

HARRISONBURG COMMERCIAL REAL ESTATE

# MARKET REPORT

2<sup>ND</sup> QUARTER | 2012

## AT A GLANCE

\$ VOLUME

\* REVISED \$ VOLUME

# OF TRANSACTIONS

SF ABSORPTION

SALES PRICE AS A  
% OF ASSESSED VALUE

*\*\*as compared to previous quarter*

## HIGHLIGHTS

Multi-family sales and apartment conversion projects continued to be hot in Harrisonburg and surrounding areas.

Buyers appeared to have gotten an earlier start in 2012 with total volume in the 1<sup>st</sup> quarter outpacing that of the 2<sup>nd</sup> quarter.

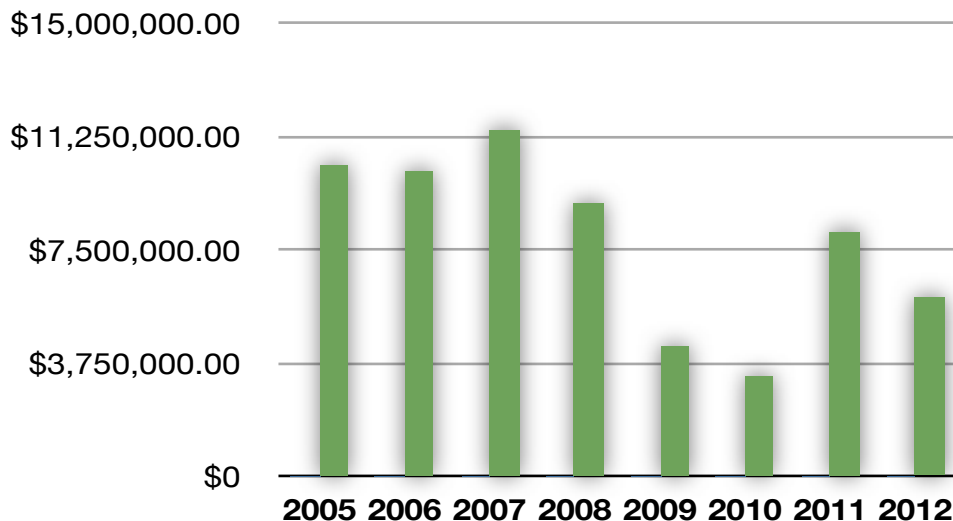
The first two quarters of 2012 are virtually identical to the first two quarters of 2011 in term of sales volume. 2012 had seven more transactions.

## QUARTER SNAPSHOT

Investment property, including multi-family and single tenant net lease, continued to drive the majority of sales volume with the Days Inn off of Port Republic Road, Family Dollar on E. Market Street, and four sets of apartments all changing hands in the quarter.

The number of transactions in the second quarter continued their climb for the fourth straight year. In fact, the solid second quarter number nearly eclipsed the proceeding two quarters combined (26 v. 25) illustrating a slight boost in confidence among buyers.

In total, the second quarter of 2012 produced nearly \$6 million worth of volume, which is roughly \$2 million below first quarter production and the second quarter of 2011, but more than the very lean years of 2009 and 2010.



## TIDBITS

A quick look around Harrisonburg with some interesting stats and facts.

## FOR MORE INFO--



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# HOT SPOT

## THE NORTHWEST QUADRANT

Harrisonburg's NW quad saw the most action in the 2<sup>nd</sup> quarter with 11 transactions and \$2,083,000 volume.

