

MARKETBEAT

ROANOKE OFFICE REPORT

A CUSHMAN & WAKEFIELD ALLIANCE RESEARCH PUBLICATION

4Q10

AT A GLANCE

- This year downtown Roanoke saw an increase in office and redevelopment projects. The Patrick Henry Hotel remains under construction and has an office component. The Commonwealth of Virginia Building is now under construction and the historic City Market Building will also have a small office component. This will hopefully set the stage for more downtown absorption in 2011.
- Meridium continues its construction at 207 Bullitt Avenue. This 44,238-square foot property will serve as the offices for the former Wachovia Tower tenant.
- The Poff Federal building is moving forward with its \$51 million renovation. Three properties have been selected as temporary homes to the Veterans Administration over the next two to four years to make room for the construction.

MARKET HIGHLIGHTS

SIGNIFICANT 2010 NEW LEASE TRANSACTIONS

BUILDING	TENANT	SF	BUILDING CLASS
220 Church Avenue	Veterans Administration	27,000	A
207 Bullitt Ave	Meridium	20,000	B
111 Franklin Road	Scott & Strin fellow	6,705	B

SIGNIFICANT 2010 SALE TRANSACTIONS

BUILDING	BUYER	SF	PURCHASE PRICE
220 Church Ave	220 Church, LLC	79,266	\$3,650,000
207 Bullitt Avenue	Goodview Properties	34,816	\$2,250,000
15 Salem Ave SE	JS Property Holdings	19,478	\$1,912,000

SIGNIFICANT PROJECTS UNDER CONSTRUCTION

BUILDING	MAJOR TENANT	SF	COMPLETION DATE
Patrick Henry Hotel	N/A	130,000	12/11
Commonwealth Building	General Services Administration	80,000	5/11

ECONOMIC INDICATORS

National	2009	2010	2011F
GDP Growth	-2.6%	2.8%	2.8%
CPI Growth	-0.3%	1.6%	1.5%
Regional			
Unemployment	7.2%	7.5%	7.2%
Employment Growth	-4.2%	-0.8%	0.9%

Source: Moody's | Economy.com

MARKET STATISTICS

SUBMARKET	INVENTORY	OVERALL VACANCY	YTD LEASING ACTIVITY	DIRECT WTD. AVG CLASS A GROSS RENTAL RATE Psf/yr
Botetourt	608,704	5.5%	26,813	N/A
Roanoke CBD	3,951,324	9.4%	22,894	\$22.50
East Roanoke City	1,472,758	6.5%	24,057	N/A
West Roanoke City	1,813,692	8.9%	12,037	N/A
East Roanoke County	2,898,431	10.0%	62,633	\$15.25
West Roanoke County	98,075	8.1%	0	N/A
Franklin County	169,375	10.2%	5,100	N/A
Salem City	1,008,618	9.7%	10,685	\$22.00
TOTAL	12,020,977	8.9%	164,219	\$21.61

BEAT ON THE STREET



“There is a lot of activity in the market right now. There are a few large block office tenants in the market and lots of smaller companies now ready to make real estate decisions that they have put off because of uncertainty over the last 2 years.”

-Jake Copty, Office Sales & Leasing



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