

MARKETBEAT

ROANOKE, VIRGINIA INDUSTRIAL REPORT

A CUSHMAN & WAKEFIELD ALLIANCE RESEARCH PUBLICATION

Thalhimer
commercial real estate

2Q09

AT A GLANCE

- Overall vacancy rates crept up in the past quarter, with increases in all submarkets except the eastern part of Roanoke County which decreased from 9.8% to 8.3%. The western end of Roanoke County was flat, as was Franklin County. Compared to the second quarter of 2008, overall vacancy in the market is up significantly – from 9.4% to 15.0%.
- The Cotton Mill Lofts project, a former manufacturing facility, is 70% pre-leased and has been converted to apartments. This adaptive reuse project is a positive sign of the continued trend towards urban living seen in Roanoke and many other similar cities.
- Sales activity is still sluggish, although an informal review of changes in asking prices indicates that the gap between buyer and seller expectations is narrowing. A sample of six for sale listings that have had price changes in the last quarter shows an average drop in the asking price of 6.0%.

ECONOMIC INDICATORS

National	2008	2009F	2010F
GDP Growth	1.1%	-3.0%	1.2%
CPI Growth	3.8%	-0.6%	1.7%
Regional			
Unemployment	4.1%	8.5%	8.0%
Employment Growth	-0.3%	-2.8%	1.0%

Source: Moody's | Economy.com

BEAT ON THE STREET



"The Roanoke Regional industrial market has been flat with little new activity and a growing inventory of available buildings. Trauma in the auto and trucking industry have resulted in the loss of several suppliers located in Central and Western Virginia. Southern Virginia continues to feel the adverse effects from the textile and furniture manufacturer's demise."

—Bob Coptly
Senior VP

MARKET HIGHLIGHTS

SIGNIFICANT 2Q09 NEW LEASE TRANSACTIONS

BUILDING	TENANT	SF	BUILDING TYPE
113 10th Street	N/A	17,000	Manufacturing

SIGNIFICANT 2Q09 SALE TRANSACTIONS

BUILDING	BUYER	SF	PURCHASE PRICE
Designed Communications	N/A	24,808	\$1,600,000
2807 Mary Linda Ave	Fifty Five Hundred LLC	40,215	\$1,050,000

SIGNIFICANT 2Q09 CONSTRUCTION COMPLETIONS

BUILDING	MAJOR TENANT	SF	COMPLETION DATE
7741 Meyers Drive	N/A	5,257	6/09

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

BUILDING	MAJOR TENANT	SF	COMPLETION DATE
N/A			

MARKET STATISTICS

MARKET / SUBMARKET	OVERALL INVENTORY	OVERALL VACANCY RATE	DIRECT WEIGHTED AVERAGE NET RENTAL RATE*
Botetourt	310,433	26.7%	\$5.95
Roanoke CBD	854,559	3.9%	\$6.00
East Roanoke City	7,154,696	18.7%	\$4.29
West Roanoke City	2,780,206	26.5%	\$7.26
East Roanoke County	2,628,427	8.3%	\$5.50
West Roanoke County	570,210	10.5%	\$6.82
Franklin County	824,404	1.5%	N/A
Salem City	5,655,866	10.6%	\$7.21
TOTAL	20,778,801	15.0%	\$6.22

*Rental rates reflect \$psf/year

For further information, please contact one of our Brokerage Services Professionals:

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