

# MARKETBEAT

# ROANOKE

## Industrial Q2 2020

	YoY Chg	12-Mo. Forecast
<b>6.9%</b> Vacancy Rate	▲	▲
<b>-6K</b> Net Absorption, SF	▼	▬
<b>\$4.36</b> Asking Rent, PSF	▼	▼

Overall, Net Asking Rent

### ECONOMIC INDICATORS Q2 2020

	YoY Chg	12-Mo. Forecast
<b>146.9k</b> Roanoke Employment	▼	▲
<b>10.2%</b> Roanoke Unemployment Rate	▲	▼
<b>13.0%</b> U.S. Unemployment Rate	▲	▼

Source: BLS

**KENT ROBERTS, CCIM**  
Senior Associate  
+1 540 767 3012  
[kent.roberts@thalhimer.com](mailto:kent.roberts@thalhimer.com)

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

### ECONOMIC OVERVIEW: Recovery Begins

The Roanoke market has suffered from the effects of the ongoing coronavirus pandemic. Most notably, the persistently low unemployment rate increased from 3.3% in March to an estimated 10.2% in June. The state entered Phase 3 on July 1, benefitting businesses and the economy with progressively relaxed restrictions. Despite ongoing volatility in the local, state, and national economy, the Roanoke Region did not announce any major business closings or expansions. The Roanoke Region could be well-positioned to benefit from companies shifting their focus from larger metro areas to smaller cities as a result of the pandemic. The COVID-19 pandemic struck the U.S. in March 2020, late in the quarter but with enough time to have a significant impact on first quarter market fundamentals. In the second quarter of 2020, the U.S. economy felt its effects more fully, as government-mandated shutdowns along with shelter-in-place ordinances pushed the country deeper into recession. The situation remains very fluid. Access the most recent information specific to COVID [here](#).

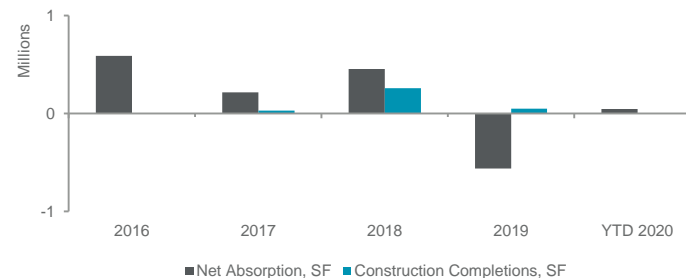
### SUPPLY AND DEMAND: Active Start to the Year

According to Costar, eight new leases were signed in the second quarter ranging from 2,400 square feet (sf) to 50,000 sf. An Elizabeth Arden supplier, Voyant Beauty, signed a noteworthy renewal of nearly 360,000 sf in northeast Roanoke. In the neighboring New River Valley, the former Dish Network call center leased. An undisclosed light manufacturing user leased the 102,000-sf facility in Christiansburg's Falling Branch Corporate Park. On the sale side, four buildings were sold ranging from 5,307-sf to 60,665-sf. Supply remains limited, but construction commenced on an approximate 200,000-sf distribution building in Pulaski County's NRV Commerce Park. The Patton Logistics Group will occupy the building with delivery expected in Q4 2020. The Patton Logistics Group is an affiliate of Watsontown Trucking, a 3PL service provider with 1.6 million square feet of warehouse in Pennsylvania, Ohio, and New Jersey.

### PRICING: Asking Rents Remain Steady

Asking rates remain steady at \$4.36/ per square foot. Both the quantity and quality of the remaining vacant space remain limited in the Roanoke and neighboring regions. Because of this, pricing is expected to remain stable despite the unpredictability of the pandemic.

### SPACE DEMAND / DELIVERIES



### OVERALL VACANCY & ASKING RENT

