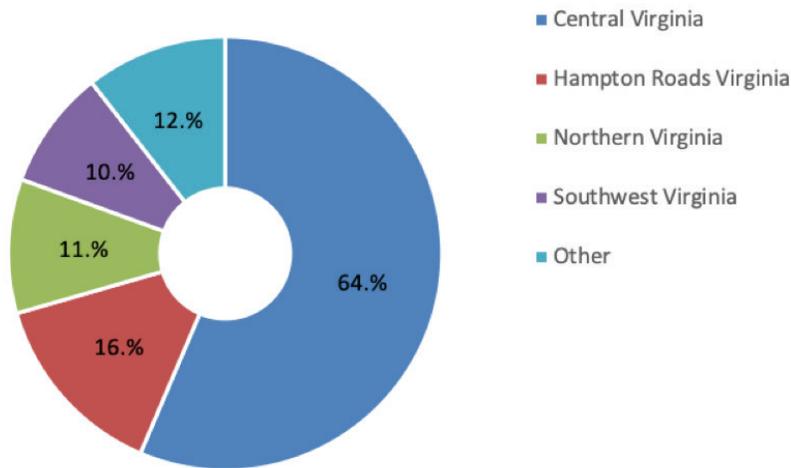
Which of the following best describes your principal industry?
n=314



Which of the following best describes your job function?
n=311



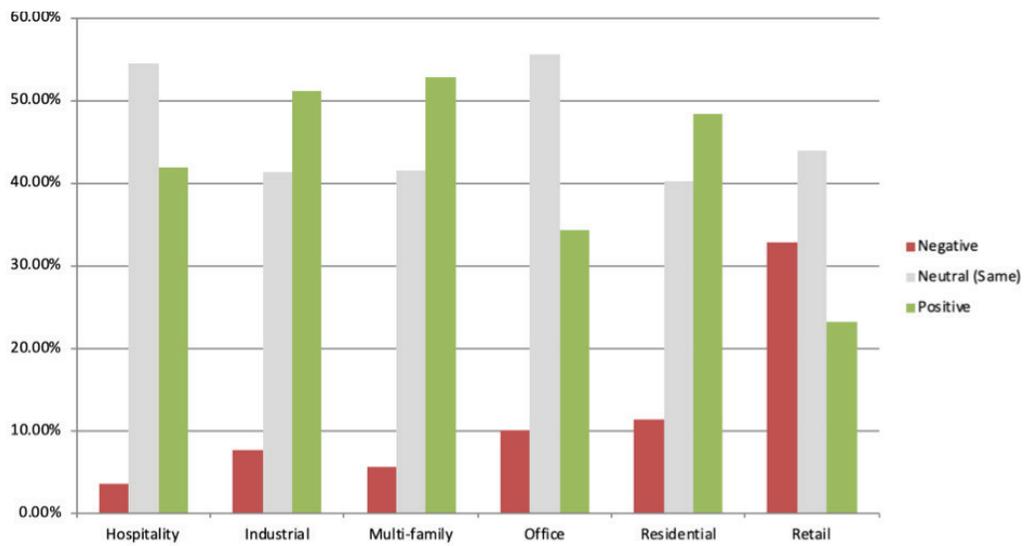
What is your primary market?
n=315



Outlook

Expectations for the real estate market over the next six months remain the same. However, the outlook leans more towards positive, with the exception of Office and Hospitality, which had a more neutral outlook, and Retail, which had mixed results.

What are your real estate market expectations in the next six months as compared to the previous six months? n=238



Real Estate Market Cycle

Most sectors are split between the growth phase and maturity phase of the real estate market cycle, with Residential transitioning into the mature stage and Retail transitioning from maturity to recession.

