

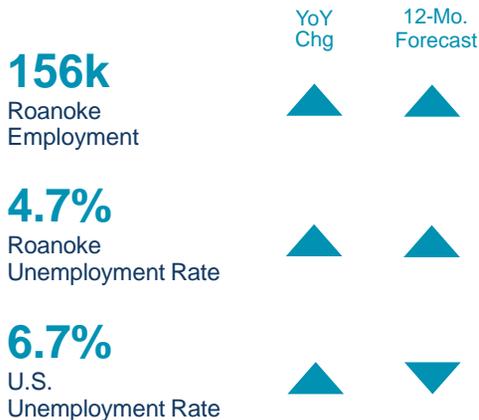
MARKETBEAT

ROANOKE

Industrial Q4 2020



ECONOMIC INDICATORS Q4 2020



Source: BLS

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ECONOMIC OVERVIEW: Early-Stage Recovery

The Roanoke market continues to see a falling unemployment rate from a third quarter rate of 6.6% to the current rate of 4.7%. While the 4.7% unemployment figure is still above the pre-pandemic level, unemployment has consistently declined throughout the year locally and is still approximately 200 bps above the national unemployment rate. The Roanoke market concludes the year with no significant reported business closings which marks three quarters of no such closings. There were no major announcements in the Roanoke market this past quarter; however, nearby Shenandoah Valley announced four expansions to their market totaling 388 new jobs and approximately \$120 million in new investments.

SUPPLY AND DEMAND: Limited Supply

Fourth quarter market activity was limited to a relatively minor number of sales and leases on both a size and value basis. According to Costar, four industrial leases were executed in the fourth quarter with the largest lease size at 21,000 square feet (sf). Four sales were also completed in the quarter with the largest sale valued at \$1,100,000. Market activity is expected to increase as vaccine rollout continues.

PRICING: Minimal Change

The Roanoke market experienced a second straight quarter of a slight decrease in the asking rent from \$4.30 per square foot (psf) to \$4.27 psf with a correspondingly minor reduction in the vacancy rate. Continued political instability and the unpredictability of the timing for mass vaccination causes an uncertainty in predicting activity for the Roanoke industrial market for 2021.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



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