

\$69,000

Median HH Income

YoY
Chg12-Mo.
Forecast

0.2%

Population Growth



2.7%

Unemployment Rate



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

U.S. ECONOMIC INDICATORS Q4 2023

2.6%

GDP Growth

YoY
Chg12-Mo.
Forecast

6.7%

Consumer Spending
Growth

3.8%

Retail Sales Growth



Source: BEA, Census Bureau

For more information, contact:

WYATT POATS

Senior Associate

+1 540 767 3008

wyatt.poats@thalhimer.com

[thalhimer.com](https://www.thalhimer.com)

ECONOMIC OVERVIEW: Clouds Gathering but Retail Propels Forward

Consumer and discretionary spending shrank in the fourth quarter when compared to Q3; however, retail sales growth remained stable at 3.8% nationally. The Santa Claus rally was in effect within the equity markets, as the S&P 500 boasted 4% growth in December 2023 alone and an increase of more than 20% on the year. There is renewed optimism heading into 2024, but challenges in the housing market and the extended periods of rising costs to Americans still taper expectations heading into the election year.

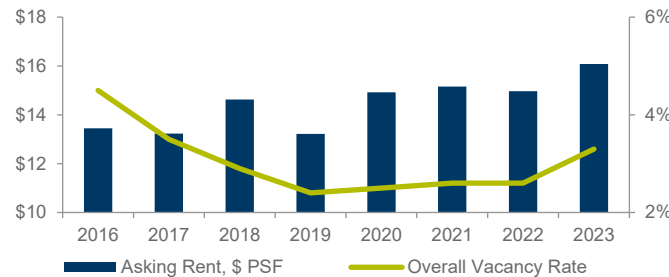
SUPPLY AND DEMAND: New Deliveries in the New Year

The competitive climate remains for good retail locations in Southwest Virginia. Multiple quick service restaurant types, as well as larger box users, continue to hover over several trade areas. Delivery of new small shop retail space at the outparcels in Daleville's Orchard Marketplace is expected in Q1 2024, as is Oakwood Plaza on Timberlake Road in Lynchburg. AutoZone leasing almost 8,000 square feet (sf) in Vinton's Lake Drive Plaza, and Workout Anytime leasing over 13,000 sf in Fairlawn in Pulaski County represented two of the larger retail lease agreements that were finalized in Q4.

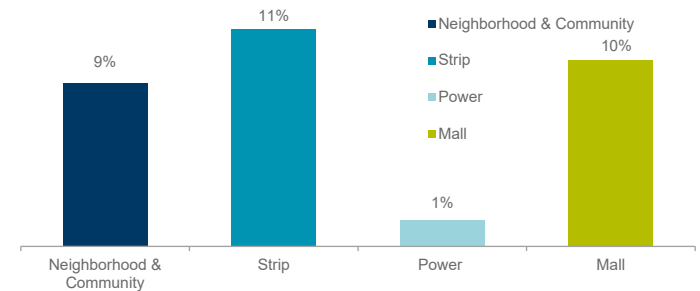
RETAIL TRENDS: Year-End Investment Sales

The long-anticipated Publix announcement for Roanoke County and the City of Roanoke last-mile declaration for Amazon were two headlines from retail and commercial user activity. Investment sales in Rocky Mount of the newly built Starbucks, closing at \$2.6 million with a 6.14% capitalization rate, and the Applebee's selling at \$2.6 million with a 7.15% capitalization rate were two of the notable area transactions in Q4. These trades are representative of national investor interest in smaller markets and the pursuit of cash-producing, stable assets while opportunistic buyers await the potential for further fallout from pharmacy brick and mortar locations. Elsewhere, Watts Petroleum dealt five Lynchburg-area gas stations to Hutchens Petroleum for \$3.9 million or \$262 per square foot. The Lynchburg Walgreen's on Timberlake Road also sold as an investment for \$4.8 million.

RENT / VACANCY RATE



AVAILABILITY BY PRODUCT TYPE



A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 52,000 employees in over 400 offices and approximately 60 countries. In 2022, the firm had revenue of \$10.1 billion across core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), Environment, Social and Governance (ESG) and more. For additional information, visit www.cushmanwakefield.com or follow [@CushWake](https://twitter.com/CushWake) on Twitter.

©2024 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.