

MARKETBEAT ROANOKE

Industrial Q1 2024

	YoY Chg	12-Mo. Forecast
2.5% Vacancy Rate	▼	▲
-193K Net Absorption, SF	▼	▼
\$7.09 Asking Rent, PSF	▲	▲
Overall, Net Asking Rent		

ECONOMIC INDICATORS Q1 2024

	YoY Chg	12-Mo. Forecast
168K Roanoke Employment	▲	▲
3.1% Roanoke Unemployment Rate	▼	▼
3.8% U.S. Unemployment Rate	▲	▲

Source: BLS

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ECONOMIC OVERVIEW: Local Expansion

Roanoke's industrial market is off to a good start in 2024. Unemployment rate rose to 3.1% an increase of 40 basis points, year-over-year (YOY), and the labor force has grown by 2.2% compared to the first quarter of 2023, continuing a trend that began in April 2021. Notable projects include Amazon's new 125,000-square-foot (sf) last mile distribution facility currently under construction in the Roanoke Center for Industry and Technology with delivery expected by year end 2024. Mack Trucks plans to add 70,000 sf to its Salem plant, investing \$14.5 million and adding an estimated 51 new jobs. Universal Logistics is also expanding its Roanoke operation into a 254,000-sf facility in Botetourt County with a planned investment of \$50 million and the addition of 45 new jobs.

SUPPLY AND DEMAND: High Premium On Space

Availability in the Roanoke market continues to be tight particularly in smaller spaces. The overall vacancy rate ended the first quarter at a healthy 2.5%, up slightly quarter-over-quarter (QOQ) and 50 bps lower than one year ago. Quality space that comes to market continues to lease up or is sold briskly.

PRICING: Keeping Up With Demand

The lack of available inventory coupled with a solid economy continues to put upward pressure on asking rents, and the quarter closed with asking rents up 2.5% YOY.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



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