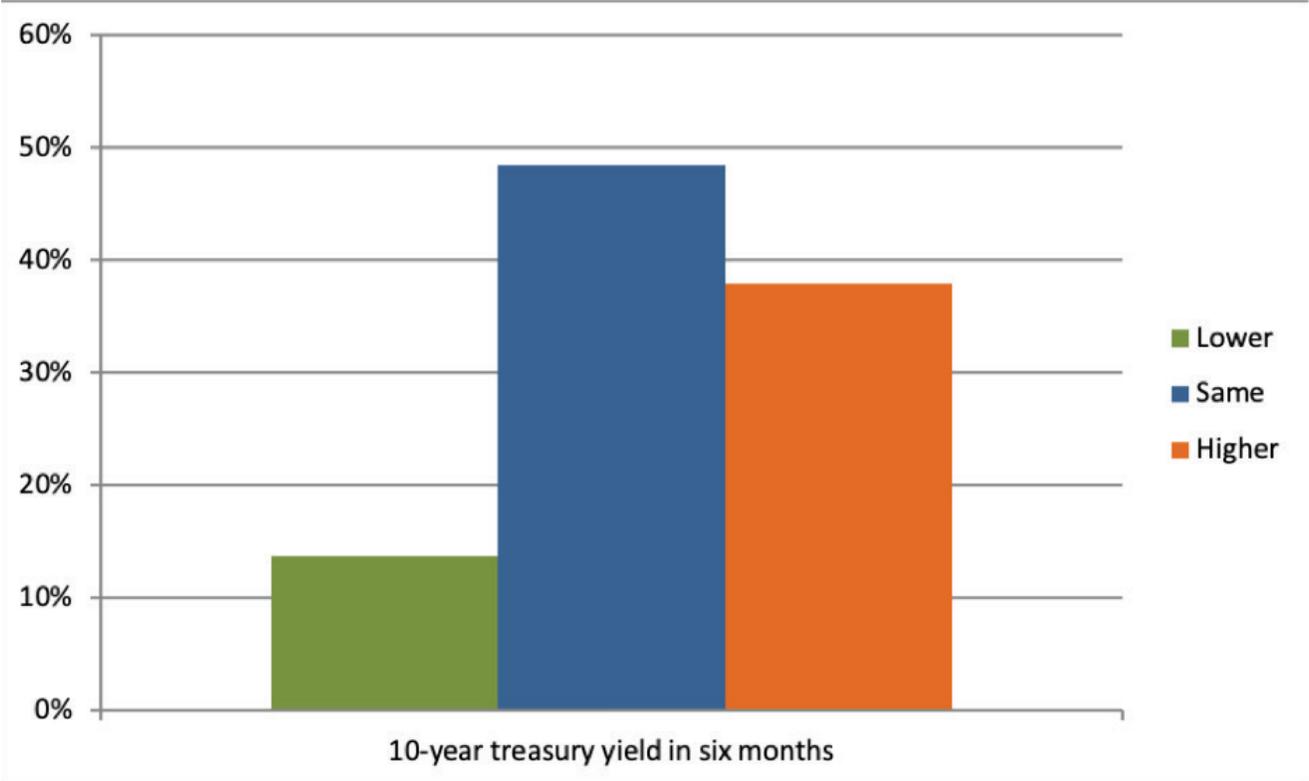
Please select the stage of the real estate market cycle you think currently applies for each property type.

Respondents were able to select an answer for multiple sectors which applied to them, but did not necessarily have to answer all. This resulted in a total of 236 responses.

	Recovery	Growth	Maturity	Recession	Total Respondants
Hospitality	6%	34%	55%	4%	218
Industrial	7%	54%	33%	6%	225
Multi-family	4%	56%	37%	4%	227
Office	9%	31%	49%	11%	225
Residential	5%	47%	42%	6%	226
Retail	9%	17%	40%	34%	225

Treasury Yield

The current 10-year treasury yield is approximately 2.65 percent.
In six months, what is your prediction of the 10-year treasury yield rate?



Basis Point Spread

Respondents expect to see a 220 to 280 change in Basis Points, with Retail having a much higher expected basis point spread at 321.

What is the current basis point spread over the 10-year treasury yield for the financing of the following property types?

