



MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
2.1% Vacancy Rate	▼	▼
74.7K YTD Net Absorption, SF	▼	▲
\$6.23 Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▲	▲

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
169.6K Roanoke MSA Employment	▲	▲
2.8% Roanoke MSA Unemployment Rate	—	▲
4.1% U.S. Unemployment Rate	▲	▼

Source:BLS

ECONOMY: POSITIONED FOR GROWTH

Regional unemployment remained unchanged from the mid-year mark and well below the national average. The Roanoke region is positioning itself for development on several fronts, as the recipient of \$13 million in state grants to be used for infrastructure improvements. Campbell County is planning to building an \$11 million speculative industrial building of 100,000 square feet (sf) in Seneca Commerce Park, and Roanoke has dedicated \$10 million to create a shovel-ready site in the Roanoke Centre for Industry & Technology large enough to accommodate 400,000 sf.

SUPPLY OR DEMAND: VACANCY RATE COMPRESSED

Already at historic lows, the overall vacancy dropped 20 basis points (bps) quarter-over-quarter (QOQ) and 70 basis points (bps) year-over-year (YOY), marking the fifth straight quarter of rates under 3.0%. Net absorption topped 94,000 sf for the quarter despite the supply-side shortages, with year-to-date (YTD) leasing activity over 275,000 sf. The majority of vacant spaces are more than 100,000 square feet (sf) in size and best suited for single-occupant manufacturing users. As a result, spaces in the 10,000 to 30,000 sf range remain in high demand and are quickly leased when they do hit the market. Tenants with active requirements are having difficulty finding suitable space to meet their needs and are having to adjust their criteria as a result.

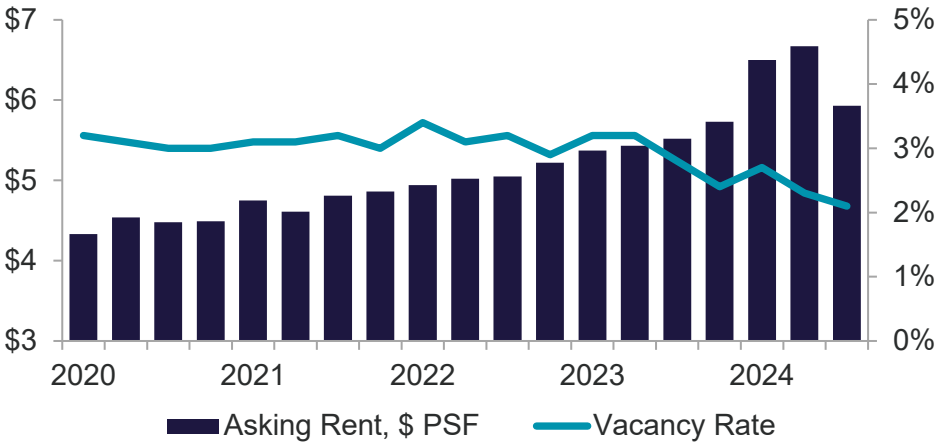
PRICING: RENT GROWTH STABILIZED

Industrial rent growth rates have stabilized, and with quality warehouse and office/service product in extremely limited supply, upward pressure on pricing is likely to increase. The inventory of sale offerings remains limited as well though a loosening lending environment with recent and potential rate cuts will be favorable for both buyers and sellers in 2025. YTD sales volume has topped \$15.3 million with the most notable transfer the sale and leaseback of the 23,000-sf Frito-Lay facility in Northwest Roanoke to Start City Realty for \$2.1 million.

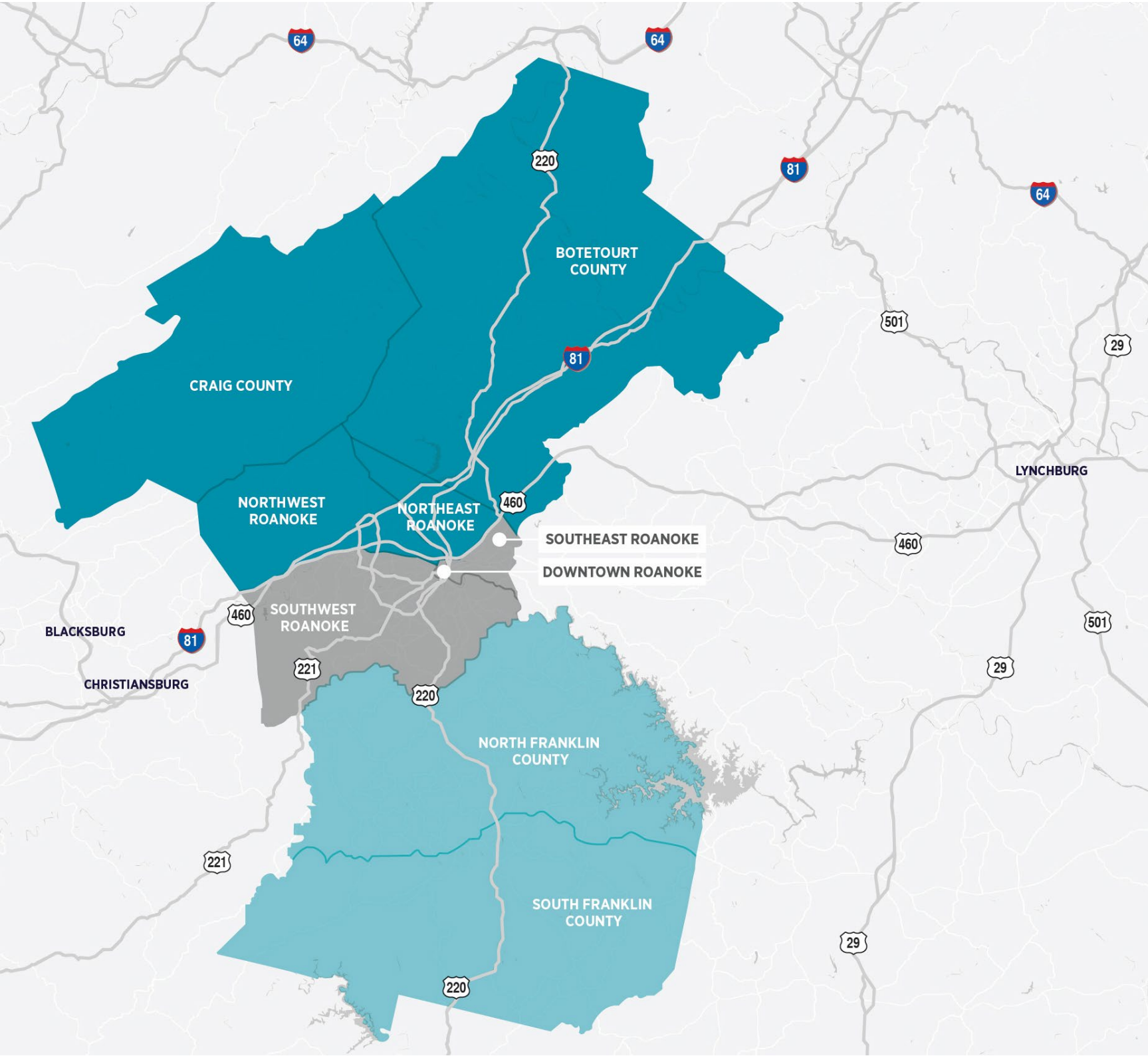
SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



INDUSTRIAL SUBMARKETS



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