

MARKETBEAT

ROANOKE INDUSTRIAL REPORT

Thalhimer
commercial real estate

2Q10

A CUSHMAN & WAKEFIELD ALLIANCE RESEARCH PUBLICATION

AT A GLANCE

- Mirroring most of the markets throughout the commonwealth, Roanoke's unemployment rate dropped after a few months of the unemployment rate rising. The rate as of May is 7.4%, down from a peak of 8.4% just three months prior and closer to the unemployment rate late last year. One year ago the rate was slightly lower at 6.8%.
- The automotive industry has a long history in the Roanoke market. As mentioned in previous reports, many of these facilities have closed. In a positive trend, they are not staying closed for long. Phoenix Packaging will locate its North American headquarters and manufacturing facility in a 109,000-square foot (sf) facility in the town of Dublin, Pulaski County. The facility was formerly occupied by Findley Industries, a supplier to the automotive industry. The Internet Foundry in Montgomery County (Radford) will reopen under new ownership. The new owner is expected to employ 300 people in the 200,000-sf facility.
- Although net absorption is flat for the quarter, year-to-date absorption remains slightly positive. Last year's total absorption was negative 476,000 sf.

ECONOMIC INDICATORS

National	2009	2010F	2011F
GDP Growth	-2.4%	3.1%	3.9%
CPI Growth	-0.3%	1.8%	2.1%
Regional			
Unemployment	7.2%	7.9%	7.0%
Employment Growth	-4.2%	-1.3%	1.5%

Source: Moody's | Economy.com

BEAT ON THE STREET

"The bright spot in the industrial market in southwest Virginia is the New River Valley with two significant announcements in recent weeks. Phoenix Packaging plans to occupy 109,000 sf in Dublin and the former Internet (Radford) Foundry will reopen the 200,000-sf facility under new ownership."



—Kent Roberts
Sales and Leasing

MARKET HIGHLIGHTS

SIGNIFICANT 2Q10 NEW LEASE TRANSACTIONS

BUILDING	TENANT	SF	PROPERTY TYPE
1342 Roanoke Blvd.	Mid, Inc.	9,030	WHS
3131 Baker Ave	SeaMaster	5,000	WHS
1401 Southside Drive	N/A	5,000	FLEX

SIGNIFICANT 2Q10 SALE TRANSACTIONS

BUILDING	BUYER	SF	PURCHASE PRICE
302 Campbell Ave	RE Partners, LLC	26,250	\$550,000

SIGNIFICANT 2Q10 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/SUBMARKET	OVERALL INVENTORY	OVERALL VACANCY RATE	DIRECT WEIGHTED AVERAGE NET RENTAL RATE
Botetourt	3,385,903	3.1%	\$2.50
Roanoke CBD	938,261	3.4%	\$5.36
East Roanoke City	8,415,327	19.7%	\$3.74
West Roanoke City	2,794,815	25.1%	\$5.64
East Roanoke County	3,715,537	4.6%	\$5.49
West Roanoke County	553,787	3.9%	\$6.44
Franklin County	1,546,061	13.9%	\$3.25
Salem City	6,927,054	10.5%	\$3.99
TOTAL	28,276,745	13.0%	\$4.80

*Rental rates reflect \$psf/year

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

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