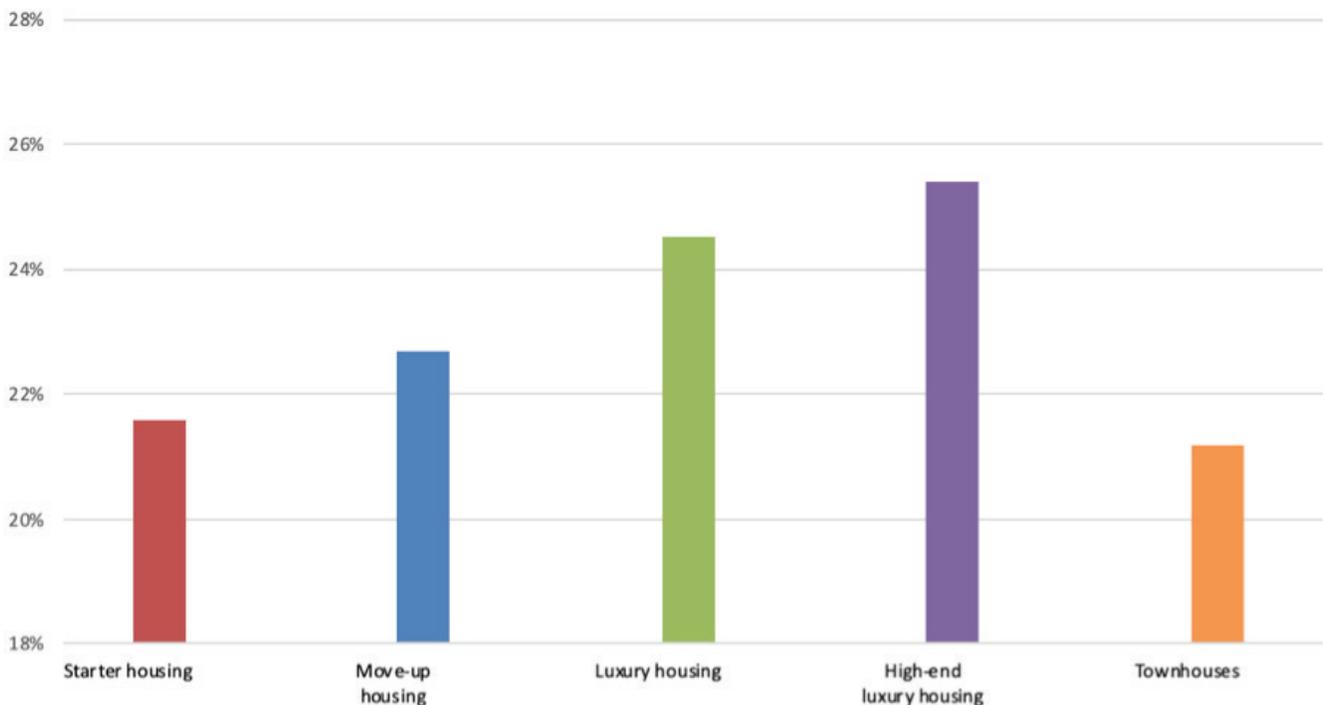
	Central Virginia Range Average	Hampton Roads Range Average	NOVA Range Average	Southwest Range Average	All Range Average
Hospitality	200 - 300	200 - 350	Inadequate Response	Inadequate Response	150 - 300
	2019 Spring 255	260			254
2018 Fall	238	325	Inadequate Response	Inadequate Response	232
Industrial	150 - 400	200 - 300	Inadequate Response	Inadequate Response	150 - 400
	2019 Spring 250	230			237
2018 Fall	206	325	Inadequate Response	Inadequate Response	209
Multi-family	150 - 400	150 - 200	Inadequate Response	Inadequate Response	150 - 400
	2019 Spring 221	192			222
2018 Fall	205	217	Inadequate Response	Inadequate Response	205
Office	150 - 400	250 - 350	Inadequate Response	Inadequate Response	200 - 400
	2019 Spring 283	310			286
2018 Fall	231	275	Inadequate Response	Inadequate Response	228
Residential (A&D)	200 - 400	Inadequate Response	Inadequate Response	Inadequate Response	150 - 400
	2019 Spring 283				271
2018 Fall	235	258	Inadequate Response	Inadequate Response	248
Retail	150 - 400	250 - 400	Inadequate Response	Inadequate Response	150 - 400
	2019 Spring 333	330			321
2018 Fall	223	167	Inadequate Response	Inadequate Response	232

*NOVA and Southwest regions did not provide sufficient responses to adequately report data for this portion of the survey.

Land Value Allocation

When compared to the overall average, starter housing has a higher expectation in the NOVA region (+6%), while townhouses have a lower expectation in the Southwest region (-3%). Luxury and High-end luxury have the highest overall average at 25%, with all averages remaining fairly consistent with the Fall 2018 results.

Relative to a residential subdivision, what is the value of an average unimproved lot as a percentage of the total price of the finished home package in the following price ranges?



Lot / Total Price Ratios:

	Central Virginia Range Average	Hampton Roads Range Average	NOVA Range Average	Southwest Range Average	All Range Average
Starter housing	16% - 32%	18% - 28%	18% - 32%	16% - 20%	16% - 32%
2019 Spring	21%	23%	28%	19%	22%
2018 Fall	22%	25%	27%	20%	24%
Move-up housing	16% - 30%	16% - 30%	24% - 32%	20% - 30%	16% - 30%
2019 Spring	22%	24%	29%	22%	23%
2018 Fall	24%	24%	26%	23%	24%
Luxury	16% - 32%	16% - 30%	18% - 32%	22% - 30%	18% - 32%
2019 Spring	24%	24%	25%	27%	25%
2018 Fall	24%	26%	28%	24%	24%
High-end luxury housing	16% - 32%	16% - 32%	16% - 30%	22% - 30%	18% - 32%
2019 Spring	25%	26%	23%	28%	25%
2018 Fall	25%	26%	28%	26%	25%
Townhouses	16% - 32%	16% - 30%	20% - 32%	16% - 20%	16% - 32%
2019 Spring	21%	24%	28%	18%	21%
2018 Fall	21%	22%	27%	20%	22%