# THE BIG DEAL

## BUTTONWOOD COURT APARTMENTS

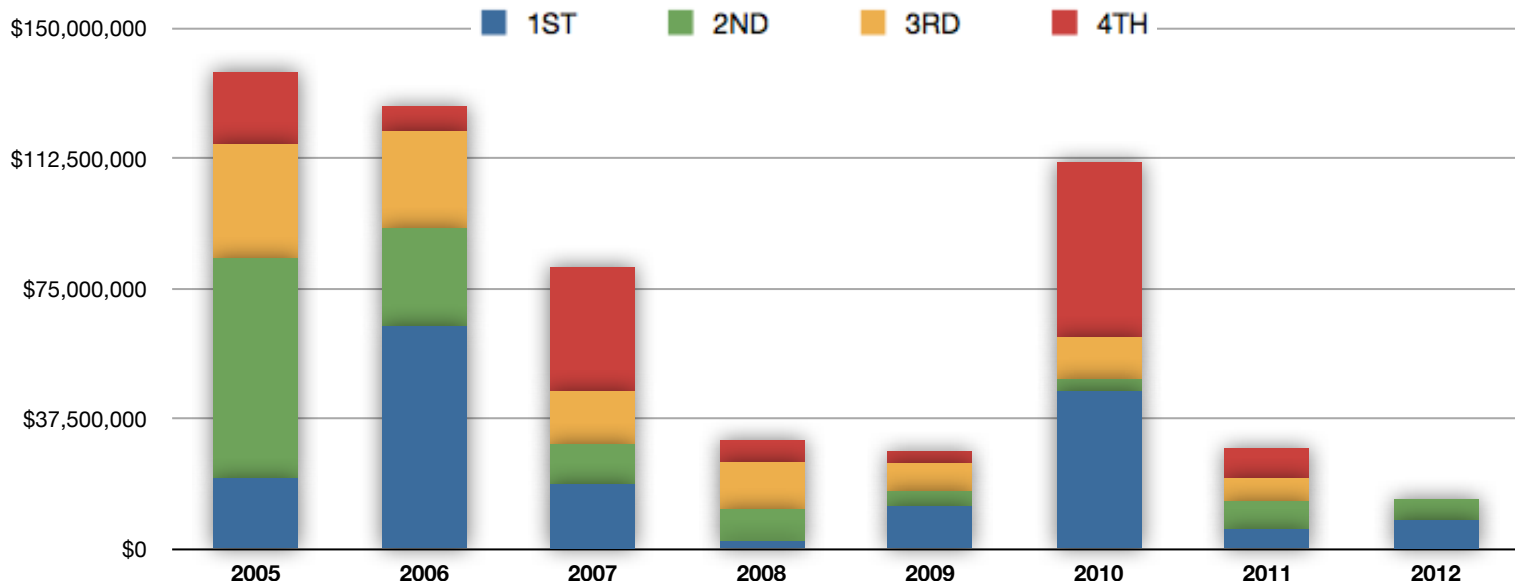
The two building, 22 unit, multi-family investment in the Harmony Heights area of Harrisonburg was purchased for approximately \$1.6 million and a cap estimated at 8%. The transaction was **brokered by Cottonwood Commercial**.

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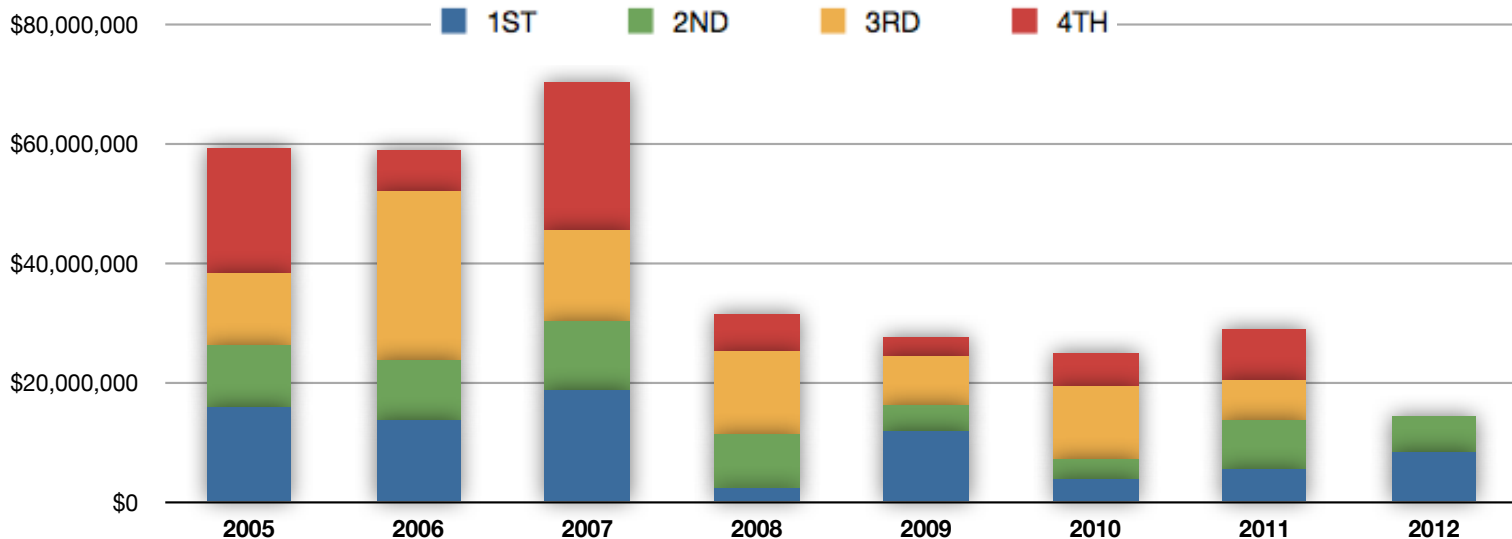
TOTAL SALES VOLUME BY YEAR (RAW DATA)



