

# MARKETBEAT ROANOKE

## Industrial Q2 2023

YoY Chg 12-Mo. Forecast

**3.1%**  
Vacancy Rate

**12K**  
Net Absorption, SF

**\$5.60**  
Asking Rent, PSF

Overall, Net Asking Rent

### ECONOMIC INDICATORS Q2 2023

YoY Chg 12-Mo. Forecast

**165K**  
Roanoke  
Employment

**3.0%**  
Roanoke  
Unemployment Rate

**3.6%**  
U.S.  
Unemployment Rate

Source: BLS

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### ECONOMIC OVERVIEW: Job Growth Rate Accelerates

With a 2.5% increase in employment in Roanoke over the last year, the region continues to be a strong market for companies' expansion efforts. With its proximity to both major interstates and rail service, Roanoke's strategic location has the region in a strong position for industrial growth. The Roanoke region also boasts the highest job growth rates in thirty years, outperforming the majority of Virginia's metro areas.

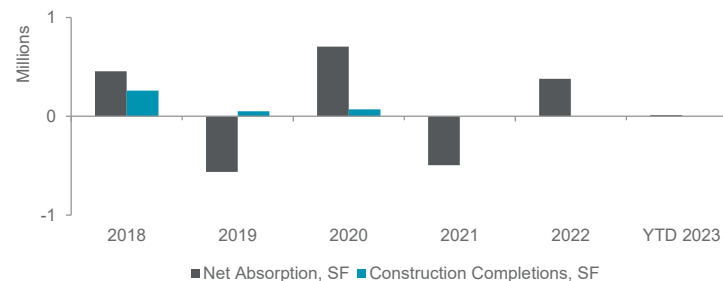
### SUPPLY AND DEMAND: Vacancy Remains Compressed

The current vacancy rate stands at a relatively low 3.1% overall, unchanged year-over-year, indicating that landlords are not yet concerned about the market conditions. As a result of the increasing demand for Class A industrial, the heightened emphasis on premium properties has led to a slight devaluation of other warehouse classes. The increasing demand for Class A spaces has caused a discrepancy in rental rates across various property categories, underscoring the market's preference for contemporary, top-notch warehouse facilities. Landlords should consider upgrades to second generation space, keeping energy efficiency top of mind in building renovations.

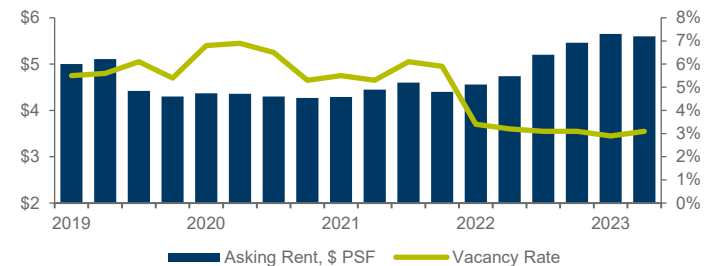
### PRICING: Keeping Up With Demand

Nearly 85% of the active construction projects are projected to be delivered by the end of 2023. Though the additions to the total inventory will be nominal, this new construction is poised to bring about a substantial transformation in Roanoke's warehouse inventory. The influx of these properties will provide tenants with a slight increase in choices. However, it is important to acknowledge the potential for over-saturation is still slight, as most construction leading to the 12,000 square feet (sf) of net absorption was by owner-users.

### SPACE DEMAND / DELIVERIES



### OVERALL VACANCY & ASKING RENT



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