

## MARKETBEAT

# Roanoke, VA

Retail Q1 2019



CUSHMAN & WAKEFIELD

THALHIMER

## ECONOMIC INDICATORS

### National

	Q1 18	Q1 19*	12-Month Forecast**
GDP Growth	2.6%	2.9%	▲
CPI Growth	2.2%	1.6%	▲
Consumer Spending Growth	2.4%	3.2%	▲
Retail Sales Growth	4.9%	4.2%	▲

\* Q1 19 Estimates. Values represent year-over-year % change.

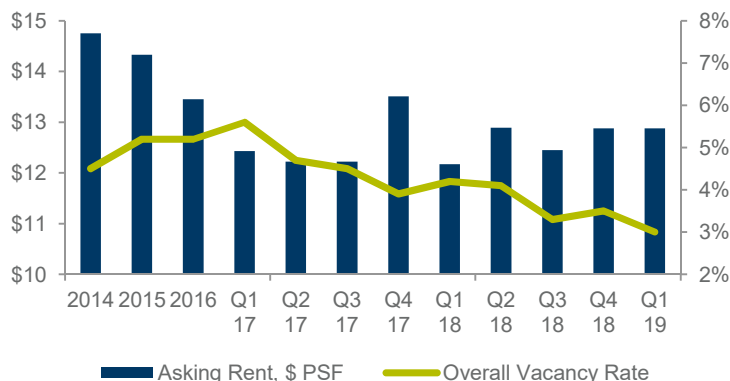
\*\* Forecast by Cushman & Wakefield.

### Regional

	Q1 18	Q1 19*	12-Month Forecast
Household Income	\$54,723.78	\$56,099.41	▲
Population Growth	0.9%	0.4%	▼
Unemployment	3.6%	2.6%	▼

Source: Moody's Analytics

## Rental Rate vs. Overall Vacancy



## Economy

Healthy consumer spending is leading the way in the first quarter of the year at 3.2%, increasing 80 basis points (bps) above last year's first quarter of 2.4%. Steady increases in household income are also providing a direct positive impact. Both eCommerce and brick-and-mortar retail markets are benefiting with more disposable income being spent. Strong consumer spending and positive economic growth will be powerful drivers of retail demand in 2019.

## Market Overview

Regionally, we are seeing significant retail expansions as well as more redevelopment opportunities. Mezeh Mediterranean Grill and Your Pie Pizza both opened new locations in the New River Valley. The overall retail vacancy rate in the Roanoke region fell further to 3.0% during the first quarter. Backfilling closures of big box anchors who are right-sizing or former bank branches that have closed or merged, plus new mixed-use development projects are creating new options for retailers. These are key trends to follow in the coming year as they offer new retailers and existing ones new opportunities of market entry or expansion.

## Outlook

With the overall vacancy rate reaching a new low of 3.0% and rent rates holding steady at \$12.88 per square foot (psf) in Southwestern Virginia, brick-and-mortar retailers will seek opportunities to fill available space and increase their presence in the market. Consumers continue to pursue a heightened shopping experience, and retailers in the Roanoke and New River Valley are gearing up to accommodate this trend.

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