



ECONOMIC INDICATORS

National

	Q3 18	Q3 19	12-Month Forecast
GDP Growth	3.1%	2.0%	▲
CPI Growth	2.6%	1.8%	▲
Consumer Spending Growth	5.9%	4.0%	▲
Retail Sales Growth	5.5%	4.1%	▲

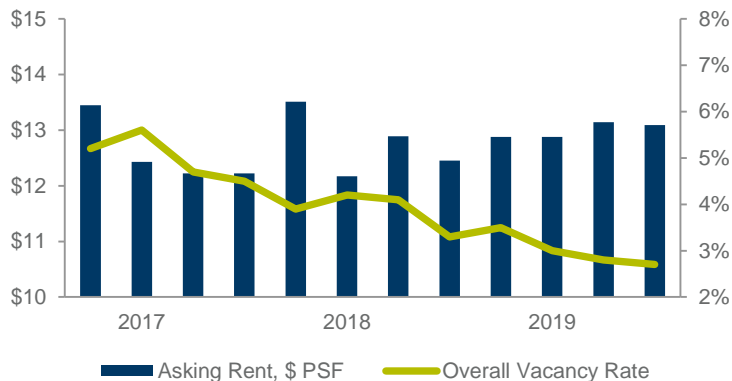
2019 Q3 data are based on latest available data. Growth rates are year-over-year.
Source: BLS, BOC, Moody's Analytics

Regional

	Q3 18	Q3 19	12-Month Forecast
Household Income	\$55,500	\$56,400	▲
Population Growth	0.2%	0.2%	▲
Unemployment	2.8%	2.7%	▲

Source: Moody's Analytics

Rental Rate vs. Overall Vacancy



Economy

Consumer spending, which remains a key driver of economic growth, increased marginally over July and August as consumers saved up for the upcoming holiday season.

There have been many store openings and closings this year and the true story will continue to unfold and reveal itself as the Retail Renaissance evolves; however, the capturing of second-generation spaces will see new footprints of existing national retailers. Cushman & Wakefield forecasts U.S. retail sales to rise 3.7% between November and December compared with the same period in 2018. It is anticipated also that this rate will simmer slowly as there is an unknown impact the tariffs will have on consumer behaviors.

Market Overview

Local announcements in both the Roanoke and New River Valley peaked as the developers for Tanglewood Mall announced that one of the leading medical hospitals for Virginia, Carilion, leased 150,000 square feet (sf) of space in a former JC Penney multi-story end cap. This will be used for their Carilion Children's and, potentially, other clinical services in the future. The acquisition also has new out parcel small shop spaces that are fully leased and bringing new retailers to Southwest Virginia. Blacksburg and the New River Valley welcomed the largest mixed-use development in over a decade, Midtown, which is situated on over 20 landscaped acres at the former Blacksburg middle school site. This will become the largest and vertical sought-after development in the area.

Outlook

New developments and mixed-use projects will continue to expand along the I-81 corridor, bringing new retailers and synergies to the Valleys. The former Kmart in Salem will be reintroduced as Tractor Supply on the first of the year and several development permit applications continue to be introduced.

About Cushman & Wakefield

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