Land Lease Rates

For typical long-term (20-year plus) net commercial land leases, particularly retail outparcels, what return is expected relative to land value? (ex: \$500,000 land value, \$50,000 annual rent = 10 percent return/cap rate)

	Central Virginia Range Average	Hampton Roads Range Average	NOVA Range Average	Southwest Range Average	All Range Average
Subordinated Lease - Cap Rate (with flat rent) 2019 Spring	5.5% - 8.5% 6.2%	Inadequate Response	Inadequate Response	Inadequate Response	5.5% - 8.5% 6.4%
Subordinated Lease - Cap Rate (with rent escalations) 2019 Spring	4.5% - 6.5% 5.6%	Inadequate Response	Inadequate Response	Inadequate Response	4.5% - 6.5% 5.9%
Unsubordinated Lease - Cap Rate (with flat rent) 2019 Spring	4.5% - 7.0% 5.9%	Inadequate Response	Inadequate Response	Inadequate Response	4.5% - 7.0% 5.9%
Unsubordinated Lease - Cap Rate (with rent escalations) 2019 Spring	4.5% - 6.5% 5.3%	Inadequate Response	Inadequate Response	Inadequate Response	4.5% - 6.5% 5.4%

*Hampton Roads, NOVA, and Southwest regions did not provide sufficient responses to adequately report data for this portion of the survey.

Cost of Sale

What is your estimated cost of sale (commissions, legal and recording fees, etc.) of most types of commercial real estate expressed as a percentage of the total sales price for the following value ranges?

	Central Virginia Range Average	Hampton Roads Range Average	NOVA Range Average	Southwest Range Average	All Range Average
Less than \$1 million	3.0% - 10.0%	3.0% - 7.5%	Inadequate	5.0% - 8.5%	3.0% - 10.0%
2019 Spring	6.3%	5.2%	Response	6.6%	6.4%
2018 Fall	6.4%	5.0%	5.9%	6.1%	5.9%
\$1 million to \$5 million	3.0% - 10.0%	2.5% - 9.0%	Inadequate	4.0% - 8.0%	1.0% - 10.0%
2019 Spring	5.5%	4.9%	Response	6.1%	5.2%
2018 Fall	4.9%	4.4%	5.1%	4.9%	5.1%
\$5 million to \$15 million	2.0% - 10.0%	2.0% - 9.0%	Inadequate	2.0% - 6.5%	2.0% - 10.0%
2019 Spring	4.5%	3.9%	Response	4.4%	4.2%
2018 Fall	3.8%	3.8%	4.3%	4.0%	4.0%
Over \$15 million	1.0% - 10.0%	1.0% - 10.0%	Inadequate	2.5% - 6.5%	1.0% - 10.0%
2019 Spring	3.5%	3.4%	Response	4.7%	3.5%
2018 Fall	2.9%	3.2%	3.4%	3.0%	3.1%

*NOVA region did not provide sufficient responses to adequately report data for this portion of the survey.

Entrepreneurial Incentive

The average ranges for total hard and soft costs for land and improvements have remained fairly consistent with the Fall 2018 survey, with the exception of Mixed Use and Single-family Residential, which changed by -0.8% and +0.7%, respectively.

Regarding new development ventures, what is your current minimum acceptable level of anticipated entrepreneurial profit (unleveraged) as expressed as a percentage?

	Central Virginia Range Average	Hampton Roads Range Average	NOVA Range Average	Southwest Range Average	All Range Average
Total hard and soft costs (land and improvements)					
Hotel	6% - 22% 13.5%	10% - 22% 16.3%	10% - 22% 12.8%	6% - 20% 14.0%	6% - 22% 13.7%
Industrial	6% - 20% 12.2%	8% - 19% 12.8%	8% - 15% 11.3%	6% - 20% 12.7%	6% - 22% 12.0%
Mixed Use	6% - 22% 12.8%	8% - 17% 13.3%	8% - 17% 12.9%	8% - 20% 12.6%	6% - 22% 13.0%
Multi-family	6% - 20% 13.2%	6% - 19% 12.1%	9% - 20% 13.1%	10% - 20% 13.1%	6% - 22% 13.0%
Office	6% - 20% 12.5%	6% - 22% 13.6%	6% - 20% 11.5%	6% - 20% 12.6%	6% - 22% 12.8%
Retail	6% - 22% 12.7%	6% - 22% 15.2%	6% - 22% 12.7%	6% - 20% 11.7%	6% - 22% 13.4%
Single-family Residential	6% - 22% 13.4%	6% - 22% 14.5%	6% - 20% 12.6%	6% - 20% 13.1%	6% - 22% 14.3%

Performance Factors

We asked market participants a variety of questions relating to income growth, vacancy rate, capitalization rate, yield rate, etc. for offices, retail, industrial, and multi-family, with the following results shown on the next four pages.

