MARKETBEAT

ROANOKE

Retail Q2 2020

	YoY Chg	12-Mo. Forecast
$57,800 Median HH Income	▲	▼
0.2% Population Growth	▲	▲
10.2% Unemployment Rate	▲	▼

Source: BLS (Economic Indicators are representative of specific county or MSA.)

U.S.ECONOMIC INDICATORS Q2 2020

	YoY Chg	12-Mo. Forecast
-9.9% GDP Growth	▼	▼
-11.0% Consumer Spending Growth	▼	▲
-10.3% Retail Sales Growth	▼	▼

Source: BEA, Census Bureau

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ECONOMY: COVID-19 Impacts Continue to Unfold

The COVID-19 pandemic struck the U.S. in March 2020, late in the quarter but with enough time to have a significant impact on first quarter market fundamentals. In the second quarter of 2020, the U.S. economy felt its effects more fully, as government-mandated shutdowns along with shelter-in-place ordinances pushed the country deeper into recession. The situation remains very fluid. Access the most recent information specific to COVID here.

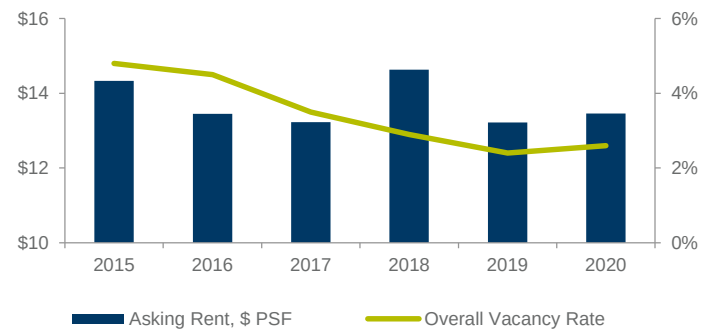
DEMAND: New Leasing Options are Surfacing

As we continue to see the devastating effect of COVID as it relates to retail; vacancies will be on the rise with national store closures announcing on a weekly basis. With the announcements of Pier 1, Neiman Marcus and other retailers closing their doors forever, big box retail will continue to shift and adapt. Virtually half of in-store commerce has slowed down considerably as consumers turn to online shopping. Discretionary spending is not where it used to be, as consumer spending fell 11.0% and retail sales fell 10.3% year over year. Retailers will continue to take extra measures to ensure the safety of their customers. Most retailers have introduced curb-side pick up, touchless payments and social distancing spacing in their stores. Despite the challenging climate, retail deliveries continued in Q2. These included the opening of Mast General Store in downtown Roanoke, as well as Earth Fare re-opening in Roanoke along with expansion plans in Christiansburg.

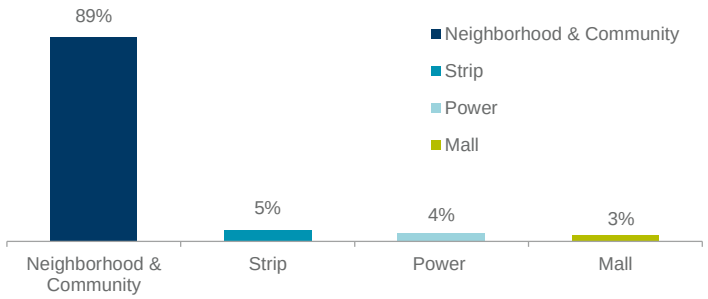
PRICING: Asking Rents Remain Stagnant

The rent fall out from the pandemic is not fully known at this point. Stagnant rents could collide with new vacancies, as well as stalled pipeline development. We anticipate pricing fluctuations in the coming months. The expected downward pressure on asking rents could present opportunities for value companies and buyers alike. If the uncertainty continues, landlords are expected to become increasingly aggressive on deal terms.

RENT / VACANCY RATE



AVAILABILITY BY PRODUCT TYPE



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