

# MARKETBEAT ROANOKE

Office Q1 2024

CUSHMAN &  
WAKEFIELD  
THALHIMER

	YoY Chg	12-Mo. Forecast
<b>8.5%</b> Vacancy Rate	▲	▲
<b>-23K</b> Net Absorption, SF	▼	▼
<b>\$21.02</b> Asking Rent, PSF	▲	▲

(Overall, All Property Classes)

## ECONOMIC INDICATORS Q1 2024

	YoY Chg	12-Mo. Forecast
<b>168k</b> Roanoke Employment	▲	▲
<b>3.1%</b> Roanoke Unemployment Rate	▼	▲
<b>3.8%</b> U.S. Unemployment Rate	▲	▲

Source: BLS

## PRICE GUTSHALL

Vice President

+1 540 767 3011

[price.gutshall@thalhimer.com](mailto:price.gutshall@thalhimer.com)

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

## ECONOMIC OVERVIEW: Optimistic Outlook

The Roanoke region unemployment rate continues to drop, following a year of record-setting job creation and more than \$165 million in investment announced. The Roanoke Regional Partnership reports that the region's job growth rate hit its highest level in 30 years, outperforming the state and most Virginia metros. In notable economic news released in the first quarter, Universal Logistics announced it will expand its Roanoke operations, investing \$50 million in a 254,000-square-foot (sf) facility and creating 45 new jobs. Amazon also announced plans to purchase the Deschutes Brewery site in Botetourt County to build a 125,000-sf distribution center.

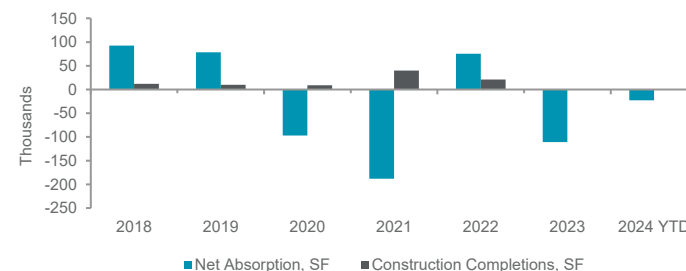
## SUPPLY/DEMAND: Leasing Activity Moderate

The office real estate market experienced mild shifts and changes in activity in the first quarter. Net absorption was negative for the quarter, while the vacancy rate remained flat quarter-over-quarter (QOQ) and up 50 basis points (bps) year-over-year (YOY). First quarter leasing activity totaled 39,093 sf, an increase of 38.7% compared to the same period last year and in line with first quarter averages from years prior. Notable deals include the CBIZ lease of 19,072 sf at 110 Franklin Road, and the lease of 2,067 sf of lobby space at 310 First Street.

## PRICING: Rent Growth Steady

Overall rates closed the first quarter effectively flat QOQ and up 5.9% YOY. Total sales volume topped \$7.6 million in the first quarter of 2024, a comparable start to 2023 which saw sales volume top \$64.2 million overall. The most notable sale in the first quarter was 6035 Peters Creek Road in North Roanoke, which sold for \$2.2 million at the end of February. Other notable sales included a 10,400 sf office building located at 2522 Colonial Avenue, SW, which sold for \$1.6 million.

## SPACE DEMAND / DELIVERIES



## OVERALL VACANCY & ASKING RENT



**A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION** Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2023, the firm reported revenue of \$9.5 billion across its 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), sustainability and more. For additional information, visit [www.cushmanwakefield.com](https://www.cushmanwakefield.com).

©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.