***Note: NOVA, and Southwest regions did not provide sufficient responses to adequately report data for this portion of the survey.**

Office

	Central Virginia Range Average	Hampton Roads Range Average	NOVA Range Average	Southwest Range Average	All Range Average
Income (Growth Rate)	0.5% - 3.0%	0.0% - 2.0%	Inadequate Response	Inadequate Response	0.0% - 3.0%
2019 Spring	2.2%	1.3%			2.1%
2018 Fall	2.1%	Inadequate Response	Inadequate Response	Inadequate Response	1.9%
Expenses	1.0% - 3.5%	2.0% - 2.5%	Inadequate Response	Inadequate Response	1.0% - 3.5%
2019 Spring	2.3%	2.3%			2.1%
2018 Fall	2.3%	Inadequate Response	Inadequate Response	Inadequate Response	2.1%
Vacancy Loss	0.5% - 10.0%	6.0% - 8.0%	Inadequate Response	Inadequate Response	0.5% - 10.0%
2019 Spring	6.5%	7.3%			5.9%
2018 Fall	7.5%	Inadequate Response	Inadequate Response	Inadequate Response	4.4%
Going-in Capitalization Rate	6.0% - 8.5%	7.0% - 8.5%	Inadequate Response	Inadequate Response	6.0% - 8.5%
2019 Spring	7.4%	7.7%			7.6%
2018 Fall	8.0%	Inadequate Response	Inadequate Response	Inadequate Response	7.9%
Terminal Capitalization Rate	5.0% - 11.0%	7.5% - 9.5%	Inadequate Response	Inadequate Response	5.0% - 11.0%
2019 Spring	8.0%	8.2%			8.1%
2018 Fall	8.4%	Inadequate Response	Inadequate Response	Inadequate Response	8.5%
Discount Rates (Unleveraged IRR)	6.0% - 12.0%	9.0% - 9.5%	Inadequate Response	Inadequate Response	6.0% - 12.0%
2019 Spring	9.1%	9.3%			9.2%
2018 Fall	10.0%	Inadequate Response	Inadequate Response	Inadequate Response	9.8%
Equity Yield (Leveraged IRR)	11.5% - 17.0%	11.5% - 18.0%	Inadequate Response	Inadequate Response	11.5% - 18.0%
2019 Spring	13.9%	13.7%			14.3%
2018 Fall	14.6%	Inadequate Response	Inadequate Response	Inadequate Response	13.2%

Tenant Retention Rates:

Class A	40% - 90%	60% - 90%	Inadequate Response	50% - 90%	40% - 90%
2019 Spring	73%	76%		78%	74%
2018 Fall	75%	60%	68.0%	76%	75%
Class B	40% - 90%	55% - 90%	Inadequate Response	50% - 90%	40% - 90%
2019 Spring	71%	73%		73%	72%
2018 Fall	71%	58%	61.0%	70%	67%

Months vacant between tenants:

Class A	3 - 10	3 - 12	Inadequate Response	5 - 12	3 - 12
2019 Spring	5.6	6.5		8	6.5
2018 Fall	5.3	5.2	8.6	6.5	5.4
Class B	3 - 12	5 - 12	Inadequate Response	5 - 12	3 - 12
2019 Spring	6.8	7.5		8.8	7.3
2018 Fall	5.9	7.3	9.2	7.4	7

Industrial

	Central Virginia Range Average	Hampton Roads Range Average	NOVA Range Average	Southwest Range Average	All Range Average
Income (Growth Rate)	1.0% - 4.0%	2.0% - 3.0%	Inadequate	Inadequate	1.0% - 4.0%
2019 Spring	2.7%	2.3%	Response	Response	2.5%
2018 Fall	3.0%	Inadequate Response	Inadequate Response	Inadequate Response	2.9%
Expenses	0.0% - 3.0%	2.0% - 2.5%	Inadequate	Inadequate	0.0% - 3.0%
2019 Spring	1.7%	2.3%	Response	Response	1.7%
2018 Fall	2.2%	Inadequate Response	Inadequate Response	Inadequate Response	2.1%
Vacancy Loss	0.5% - 10.0%	2.0% - 6.5%	Inadequate	Inadequate	0.5% - 10.0%
2019 Spring	4.2%	4.2%	Response	Response	4.8%
2018 Fall	4.3%	Inadequate Response	Inadequate Response	Inadequate Response	4.1%
Going- in Capitalization Rate	5.5% - 8.0%	6.0% - 7.5%	Inadequate	Inadequate	5.5% - 9.0%
2019 Spring	6.8%	6.8%	Response	Response	7.1%
2018 Fall	7.5%	Inadequate Response	Inadequate Response	Inadequate Response	7.2%
Terminal Capitalization Rate	6.0% - 11.0%	6.5% - 8.0%	Inadequate	Inadequate	6.0% - 11.0%
2019 Spring	7.8%	7.0%	Response	Response	8.2%
2018 Fall	8.0%	Inadequate Response	Inadequate Response	Inadequate Response	7.7%
Discount Rates (Unleveraged IRR)	7.5% - 10.5%	7.5% - 9.5%	Inadequate	Inadequate	7.5% - 10.5%
2019 Spring	8.9%	8.5%	Response	Response	9.0%
2018 Fall	9.1%	Inadequate Response	Inadequate Response	Inadequate Response	9.3%
Equity Yield (Leveraged IRR)	10.5% - 16.0%	10.5% - 15.0%	Inadequate	Inadequate	10.5% - 16.0%
2019 Spring	12.7%	12.3%	Response	Response	12.8%
2018 Fall	13.2%	Inadequate Response	Inadequate Response	Inadequate Response	12.8%

