

# MARKETBEAT

## ROANOKE INDUSTRIAL REPORT

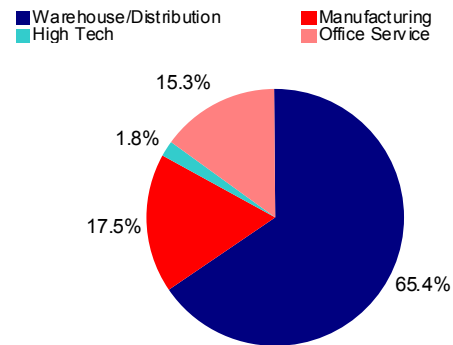
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### AT A GLANCE

- Leasing activity remains slow as many companies are hesitant to take action until the economy stabilizes.
- Net absorption for the quarter was a negative 347,000 square feet (sf), more than the total for all of 2008, which was a negative 272,000 sf. This drove overall vacancy rates in the market for all industrial product types to 12.8%, the highest in at least the past two years.
- A project to watch is the Intermodal Rail facility proposed for Montgomery County. The project would be developed by Norfolk Southern and be part of the Heartland Corridor for rail traffic.
- Roanoke has always been a good distribution location. There are a number of automotive industries and parts related suppliers in the area that could be affected by any more negative news from Detroit.

### Inventory by Property Type



ECONOMIC INDICATORS			
National	2008	2009	2010F
GDP Growth	1.1%	-2.9%	1.8%
CPI Growth	3.8%	-1.0%	1.9%
Regional			
Unemployment	4.1%	8.5%	8.0%
Employment Growth	-0.3%	-2.5%	0.5%

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

MARKET STATISTICS			
MARKET / SUBMARKET	OVER ALL INVENTORY	OVERALL VACANCY RATE	DIRECT WEIGHTED AVERAGE NET RENTAL RATE*
Botetourt	324,433	25.6%	\$5.95
Roanoke CBD	831,490	2.2%	\$6.00
East Roanoke City	6,595,563	17.1%	\$4.29
West Roanoke City	2,455,561	19.2%	\$7.26
East Roanoke County	2,053,796	9.8%	\$5.50
West Roanoke County	567,142	10.5%	\$6.82
Franklin County	824,404	1.5%	N/A
Salem City	5,651,841	7.8%	\$7.21
<b>TOTAL</b>	<b>19,304,230</b>	<b>12.8%</b>	<b>\$6.22</b>

\*Rental rates reflect \$psf/year

### BEAT ON THE STREET

"The Roanoke market has the inventory available for when we start to pull out of this recession. New construction will be limited until absorption turns positive."



—Bill Stack  
Commercial Sales and Leasing

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

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