

\$66,600

Median HH Income

YoY  
Chg12-Mo.  
Forecast

0.2%

Population Growth



2.6%

Unemployment Rate



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

### U.S. ECONOMIC INDICATORS Q3 2022

1.5%

GDP Growth

YoY  
Chg12-Mo.  
Forecast

7.9%

Consumer Spending  
Growth

8.9%

Retail Sales Growth



Source: BEA, Census Bureau

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### ECONOMIC OVERVIEW: Balanced with Caution

Many of the national economic metrics slowed their pace in Q3 but continue to impress compared on a year-over-year (YOY) basis. The Roanoke region still boasts a strong and competitive business climate, including unemployment hovering below the national and "full employment" levels. A more pronounced and deeper pullback on the national landscape does remain a concern for retailers/developers, specifically due to the cost of construction coupled with the lending rates in the debt markets.

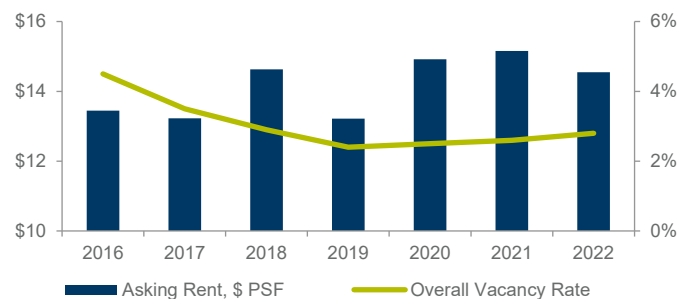
### SUPPLY AND DEMAND: Secondary Markets Remain Attractive

The vacancy rate edged up slightly compared to last year at this time but remains near historic lows at 2.8% overall. Despite recession fears, retailers are generally committed to deal flow and are wary of losing ground similar to the slowdown with the 2020 pandemic, especially if peers in their sector are adding new units. Roanoke and Lynchburg have continued to attract new tenants in their markets with many national names seeking multiple locations in the Southwest Virginia region. New developments remain highly sought after with several mixed-use projects set for delivery in 2023 and 2024: Midtown (Blacksburg) and Rosedale and River Ridge's West End (both Lynchburg). Danville has seen a flurry of interest from tenants and investors alike with groups anticipating an influx of shoppers and attention surrounding the planned Caesars casino.

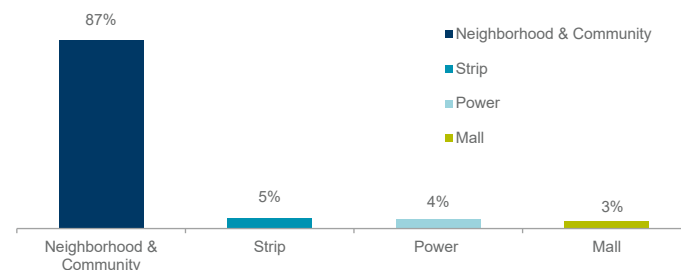
### PRICING TRENDS: Shifting Landscape on Investment Product

Strong leasing and sales transaction volume continued through Q3. A 30,151 multi-tenant neighborhood center in Fairlawn (outside of Radford) at 7381 Peppers Ferry sold for \$5,200,000. A CVS portfolio of seven retail stores sold with several of the assets located in the greater Roanoke region. Two large sporting goods/apparel companies led the way for leasing announcements: Sportsman's Warehouse landed in the former Dick's location in Lynchburg along Wards Road, and Academy Sports signed in Christiansburg Marketplace, only their second location in Virginia. A trend to watch is capitalization rate expansion on investment sales. After several years of cap rate compression, rising interest rates have seen many would-be deals begin to pencil differently for investors. Offerings have already shifted upwards of 25 to 50 basis points with additional pressure expected due to leverage challenges.

### RENT / VACANCY RATE



### AVAILABILITY BY PRODUCT TYPE



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