## CHART INFORMATION

The chart reflects total sales volume in the City of Harrisonburg by year including transactions (such as large \$55 million land purchases by JMU and \$24 million student housing investment purchases) that skew the data. The chart below removes these transactions to present a more accurate view of the Harrisonburg commercial real estate market. If you disagree with this assessment, by all means, please use the chart above-it was included for that exact reason.

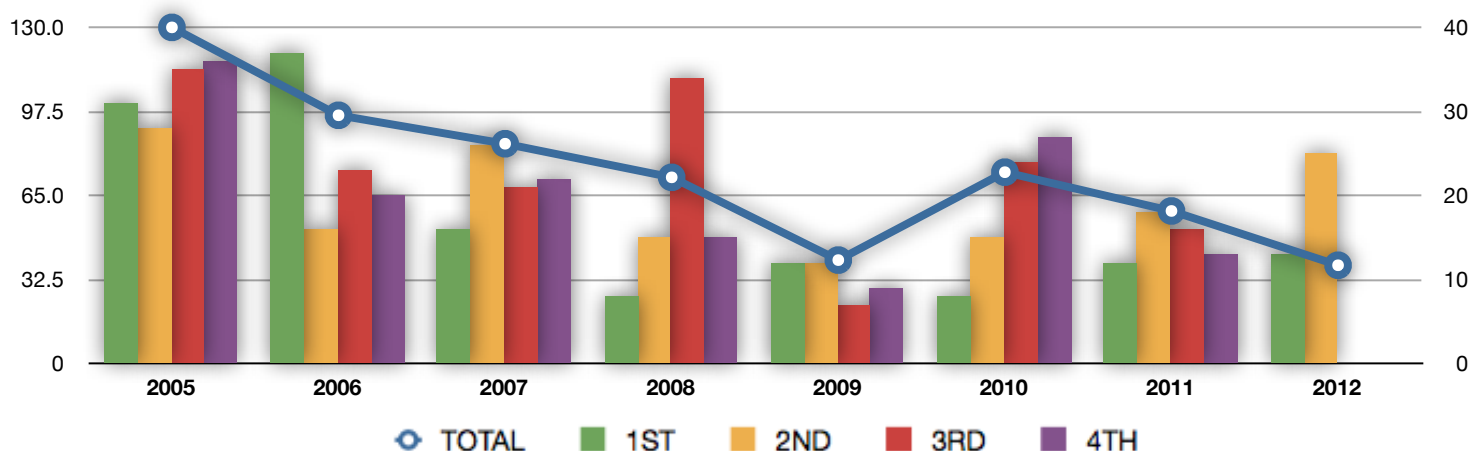
TOTAL SALES VOLUME BY YEAR (REVISED DATA)



