

MARKETBEAT ROANOKE

Office Q4 2020

YoY Chg 12-Mo. Forecast

6.0%
Vacancy Rate



-94K
Net Absorption, SF



\$20.12
Asking Rent, PSF



(Overall, All Property Classes)

ECONOMIC INDICATORS Q4 2020

YoY Chg 12-Mo. Forecast

156k
Roanoke
Employment



4.7%
Roanoke
Unemployment Rate



6.7%
U.S.
Unemployment Rate



Source: BLS

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ECONOMIC OVERVIEW: Coronavirus Recovery

The unemployment rate dropped 190 basis points (bps) from the third quarter to 4.7% in Roanoke, below the national rate of 6.7%. Many businesses are re-opened with restricted hours, but numerous companies are still following work-from-home protocols for their employees. As the vaccination rate for COVID-19 increases throughout 2021, economic conditions are anticipated to improve drastically.

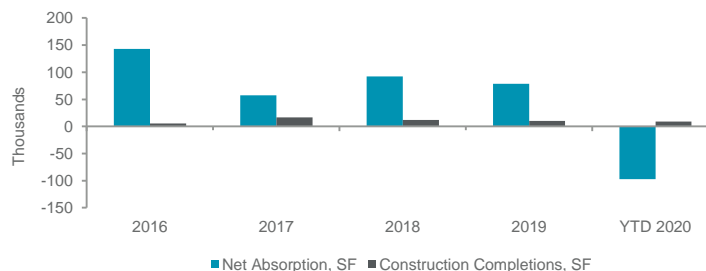
SUPPLY/DEMAND: Limited Activity

Leasing activity remains limited and the overall vacancy rate increased to 6.0%, a marginal increase from last year. Overall net absorption for the year totaled negative 92,215 square feet (sf). The most notable office lease transactions was the 14,690-sf lease at 3501 Colonial Green Circle to Endocrinology Associates in Southwest Roanoke. Notable sales transactions included the 27,000-sf Fountain Square office building in Old Southwest for \$1.301 million, the 3,373-sf office building at 3308-3310 Franklin Road in Southwest Roanoke for \$610,000, and the 5,262-sf office building located at 1918 E Washington Avenue in Vinton for \$1.13 million.

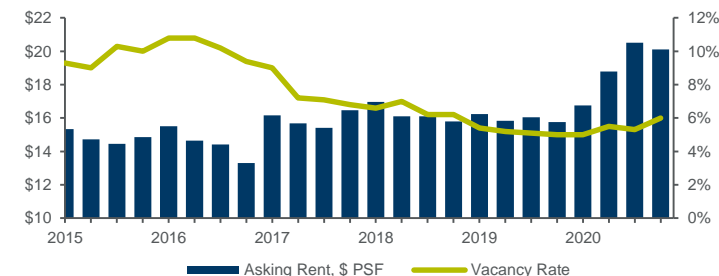
PRICING: Stable

Rental rate growth is relatively flat, having only a statistically insignificant decline from the third quarter. The overall office asking rent fell to \$20.12 but remained up from the same period last year due to an increase in quality space available in the market. Pricing is anticipated to remain relatively flat to begin 2021 but modest growth in rental rates is expected in the latter half of the year as office users return to the workplace and demand returns.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



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