Tenant Retention Rates:

Office/Warehouse (Flex)	60% - 90%	40% - 90%	Inadequate	50% - 90%	40% - 90%
2019 Spring	77%	77%	Response	73%	75%
2018 Fall	77%	77%	71.0%	80%	75%
Warehouse/Distribution	40% - 90%	40% - 90%	Inadequate	50% - 90%	40% - 90%
2019 Spring	77%	80%	Response	75%	76%
2018 Fall	77%	64%	78.0%	82%	74%

Months vacant between tenants:

Office/Warehouse (Flex)	3 - 12	4 - 9	Inadequate	4 - 12	3 - 12
2019 Spring	5.8	7.2	Response	7.9	6.4
2018 Fall	5.3	5.2	7	6.2	5.4
Warehouse/Distribution	3 - 12	4 - 9	Inadequate	3 - 12	3 - 12
2019 Spring	5.8	6	Response	8.7	6.1
2018 Fall	5.4	7.4	6.8	6.5	5.7

Retail

	Central Virginia Range Average	Hampton Roads Range Average	NOVA Range Average	Southwest Range Average	All Range Average
Income (Growth Rate)	0.0% - 3.5%	0.0% - 2.5%	Inadequate	Inadequate	0.0% - 3.5%
2019 Spring	1.9%	1.5%	Response	Response	1.9%
2018 Fall	2.2%	Inadequate Response	Inadequate Response	Inadequate Response	1.8%
Expenses	1.0% - 3.0%	2.0% - 3.0%	Inadequate	Inadequate	1.0% - 3.0%
2019 Spring	2.1%	2.5%	Response	Response	2.1%
2018 Fall	2.4%	Inadequate Response	Inadequate Response	Inadequate Response	2.3%
Vacancy Loss	0.5% - 10.0%	7.0% - 10.0%	Inadequate	Response	0.5% - 10.0%
2019 Spring	6.9%	8.7%	Response	Response	6.8%
2018 Fall	7.8%	Inadequate Response	Inadequate Response	Inadequate Response	6.5%
Going -in Capitalization Rate	6.0% - 10.0%	7.5% - 9.0%	Inadequate	Inadequate	6.0% - 10.0%
2019 Spring	7.7%	8.2%	Response	Response	7.9%
2018 Fall	7.7%	Inadequate Response	Inadequate Response	Inadequate Response	7.5%
Terminal Capitalization Rate	5.0% - 11.0%	7.5% - 9.5%	Inadequate	Inadequate	5.0% - 11.0%
2019 Spring	8.1%	8.2%	Response	Response	8.3%
2018 Fall	8.6%	Inadequate Response	Inadequate Response	Inadequate Response	8.2%
Discount Rates (Unleveraged IRR)	6.0% - 12.0%	9.0% - 10.5%	Inadequate	Inadequate	6.0% - 12.0%
2019 Spring	8.9%	9.8%	Response	Response	9.3%
2018 Fall	10.1%	Inadequate Response	Inadequate Response	Inadequate Response	9.7%
Equity Yield (Leveraged IRR)	11.5% - 20.0%	12.0% - 17.0%	Inadequate	Inadequate	11.5% - 20.0%
2019 Spring	15.3%	13.8%	Response	Response	14.9%
2018 Fall	14.0%	Inadequate Response	Inadequate Response	Inadequate Response	14.4%
Tenant Retention Rates:					
Neighborhood	50% - 90%	50% - 80%	Inadequate	40% - 80%	40% - 90%
2019 Spring	73%	65%	Response	63%	70%
2018 Fall	63%	56%	78%	66%	64%
Community	50% - 90%	50% - 75%	Inadequate	40% - 85%	40% - 90%
2019 Spring	73%	66%	Response	68%	70%
2018 Fall	68%	56%	69%	73%	70%
Months vacant between tenants:					
Neighborhood	3 - 12	5 - 12	Inadequate	3 - 12	3 - 12
2019 Spring	7.4	8	Response	8.4	7.7
2018 Fall	7.8	7.6	6.3	8	7
Community	3 - 12	7 - 12	Inadequate	3 - 12	3 - 12
2019 Spring	7.7	9.7	Response	8.1	7.8
2018 Fall	8	5.1	7.8	7	6.3

