

# MARKETBEAT

## ROANOKE, VIRGINIA INDUSTRIAL REPORT

A CUSHMAN & WAKEFIELD ALLIANCE RESEARCH PUBLICATION

**Thalhimer**  
commercial real estate

3Q09

### AT A GLANCE

- Through August 2009, Roanoke has an unemployment rate of 7.4%. This is better than the national unemployment rate of 9.6%, but slightly worse than the Virginia unemployment rate of 6.5%. However, the trend is positive as this marks the second consecutive month of decline in the unemployment rate, bringing it back to the same level as February of this year.
- Two announced closings in Botetourt County will have a negative impact on the vacancy in that submarket. Johnson Controls will be shuttering their operations at 479 Eastpark Drive and JTEKT, an automotive parts supplier, announced that they will be closing the first quarter of 2010 due to a slowdown in the automotive industry.
- With overall vacancy in the industrial/flex market approaching 15%, there is no new construction and no recent completions. Unlike some markets, the vacancy number is not inflated by a few large buildings being vacant – meaning that there is a wide range of available space in the smaller flex properties all the way up to the large distribution warehouses.

### ECONOMIC INDICATORS

	2008	2009F	2010F
<b>National</b>			
GDP Growth	0.4%	-2.6%	1.8%
CPI Growth	3.8%	-0.5%	1.7%
<b>Regional</b>			
Unemployment	4.1%	7.2%	7.0%
Employment Growth	-0.3%	-2.8%	1.0%

Source: Moody's | Economy.com

### BEAT ON THE STREET



"Manufacturing is on the decline, and as old manufacturing facilities close, they are either being backfilled with more efficient manufacturing operations or they undergo adaptive reuse to something other than manufacturing."

—Ralph Williams  
Sales and Leasing

### MARKET HIGHLIGHTS

#### SIGNIFICANT 3Q09 NEW LEASE TRANSACTIONS

BUILDING	TENANT	SF	PROPERTY TYPE
1354 8th Street	N/A	26,000	WHS
1354 8th Street	Rivemont School	10,000	WHS

#### SIGNIFICANT 3Q09 SALE TRANSACTIONS

BUILDING	BUYER	SF	PURCHASE PRICE
Southridge Business Park	AMB Property Corp.	443,252	\$28,376,100

#### SIGNIFICANT 3Q09 CONSTRUCTION COMPLETIONS

BUILDING	MAJOR TENANT	SF	COMPLETION DATE
N/A	N/A	N/A	N/A

#### SIGNIFICANT PROJECTS UNDER CONSTRUCTION

BUILDING	MAJOR TENANT	SF	COMPLETION DATE
N/A	N/A	N/A	N/A

### MARKET STATISTICS

MARKET / SUBMARKET	OVERALL INVENTORY	OVERALL VACANCY RATE	DIRECT WEIGHTED AVERAGE NET RENTAL RATE*
Botetourt	367,659	25.1%	\$5.95
Roanoke CBD	854,559	3.9%	\$6.00
East Roanoke City	7,276,473	17.5%	\$4.34
West Roanoke City	2,795,056	28.3%	\$6.37
East Roanoke County	2,928,476	9.3%	\$5.50
West Roanoke County	569,210	12.6%	\$6.49
Franklin County	932,948	4.5%	\$3.25
Salem City	6,514,366	11.3%	\$4.13
<b>TOTAL</b>	<b>22,238,747</b>	<b>14.9%</b>	<b>\$5.38</b>

\*Rental rates reflect \$psf/year

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