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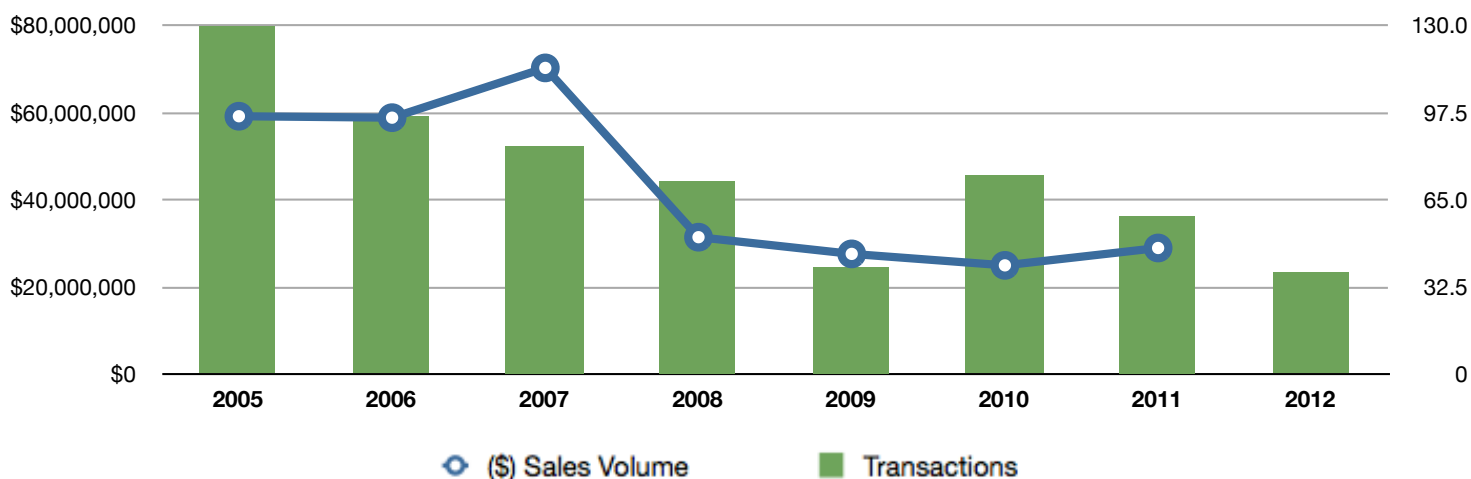
2<sup>ND</sup> QUARTER | 2012

TOTAL TRANSACTIONS BY YEAR & QUARTER



## WHY IT'S IMPORTANT

In real estate markets, changes in the frequency of transactions, as measured by changes in the number of properties sold from a stock of properties comparing one period to another (e.g., month to month, year to year), have been shown to be related to asset price movements. Therefore, transaction frequency is a key indicator of current conditions of the real estate market. In addition, it is widely viewed as an important "leading" indicator of the expected general conditions of local, regional and national economies. By monitoring transaction levels, market participants are better able to form market expectations, evaluate prices and develop investment strategies



