

MARKETBEAT

ROANOKE, VIRGINIA RETAIL REPORT

A CUSHMAN & WAKEFIELD ALLIANCE RESEARCH PUBLICATION



Q4 2010

Economic Overview

The unemployment rate in Roanoke has held steady for the past three months at 7.0%, with an average of 7.5% for the year. This is above the statewide average of 7.0%.

Retail Market Overview

In review, it would be accurate to state that the market has shown steady increases throughout the year and the same holds true for the fourth quarter. The year will end on a positive note with a strong amount of activity across the market. The Daleville market has shown positive absorption with several small shop deals at each of the centers in the area including WillowPod and Servants Pharmacy. The Bonsack area will also be adding a few additional food options with a Domino's and Sal's Italian. The Electric Road corridor saw the openings of BatteriesPlus and Pino Gelato and Tanglewood Mall announced they will be backfilling the former Cheeburger Cheeburger with Charlie's American Grill. The Towers shopping area had a strong showing with Joann's under construction and the announcement of Chipotle, Gamestop, and a relocated Radio Shack. The Valleyview and Hershberger Road corridor saw the opening of Cheddars on the pad of the mall, an Allstate location at Valley View Station and a new buffet location will be opening at Towne Square. The Lynchburg market also showed a positive amount of activity along the Wards Rd corridor with Portrait Innovations and America's Best at Wards West. UPS added a location at Wards Crossing and Sweet Frog will be opening at the Shoppes at Wards. Notable sales and investment transactions include a CVS trading hands on Langhorne Road in Lynchburg for \$3.20 million which was purchased by Cole Investments. The former Flat Rock Grille sold to the US Federal Credit Union for \$1.05 million and a group of buildings across from Tanglewood Mall sold for \$1.30 million. The Crossroads Mall former Blockbuster building also traded hands with a purchase price of \$1.15 million.

Outlook

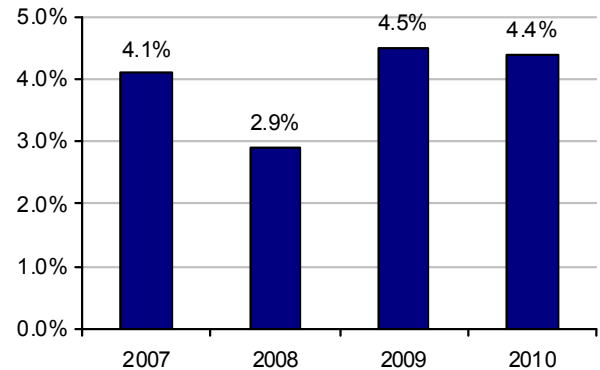
The holiday season was the best that we have seen in three years and sales have increased by almost 3.5%. We should see a strong push in the retail sector in 2011. The larger markets in the area seem to have weathered the storm of the past few years and are ready to move forward. The outlook for 2011 is positive and there will be opportunity for growth across the sector.

ECONOMIC INDICATORS

NATIONAL	2009	2010	2011F
GDP Growth	-2.6%	2.8%	2.8%
CPI Growth	-0.3%	1.6%	1.5%
Consumer Spending Growth	-0.6%	2.3%	3.1%
Retail Sales	-6.3%	3.5%	5.7%
REGIONAL			
Population	299,329	300,825	302,329
Unemployment	7.2%	7.5%	6.7%

Source: Moody's | Economy.com, Virginia Employment Commission

HISTORICAL VACANCY RATE



Source: CoStar

BEAT ON THE STREET



"It was a positive holiday season and we should see a strong push in the retail sector for 2011."

-John Nielsen, Retail Sales and Leasing



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*Market terms & definitions based on BOMA and NAIOP standards.

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