Apartments

	Central Virginia Range Average	Hampton Roads Range Average	NOVA Range Average	Southwest Range Average	All Range Average
Income (Growth Rate)	2.0% - 4.0%	0.0% - 3.0%	Inadequate	Inadequate	1.0% - 4.0%
2019 Spring	2.8%	2.5%	Response	Response	2.5%
2018 Fall	3.0%	Inadequate Response	Inadequate Response	Inadequate Response	2.7%
Expenses	1.0% - 3.5%	1.5% - 3.0%	Inadequate	Inadequate	1.0% - 3.5%
2019 Spring	2.2%	2.2%	Response	Response	2.1%
2018 Fall	2.4%	Inadequate Response	Inadequate Response	Inadequate Response	2.1%
Vacancy Loss	0.5% - 6.5%	5.5% - 7.0%	Inadequate	Inadequate	0.5% - 7.0%
2019 Spring	4.4%	6.2%	Response	Response	4.8%
2018 Fall	4.1%	Inadequate Response	Inadequate Response	Inadequate Response	4.0%
Going -in Capitalization Rate	5.0% - 6.5%	5.5% - 6.5%	Inadequate	Inadequate	5.0% - 7.5%
2019 Spring	5.7%	5.9%	Response	Response	7.1%
2018 Fall	6.2%	Inadequate Response	Inadequate Response	Inadequate Response	6.0%
Terminal Capitalization Rate	5.0% - 11.0%	6.0% - 7.0%	Inadequate	Inadequate	5.0% - 11.0%
2019 Spring	6.9%	6.5%	Response	Response	6.3%
2018 Fall	6.9%	Inadequate Response	Inadequate Response	Inadequate Response	6.4%
Discount Rates (Unleveraged IRR)	7.0% - 12.0%	7.0% - 10.0%	Inadequate	Inadequate	7.0% - 12.0%
2019 Spring	8.8%	8.8%	Response	Response	8.8%
2018 Fall	8.3%	Inadequate Response	Inadequate Response	Inadequate Response	8.6%
Equity Yield (Leveraged IRR)	10.0% - 15.0%	10.0% - 15.0%	Inadequate	Inadequate	10.0% - 16.0%
2019 Spring	12.7%	12.3%	Response	Response	12.8%
2018 Fall	12.6%	Inadequate Response	Inadequate Response	Inadequate Response	13.4%

Internal Rate of Return

Discount rate for development and sellout of undeveloped land with entitlements.

	Central Virginia Range Average	Hampton Roads Range Average	NOVA Range Average	Southwest Range Average	All Range Average
Single-family Housing	10% - 30% 15.0%	10% - 30% 15.9%	10% - 23% 14.0%	10% - 30% 14.3%	10% - 30% 15.3%
Mixed	10% - 30% 15.3%	10% - 30% 17.3%	10% - 25% 13.9%	10% - 30% 13.3%	10% - 30% 15.4%
Industrial	10% - 27% 13.9%	10% - 30% 16.8%	10% - 27% 13.7%	10% - 25% 16.2%	10% - 30% 14.2%
Commercial	10% - 30% 14.4%	10% - 30% 16.7%	10% - 30% 14.7%	10% - 25% 15.1%	10% - 30% 15.2%

Availability of Mortgage Financing

All sectors show high levels of adequate financing availability. Multi-family is leaning towards abundant, while Retail is leaning towards inadequate.

Please rate your experience regarding the current availability of mortgage financing for the following property types.

Respondents were able to select an answer for multiple sectors which applied to them, but did not necessarily have to answer all. This resulted in a total of 65 responses.

	Inadequate	Adequate	Abundant	Total Respondents
Hospitality	30%	68%	2%	4%
Industrial	17%	68%	15%	6%
Multi-family	11%	51%	38%	4%
Office	22%	72%	6%	11%
Residential (A&D)	16%	57%	27%	6%
Retail	37%	59%	4%	34%

Real Estate Liquidity – Marketing Period

The expected marketing period for all regions except Northern Virginia is shown in the chart on the following page.