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Address	Use Type	Total Assessed Value	Sales Date	Sales Price	Note
1733 PARK RD	R-3 Multi Dwelling Residential	\$337,800.00	Apr 5, 2012	\$337,700.00	
263 OLD SOUTH HIGH ST	R-2 Residential District	\$146,900.00	Apr 16, 2012	\$85,000.00	
1396 BRADLEY DR	R-3 Multi Dwelling Residential	\$73,700.00	Apr 20, 2012	\$114,030.00	Hunters Ridge Condo
1101 MT CLINTON PIKE	B-2 General Business	\$186,100.00	Apr 30, 2012	\$190,000.00	
205 N MAIN ST	B-1 Central Business	\$604,800.00	May 2, 2012	\$460,000.00	15 Units, Rehabilitation Project
1428 BRADLEY DR	R-3 Multi Dwelling Residential	\$73,700.00	May 2, 2012	\$76,500.00	
4060 S MAIN ST	B-2 General Business	\$415,200.00	May 10, 2012	\$194,000.00	
883 CHICAGO AVE	M-1 General Industrial	\$283,900.00	May 15, 2012	\$290,000.00	
3221 PEOPLES DR 110	B-2 General Business	\$-	May 18, 2012	\$124,995.00	Peoples Drive Condo   Cold Dark Shell
30 BAXTER DR 150	B-2 General Business	\$179,500.00	May 23, 2012	\$430,000.00	
30 BAXTER DR 160	B-2 General Business	\$179,500.00	May 23, 2012		See 30 Baxter Drive Unit 150 (4 Units)
30 BAXTER DR 170	B-2 General Business	\$179,500.00	May 23, 2012		See 30 Baxter Drive Unit 150 (4 Units)
30 BAXTER DR 180	B-2 General Business	\$179,500.00	May 23, 2012		See 30 Baxter Drive Unit 150 (4 Units)
1131 FOREST HILL RD	B-2 General Business	\$4,294,600.00	May 24, 2012	\$1,480,000.00	Days Inn Port Road
35 W WASHINGTON ST	M-1 General Industrial	\$163,900.00	May 24, 2012	\$151,000.00	
590 E MARKET ST	Multi Dwelling Res. Cond.	\$268,000.00	May 31, 2012	\$131,250.00	
142 CHARLES ST	M-1 General Industrial	\$28,800.00	Jun 1, 2012		See 148 Charles Street
148 CHARLES ST	M-1 General Industrial	\$174,800.00	Jun 1, 2012	\$75,000.00	
896 N LIBERTY ST	M-1 General Industrial	\$45,500.00	Jun 6, 2012	\$195,000.00	Yellow Cab Terminal
295 MONROE ST	M-1 General Industrial	\$136,600.00	Jun 6, 2012		See 896 N. Liberty
159 OLD SOUTH HIGH ST	R-3 Multi Dwelling Residential	\$243,900.00	Jun 15, 2012	\$194,000.00	3 Unit Mixed use
292 N LIBERTY ST	B-1 Central Business	\$251,900.00	Jun 18, 2012	\$300,000.00	
761 E MARKET ST	B-2 General Business	\$779,800.00	Jun 26, 2012	\$470,000.00	Family Dollar Single Tenant Net Lease (1031)
126 W BRUCE ST	M-1 General Industrial	\$237,400.00	Jun 29, 2012	\$320,000.00	
538 E MARKET ST	R-2 Residential District	\$559,400.00	Jun 29, 2012	\$240,000.00	



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## ABOUT TIM REAMER

Tim Reamer brings over a decade of experience and training in site selection, demographic study, market analysis, and marketing assistance to the table. Tim provides brokerage and consulting services related to commercial real estate in Harrisonburg, Virginia and throughout the Shenandoah Valley. He specializes in net lease investment real estate, tenant and landlord representation, and general commercial representation.

Tim has worked with national brands – such as Pizza Hut, 7-Eleven, Firehouse Subs, Cook Out, Adams & Garth, Zaxby's and OfficeMax – providing tenant/landlord representation and purchaser/seller representation services, including site identification, lease and purchase negotiations, and net lease investment analysis. In 2011, Tim was among the top 5% of agents in the Harrisonburg-Rockingham MLS and in the top 1% for commercial transactions.

Tim provides a wide range of commercial real estate brokerage and advisory services to his clients, but every project starts with a focus on understanding his client's needs and objectives and ends with customized solutions that help them accomplish their goals.

## BROKERAGE SERVICES

Seller Representation  
Buyer Representation  
Landlord Representation  
Tenant Representation  
Lease Renegotiation  
Investment Brokerage

## FEE BASED SERVICES

Financial Analysis  
Investment Analysis  
Market & Demand Analysis  
Opinion of Value  
Advisory Services  
Lease v. Purchase Analysis  
Site Analysis

## CONTACT

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## ABOUT COTTONWOOD COMMERCIAL

Those who buy, sell or lease commercial properties don't merely need their brokerage to know the area. They need it to know the business of commercial real estate backwards and forwards. Cottonwood | Commercial, was created in 1998 to meet the need of a large dedicated commercial brokerage in the Valley. Cottonwood Commercial is now the largest, most respected commercial real estate brokerage in the Shenandoah Valley.

We know that we are not successful unless our clients are also successful. Our goal is to build value for our customers by approaching our work with integrity, knowledge and original ideas. The diverse set of backgrounds, areas of focus and perspectives within Cottonwood | Commercial enable us to provide commercial real estate services across the board.

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