

MARKETBEAT

ROANOKE

Industrial Q3 2021

	YoY Chg	12-Mo. Forecast
6.1% Vacancy Rate	▲	▲
-375K Net Absorption, SF	▼	▲
\$4.60 Asking Rent, PSF	▲	▼

Overall, Net Asking Rent

ECONOMIC OVERVIEW: Recovery Continues Growth in Manufacturing Sector

Roanoke and surrounding markets continue steady improvement. Employment is approaching pre-pandemic levels and the economy continues to diversify. Healthcare, higher education, and manufacturing are all growing sectors with major investment by Carilion Clinic, Virginia Tech as well as auto manufacturers like ELDOR, Volvo and Metalsa. The local economy is healthy and growing with population numbers in the city crossing 100,000 for the first time since the 1980 census, making Roanoke the largest city in Virginia west of Richmond. Efforts to attract and retain attract younger, highly skilled people to fill positions not only in healthcare but also in manufacturing are beginning to bear fruit.

SUPPLY AND DEMAND: High Premium on Space

Leasing activity was slightly above average for the quarter with ten new leases signed totaling approximately 170,615 square feet of space. The positive trend in net asking rent which began at the start of the year continues to be driven by the increasing demand for space and lack of new development in recent years. Currently standing at \$4.60 per square foot (psf), an increase of \$0.27 psf (6.24%) over the first quarter, the upward trend in asking rents is expected to continue for the foreseeable future.

PRICING: Keeping up with Demand

There were ten sales totaling 393,528 square feet (sf) for consideration of \$18,564,000. Sale prices per square foot) reached historical highs of \$49 psf and are forecasted to trend up for at least the next three years. Munters Corporation completed site preparation of its new 365,000 sf manufacturing facility in Botetourt Center at Greenfield and is now building the facility. This new development represents the largest construction pipeline in Roanoke for the past three years. ELDOR, also in Botetourt Center at Greenfield has begun production.

ECONOMIC INDICATORS Q3 2021

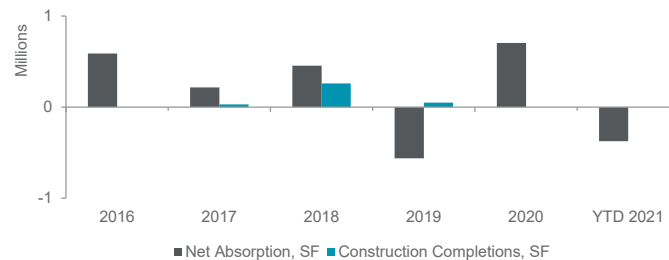
	YoY Chg	12-Mo. Forecast
158.7K Roanoke Employment	▲	▲
3.8% Roanoke Unemployment Rate	▼	▼
5.2% U.S. Unemployment Rate	▼	▼

Source: BLS

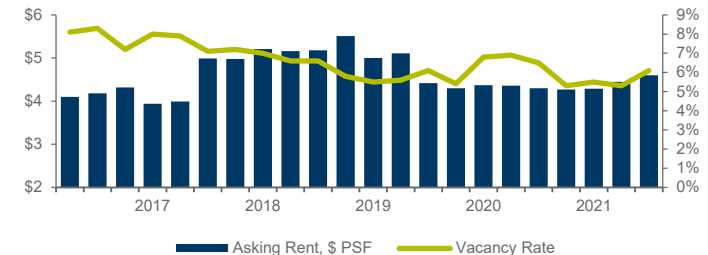
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SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



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