



MARKET FUNDAMENTALS

	YOY Chg	Outlook
2.4% Vacancy Rate	▲	▲
-32.8K YTD Net Absorption, SF	▼	▼
\$5.88 Asking Rent, PSF <small>(Overall, Net Asking Rent)</small>	▼	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
168.9K Roanoke MSA Employment	▲	▲
2.9% Roanoke MSA Unemployment Rate	▼	▲
4.2% U.S. Unemployment Rate	▲	▲

Source:BLS

ECONOMY: POSITIVE OUTLOOK

Roanoke continues to demonstrate economic strength with an unemployment rate of 2.9%, which is significantly lower than the national rate of 4.2%. This economic stability is highlighted by Roanoke’s second place ranking as the “Best City in the South to Move to” according to USA Today, with Lynchburg earning recognition at #4 on the list. The region’s growth is fueled by major developments such as Virginia Tech Carilion School of Medicine’s plans to build a new 100,000 square foot (sf) facility with an estimated initial cost of \$184 million. In 2023, tourism impact reached \$1.3 billion in Virginia’s Blue Ridge region, with \$882 million spent by visitors.

SUPPLY AND DEMAND: HISTORIC LOW VACANCY

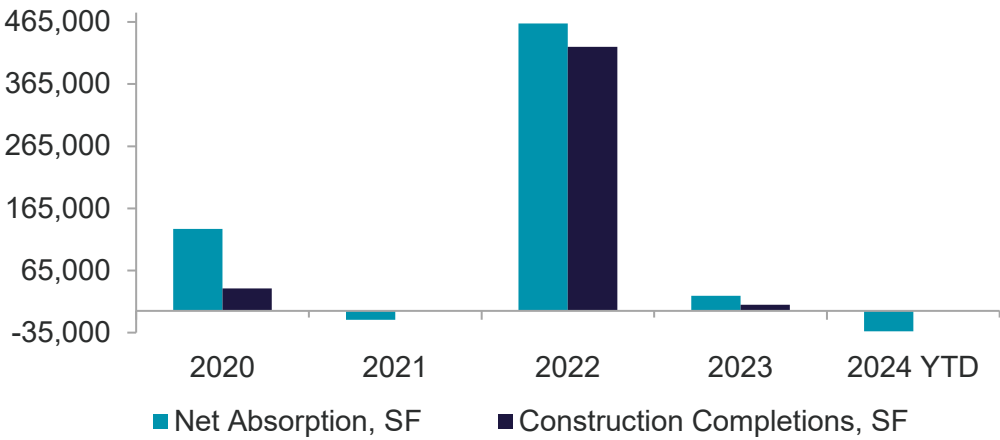
Hovering near historic lows, the overall vacancy rose by 20 basis points (bps) quarter-over-quarter (QOQ) and remained flat year-over-year (YOY). This is now the sixth consecutive quarter with vacancy rates remaining below 3.0%. Helping alleviate the supply shortage is the project under construction at 68 St John Road. Set to deliver in the first quarter of 2025, this property will total 9,900 sf with rates starting at \$8.50 per square foot (psf).

Leasing activity slowed compared to prior years, impacted in part by the limited supply, with the 2024 total topping 432,500 sf. G.E.’s lease of 17,808 sf of flex space in The Park at Valleypointe was the largest deal in the fourth quarter.

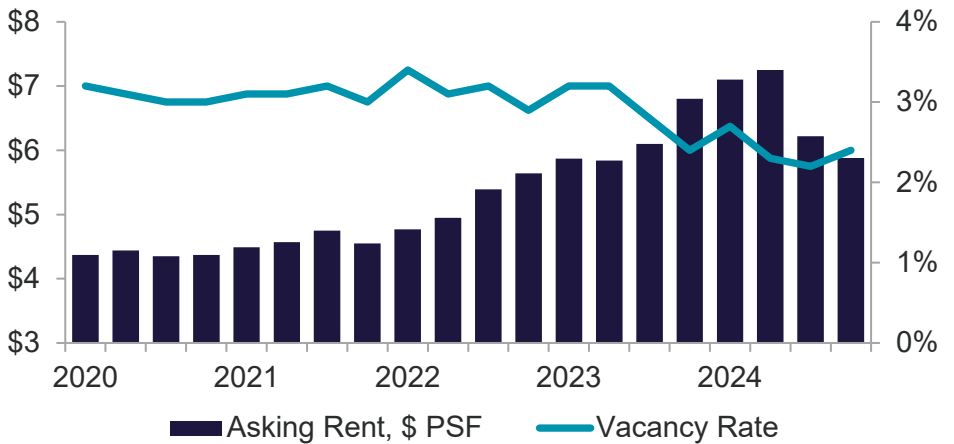
PRICING: REMAINS STABLE

Industrial rent growth rates remain stable, but in light of continued supply side limitations on quality warehouse and office/service space, rates are expected to rise. Despite limited inventory, sales volume reached \$38.2 million in 2024, an increase of 26.0% YOY with investment sales accounting for 73.3% of the transaction volume. EQT Exeter purchased the 170,000 sf facility at 1100 Intervale Drive from Raith Capital Partners and Equity Industrial Partners as a part of a 33-building portfolio of more than 4.5 msf. The Intervale Drive facility traded for \$13.8 million or \$80.88 psf and closed in the fourth quarter.

