

MARKETBEAT ROANOKE

Industrial Q4 2023



YoY
Chg

12-Mo.
Forecast

2.2%
Vacancy Rate



173K
Net Absorption, SF



\$6.82
Asking Rent, PSF



Overall, Net Asking Rent

ECONOMIC INDICATORS Q4 2023

YoY
Chg

12-Mo.
Forecast

166K
Roanoke
Employment



2.7%
Roanoke
Unemployment Rate



3.7%
U.S.
Unemployment Rate



Source: BLS

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ECONOMIC OVERVIEW: Consumer Goods Demand

The fourth quarter capped a year of positive gains in Roanoke's economic landscape. Unemployment has experienced a slight decrease, settling at a commendable 2.7%, a drop of 60 basis points (bps) since the start of the year, that is indicative of a positive trend in the local job market and increased demand for consumer goods. The regional job growth rate was the highest it has been in 30 years, and income is on the rise with median household income forecast to increase another 13.2% by 2028. This rise in median income not only reflects a boost in the financial well-being of the community but also suggests a potential strengthening of the local economy.

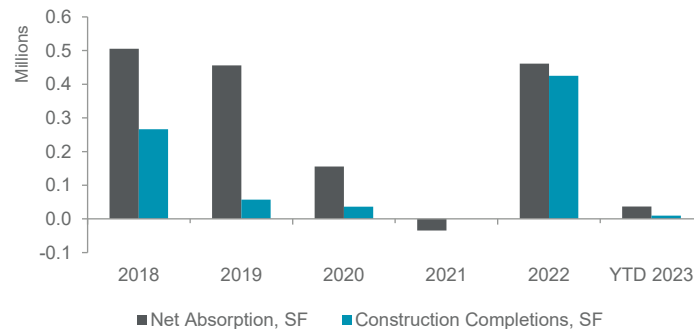
SUPPLY AND DEMAND: High Premium on Space

The warehousing sector has continued its upward trajectory. Warehouse rents climbed 15.8% year-over-year (YOY) on a triple-net lease basis, the largest increase among property types. Remarkably, the vacancy rate in the warehousing sector closed the year at 1.2%, up 30 bps from the historic low hit at the end of 2022. This exceptionally low vacancy rate indicates a robust occupancy of existing warehouse spaces, further highlighting the scarcity of available properties in this sector.

PRICING: Keeping Up With Demand

Lease rates have jumped 21.1% YOY and have more than doubled since the start of 2020. The confluence of current economic indicators paints a picture of a thriving local economy with a strong labor market, improved income levels, and a bustling commercial real estate sector. As we move forward, monitoring these trends will be crucial for businesses and investors looking to navigate the dynamic landscape of Roanoke in the coming years.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



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