***Note: NOVA region did not provide sufficient responses to adequately report data for this portion of the survey.**

Please select the most appropriate block regarding your opinion of reasonable selling/liquidity time (from the date of listing to the date of closing) relative to the following property types. This assumes the property is realistically priced to sell by a reasonably motivated seller.

	Central Virginia				Hampton Roads			
	Less than six months	Six to 12 months	Twelve to 24 months	Over 24 months	Less than six months	Six to 12 months	Twelve to 24 months	Over 24 months
Retail								
Free-standing store	20%	48%	20%	12%	0%	75%	0%	25%
Unanchored shopping center	8%	40%	32%	20%	0%	50%	50%	0%
Anchored neighborhood shopping center	28%	48%	20%	4%	25%	50%	25%	0%
Community and power shopping center	20%	44%	36%	0%	25%	50%	25%	0%
Regional shopping center - poorly leased	4%	17%	46%	33%	0%	0%	33%	67%
Regional shopping center - well leased	21%	29%	50%	0%	0%	33%	67%	0%
Multi-Family								
Apartment complex (less than 120 units)	57%	40%	3%	0%	50%	50%	0%	0%
Apartment complex (more than 120 units)	56%	29%	12%	3%	50%	50%	0%	0%
Office								
Large office building – well leased	19%	70%	7%	4%	0%	83%	7%	0%
Large office building – poorly leased	4%	30%	44%	22%	0%	0%	50%	50%
Small office building (less than 20,000 SF) – well leased	26%	63%	7%	4%	17%	50%	33%	0%
Small office building (less than 20,000 SF) – poorly leased	4%	33%	48%	15%	0%	17%	50%	33%
Industrial								
Small single user office/warehouse buildings	42%	35%	19%	4%	67%	33%	0%	0%
Multi-tenant flex/bulk distribution	31%	42%	23%	4%	50%	50%	0%	0%
Vacant Land								
Single-family residential development	40%	37%	10%	13%	60%	20%	20%	0%
Multi-family residential development	32%	48%	10%	10%	80%	20%	0%	0%
Retail	15%	31%	27%	27%	0%	0%	50%	50%
Office	16%	28%	28%	28%	0%	0%	60%	40%
Industrial	28%	28%	12%	32%	20%	60%	0%	20%
Special Purpose Properties								
Banks, historic, churches, etc.	0%	36%	32%	32%	0%	50%	50%	0%

	Southwest				All			
	Less than six months	Six to 12 months	Twelve to 24 months	Over 24 months	Less than six months	Six to 12 months	Twelve to 24 months	Over 24 months
Retail								
Free-standing store	14%	43%	29%	14%	17%	47%	22%	14%
Unanchored shopping center	0%	43%	43%	14%	6%	37%	40%	17%
Anchored neighborhood shopping center	14%	29%	29%	29%	26%	40%	26%	9%
Community and power shopping center	14%	29%	14%	43%	20%	38%	34%	9%
Regional shopping center - poorly leased	0%	17%	17%	67%	3%	18%	38%	41%
Regional shopping center - well leased	17%	33%	33%	17%	18%	30%	50%	3%
Multi-Family								
Apartment complex (less than 120 units)	50%	50%	0%	0%	54%	41%	4%	0%
Apartment complex (more than 120 units)	50%	33%	17%	0%	55%	32%	11%	2%
Office								
Large office building – well leased	43%	43%	14%	0%	24%	61%	13%	3%
Large office building – poorly leased	0%	14%	86%	0%	3%	26%	50%	21%
Small office building (less than 20,000 SF) – well leased	14%	71%	14%	0%	29%	55%	13%	3%
Small office building (less than 20,000 SF) – poorly leased	0%	29%	71%	0%	3%	37%	45%	16%
Industrial								
Small single user office/warehouse buildings	29%	57%	14%	0%	41%	35%	22%	3%
Multi-tenant flex/bulk distribution	42%	29%	14%	14%	32%	38%	22%	8%
Vacant Land								
Single-family residential development	20%	60%	20%	0%	36%	40%	14%	10%
Multi-family residential development	40%	20%	40%	0%	33%	43%	17%	7%
Retail	0%	50%	17%	33%	11%	30%	30%	30%
Office	0%	50%	17%	33%	11%	27%	32%	30%
Industrial	33%	17%	0%	50%	24%	27%	16%	32%
Special Purpose Properties								
Banks, historic, churches, etc.	0%	16%	50%	33%	3%	33%	36%	28%



Thank you to all the participants who responded to the survey request. We appreciate your input.

If you have questions you want us to include in our next survey, or would like to be added to our survey and/or report mailing lists, please contact either Robert Taylor or Edward Knight (the contact information is on the following page). Please share this report with others who may be interested.



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