

# MARKETBEAT ROANOKE

## Industrial Q2 2024

	YoY Chg	12-Mo. Forecast
<b>2.3%</b> Vacancy Rate	▼	▲
<b>97K</b> Net Absorption, SF	▼	▼
<b>\$7.19</b> Asking Rent, PSF	▲	▲
Overall, Net Asking Rent		

### ECONOMIC INDICATORS Q2 2024

	YoY Chg	12-Mo. Forecast
<b>168K</b> Roanoke Employment	▲	▲
<b>2.8%</b> Roanoke Unemployment Rate	▲	▼
<b>4.1%</b> U.S. Unemployment Rate	▲	▲

Source: BLS

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### ECONOMIC OVERVIEW: America's Top State for Business

Roanoke's market fundamentals remained strong through midyear, and the unemployment rate dropped 30 basis points (bps) quarter-over-quarter (QOQ), in contrast to nationwide unemployment which increased from 3.8% in the first quarter to 4.1%. The Roanoke region has seen an increase of more than 3,000 jobs over the last year, and business investments in Roanoke County have topped \$177 million since the start of the year. CNBC named Virginia as America's Top State for Business, marking its sixth time in the top spot and its third win in the last five years. With Roanoke's proximity to two major interstates, its direct rail service to the port, and lower operating costs compared to surrounding metro markets, the region is primed for continued expansion.

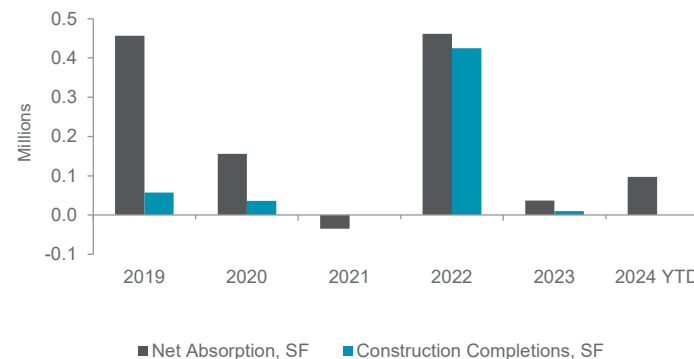
### SUPPLY AND DEMAND: Vacancy Rates Stable

Industrial sector vacancy decreased 20 bps QOQ, dropping from 2.5% to 2.3%. Net absorption neared 100,000 square feet (sf) for the second quarter, further limiting the inventory available to end users. The majority of the remaining vacant spaces are over 100,000 sf in size and are best suited for larger manufacturing users looking for single tenant occupancy. Spaces in the 10,000 to 30,000 sf range remain in high demand and move on and off the market very quickly as a result.

### PRICING: Rent Growth Steady

The limited supply of industrial opportunities continues to push rates up, and quoted base rates have increased more than 28% year-over-year (YOY) from \$5.60 per square foot (psf) to \$7.19 psf. Overall rates for flex space is averaging \$9.53 psf at midyear, trending down over the past few quarters due to lack of availability, while rates for class A flex product closed the quarter at \$13.00 psf. Warehouse pricing has increased, closing the quarter at \$5.81 psf, with manufacturing rates at \$7.72 psf.

### SPACE DEMAND / DELIVERIES



### OVERALL VACANCY & ASKING RENT



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