

\$63,100

Median HH Income

YoY
Chg12-Mo.
Forecast

7.4%

Population Growth



3.9%

Unemployment Rate



Source: BLS (Economic Indicators are representative of specific county or MSA.)

U.S. ECONOMIC INDICATORS Q1 2022

4.1%

GDP Growth

YoY
Chg12-Mo.
Forecast

11.3%

Consumer Spending
Growth

11.2%

Retail Sales Growth



Source: BEA, Census Bureau

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ECONOMY: Growth in the Area

The Roanoke Valley and surrounding local economies have been bolstered by an increase in population after a long duration of mostly stagnant population growth. Hiring binges by the large healthcare providers, as well as the attractiveness of the region for retirees and the work-from-home forces have played a major role in the increase. Consumer spending continued at a strong clip through the first quarter of 2021. Rising costs in housing, groceries, and most consumer staples have all consumers closely watching the Federal Reserve's actions this spring and for the remainder of the year. Lending institutions have raised their interest rates over the first quarter in response to a national economy that is still flush with cash and experiencing historic inflationary pressures from the Covid-19 pandemic response.

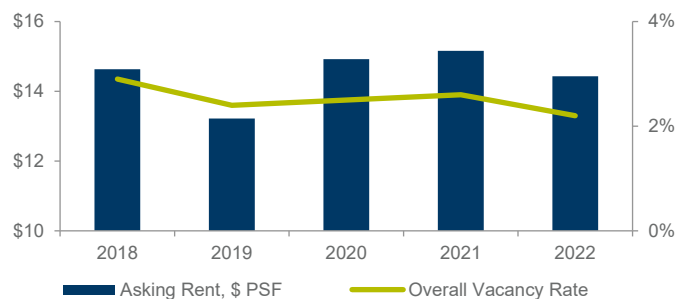
SUPPLY AND DEMAND: Competitive Landscape

There are several subtypes of retail that are experiencing large-scale transition, including traditional big box stores, retail banking locations, and larger national chain restaurants. These assets have produced significant buying opportunities during the pandemic. Medical users, quick service restaurants, and developers have snatched up the shuttered retail buildings. The overall vacancy rate has dipped close to two percent (2%). Strong and well-priced retail does not sit on the market for long at all, and in fact, landlords and sellers are often seeing multiple, competitive bids on their properties. The positive externality of the low inventory is that developers have begun new construction projects. Several quick-service restaurant outparcels at Tanglewood Mall and Blue Hills Drive in Roanoke opened in Q1, as did several retail stores in the Christiansburg Marketplace (Christiansburg, VA). The trend of developing outparcel retail space on underutilized parking is expected to continue. Tenants have been able to absorb the premium pricing for new product, despite the well-documented rise in construction costs.

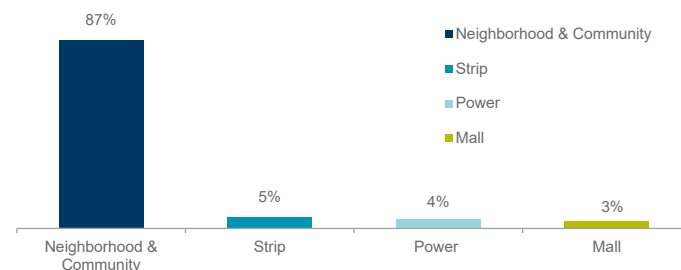
PRICING: High Demand Retail Soaring

Class A retail is commanding high prices in the Roanoke market. A significant leasing announcement for the quarter was that Burlington will be opening a store in the former Stein Mart at Tanglewood Mall. The investment sale of the North Shops at Spradlin Farms in Christiansburg for \$8,225,000 represented the largest retail transaction in the area. 2743 Franklin Road in Roanoke, a vacant building and former car service shop, traded for \$2,500,000 and will be redeveloped into conditioned self-storage.

RENT / VACANCY RATE



AVAILABILITY BY PRODUCT TYPE



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