

MARKETBEAT ROANOKE

Office Q2 2024

CUSHMAN &
WAKEFIELD
THALHIMER

	YoY Chg	12-Mo. Forecast
8.3% Vacancy Rate	▲	▲
34K Net Absorption, SF	▲	▼
\$20.73 Asking Rent, PSF	▲	▲

(Overall, All Property Classes)

ECONOMIC INDICATORS Q2 2024

	YoY Chg	12-Mo. Forecast
168k Roanoke Employment	▲	▲
2.8% Roanoke Unemployment Rate	▲	▲
4.1% U.S. Unemployment Rate	▲	▲

Source: BLS

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ECONOMIC OVERVIEW: Positive Outlook

Regional unemployment dropped over 240 basis points (bps) in the second quarter (Q2) of 2024 to 2.8%, well below the national rate of 4.1% and far exceeding the Federal Reserve's definition for full employment. Industrial and retail vacancy rates remain at historic lows at or around 3%, and the housing market continues to be highly competitive as the median sale price steadily rises, all of which are indicators that the market remains strong.

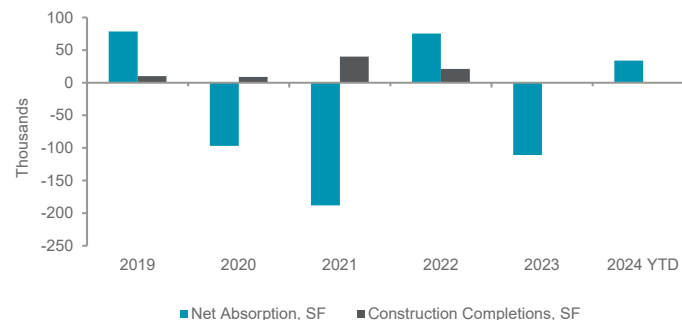
SUPPLY/DEMAND: Uptick in Leasing and Notable Activity

The second quarter closed with an overall vacancy rate of 8.3%, down 20 bps quarter-over-quarter (QOQ) and up only 10 bps year-over-year (YOY). Net absorption closed the quarter on a positive note, ending with more than 33,000 square feet (sf) of office space absorbed. Year-to-date (YTD) leasing activity has topped 43,000 sf. The most notable office lease transaction was at One Ten Franklin in downtown Roanoke, where Protos Security leased 19,353 sf, joining CBIZ for nearly 40,000 sf of new leases in the building since the start of the year. There were also notable office sale transactions.

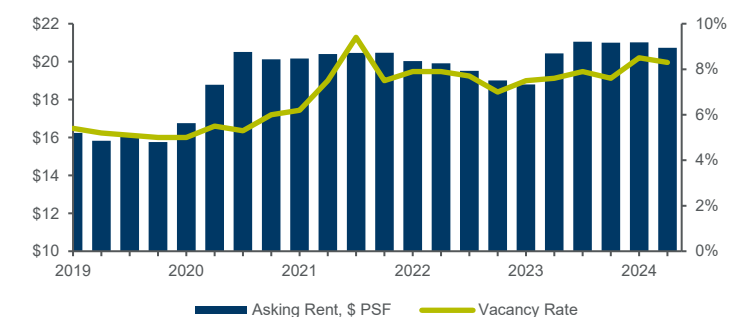
PRICING: Sustained Growth

Overall office leasing activity held strong in the second quarter. Asking rates decreased slightly from \$21.05 per square foot (psf) in the first quarter of 2024 to \$20.73 psf at the end of the second quarter. Regional sales volume has topped \$25.5 million YTD.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



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