

MARKETBEAT ROANOKE

Industrial Q2 2021

	YoY Chg	12-Mo. Forecast
5.4% Vacancy Rate	▲	▲
67K Net Absorption, SF	▲	▼
\$4.45 Asking Rent, PSF	▲	▼
Overall, Net Asking Rent		

ECONOMIC INDICATORS Q2 2021

	YoY Chg	12-Mo. Forecast
157.6K Roanoke Employment	▲	▲
4.4% Roanoke Unemployment Rate	▼	▼
5.9% U.S. Unemployment Rate	▼	▼

Source: BLS

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ECONOMIC OVERVIEW: Early-Stage Recovery Gaining Momentum

Improvement in the greater Roanoke market continues the upward trajectory that began in the first quarter. Employment continues to grow and the unemployment rate in the Roanoke market has fallen to 4.4% during the second quarter, a reduction of 70 basis points from the first quarter. Seven projects were announced by The Virginia Economic Development Partnership in Southwest and Southside Virginia. These projects are expected to create 446 new jobs and an investment on the order of \$81M. While none of these projects are of the size and scope of projects announced in the first quarter, they are indicative of continued growth and expansion. It is worth noting that six of the seven projects are new market entries and that all these projects are in the manufacturing sector.

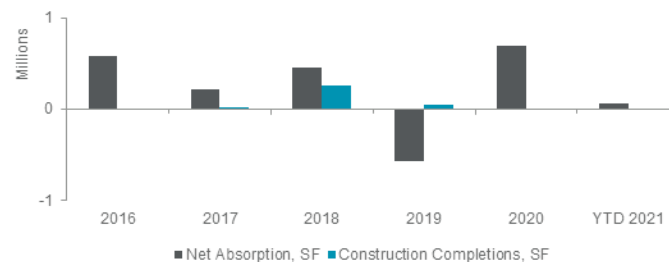
SUPPLY AND DEMAND: Limited Supply

Nine new leases were signed during the quarter totaling approximately 429,000 square feet (sf) of space. This includes the 365,000 sf Munters Corporation manufacturing facility being built in Botetourt Center at Greenfield. Grading and site preparation is underway at this project. Other leases in the area range in size from 1,500 sf to 30,000 sf. In addition, one lease of 7,000 sf was renewed. Inventory of quality space continues to be quite low with vacancy at 5.4%. Net absorption in the market is reported to be 67,200 sf. The limited supply of desirable inventory continues to constrain growth. Larger projects announced in recent quarters are expected to spur development. The resulting increased demand will drive rents higher making industrial development economically viable in the longer term.

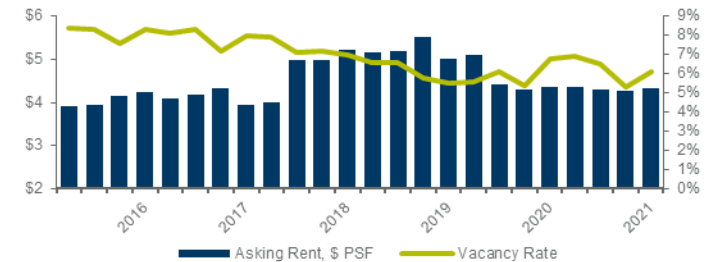
PRICING: Minimal Change

Net asking rent is slowly increasing and is currently standing at \$4.45 per square foot (psf), an increase of \$0.12 psf over the first quarter. As reported in the first quarter rents for more desirable space in the \$New5.00 psf to \$6.00 psf plus range are attainable. This is reflective of the quality and characteristics of much of the available inventory. Asking rents are expected to remain steady for the near term.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



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