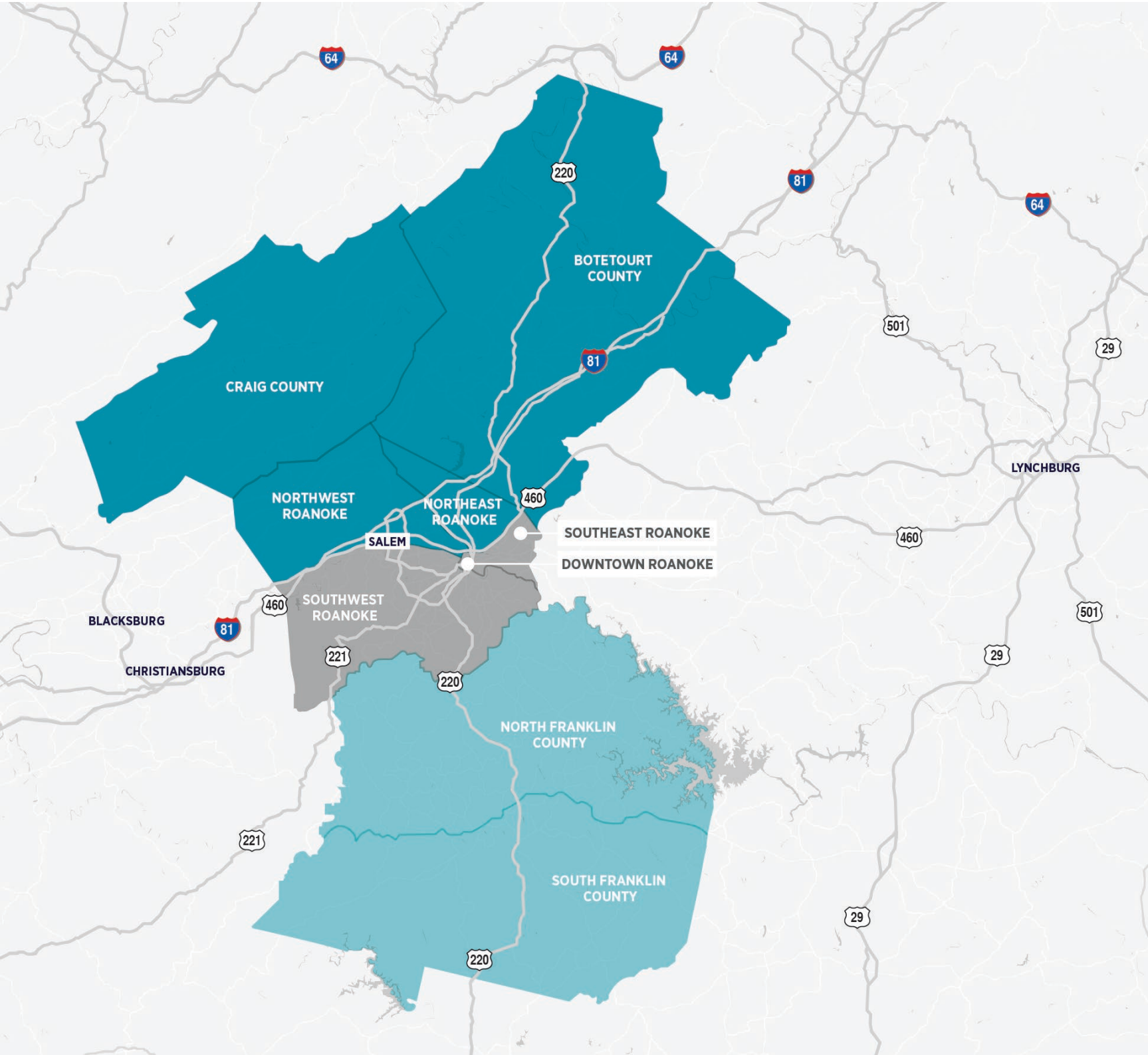
SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



INDUSTRIAL SUBMARKETS



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