

MARKETBEAT

ROANOKE, VIRGINIA INDUSTRIAL REPORT

Thalhimer
commercial real estate

4Q09

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AT A GLANCE

- The Roanoke region's non-seasonally adjusted unemployment rate for November, the most recent data available, is 7.1%. This is slightly above the non-seasonally adjusted unemployment rate of 6.4% for the commonwealth, but well below the national rate of 10.0%. The unemployment rate in October 2008 for the Roanoke MSA was 4.1%.
- The trend for 2009 in the Roanoke industrial market has revolved around the decline in the automotive industry nationwide. Numerous businesses in the area related to the auto industry have either shut down or reduced their workforce. The latest to close is the New River Foundry in Radford, which had a workforce of 72 people.
- Empire Foods has broken ground on their 45,000-sf bakery facility in the Rocky Mount Industrial Park in Franklin County. Although they are leaving a leased location in Roanoke, the new plant will allow production capacity to double as well as employment. The operation is expected to employ 100 at full capacity.

ECONOMIC INDICATORS

	2008	2009F	2010F
National			
GDP Growth	0.4%	-2.5%	2.3%
CPI Growth	3.8%	-0.4%	1.7%
Regional			
Unemployment	4.1%	6.9%	6.7%
Employment Growth	-1.0%	-1.6%	1.0%

Source: Moody's | Economy.com, BLS

BEAT ON THE STREET

"A positive development in the industrial market is the \$30 million investment made by LiteSteel Technologies in their 125,000-sf steel fabrication building in Botetourt County. This is a rehab of the former Connex Pipe Systems plant and represents a win in the adaptive re-use of older manufacturing facilities."



—Kent Roberts
Sales and Leasing

MARKET HIGHLIGHTS

SIGNIFICANT 2009 NEW LEASE TRANSACTIONS

BUILDING	TENANT	SF	PROPERTY TYPE
1354 8th Street	N/A	26,000	WHS
901 Russell Drive	N/A	24,800	WHS
721 Gainsboro Road	Auto Parts International	7,500	WHS

SIGNIFICANT 2009 SALE TRANSACTIONS

BUILDING	BUYER	SF	PURCHASE PRICE
Designed Communications	N/A	24,808	\$1,600,000
3636-3660 Aerial Way Dr	Robert Woodward	52,847	\$1,090,000
2807 Mary Linda Ave	Fifty Five Hundred LLC	40,215	\$1,050,000
1601 Seibel Drive	Carl H Benson Jr	23,516	\$955,500
2720 Mary Linda Ave	Old Dominion Freight	7,196	\$900,000

SIGNIFICANT 2009 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	3,373,058	3.2%	\$2.00
Roanoke CBD	874,692	2.9%	\$6.00
East Roanoke City	7,261,535	15.2%	\$4.25
West Roanoke City	2,822,780	25.3%	\$6.38
East Roanoke County	3,174,407	5.7%	\$5.50
West Roanoke County	569,210	3.8%	\$6.44
Franklin County	1,000,215	6.2%	\$3.25
Salem City	6,605,346	11.1%	\$3.99
TOTAL	25,681,243	11.7%	\$5.24

*Rental rates reflect \$psf/year

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

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