

MARKETBEAT

ROANOKE OFFICE REPORT

A CUSHMAN & WAKEFIELD ALLIANCE RESEARCH PUBLICATION

Thalhimer
commercial real estate

1Q10

AT A GLANCE

- The Roanoke region's non-seasonally adjusted unemployment rate for February, the most recent data available, is 8.4%. This is slightly above the non-seasonally adjusted unemployment rate of 7.7% for the commonwealth, but well below the national rate of 10.2%. The unemployment rate in February 2009 for the Roanoke MSA was 7.4%.
- As noted a year ago, the Roanoke office market is in a good position compared to many other markets of similar size around the country. Overall vacancy is down to 8.5%. This compares favorably to an overall vacancy rate of 9.0% one year ago and 9.2% last quarter.
- Activity, in the form of tenant inquiries and leases in negotiation, has picked up in the past quarter. There are now some larger tenants beginning to look in the marketplace, and smaller deals are getting done. Leasing activity was 33,657 sf for the quarter.

ECONOMIC INDICATORS

	2009	2010F	2011F
National			
GDP Growth	-2.4%	2.8%	3.7%
CPI Growth	-0.3%	1.9%	2.1%
Regional			
Unemployment	7.3%	6.7%	6.3%
Employment Growth	-1.8%	1.1%	1.2%

Source: Moody's | Economy.com, BLS

BEAT ON THE STREET

"While the overall leasing market is still slow, we are not seeing as much vacancy as originally forecast. Over the next two quarters, with the renovation of three major buildings downtown, there will be a rise in shorter term office leases as tenants move around to temporary space."



—Jake Coptly
Office Sales & Leasing

MARKET HIGHLIGHTS

SIGNIFICANT 1Q10 NEW LEASE TRANSACTIONS

BUILDING	TENANT	SF	BUILDING CLASS
111 Franklin Road	Scott & Stringfellow	6,705	B
1101 Piedmont Street	AMIS Systems	3,648	B
Plantation Road	Force 10 Networks	2,011	B

SIGNIFICANT 1Q10 SALE TRANSACTIONS

BUILDING	BUYER	SF	PURCHASE PRICE
220 Church Avenue	220 Church, LLC	79,266	\$3,700,000
7704 Enon Drive	Third Capital	48,000	\$1,125,000
3239 Electric Road	PIH Properties, LLC	5,237	\$525,000

SIGNIFICANT 1Q10 CONSTRUCTION COMPLETIONS

BUILDING	MAJOR TENANT	SF	COMPLETION DATE
N/A			

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

BUILDING	MAJOR TENANT	SF	COMPLETION DATE
N/A			

MARKET STATISTICS

MARKET	INVENTORY	OVERALL VACANCY	YTD LEASING ACTIVITY	DIRECT CLASS A GROSS RENTAL RATE psfyr	WTD. AVG. RENTAL RATE
Botetourt	607,035	7.1%	0	N/A	
Roanoke CBD	3,958,956	7.7%	10,705	\$22.39	
East Roanoke City	1,035,612	8.9%	3,648	N/A	
West Roanoke City	1,783,056	6.5%	2,300	N/A	
East Roanoke County	2,459,748	11.3%	10,104	N/A	
West Roanoke County	90,627	0.0%	0	N/A	
Franklin County	91,751	24.9%	4,200	N/A	
Salem City	1,011,141	8.2%	2,700	\$19.00	
Total	11,037,926	8.5%	33,657	\$22.15	

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