

## ROANOKE OFFICE

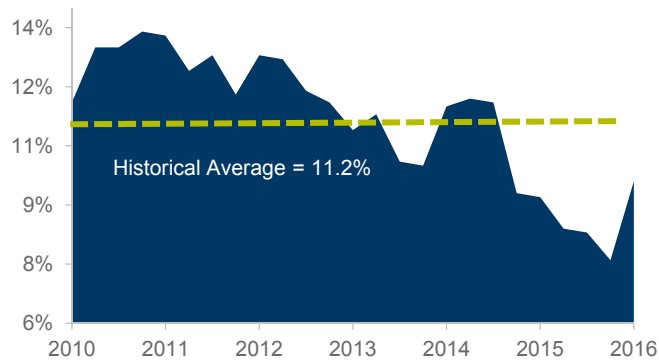
## Economic Indicators

	Q1 15	Q1 16	12-Month Forecast
Roanoke Employment	161k	163k	▲
Roanoke Unemployment	4.8%	4.1%	▼
U.S. Unemployment	5.6%	4.9%	▼

## Market Indicators (Overall, All Product Types)

	Q1 15	Q1 16	12-Month Forecast
Overall Vacancy	9.2%	9.6%	■
Net Absorption	1k	-81k	▼
Under Construction	0	0	■
Overall Average Asking Rent	\$4.22	\$4.17	▲

## Overall Vacancy



## Economy &amp; Market Overview

Roanoke's unemployment rate, although still healthy, ticked up to 4.1% this quarter. This is improved over one year ago when the unemployment rate was 4.8%, but above the low of 3.8% set in December 2015. The largest loser of jobs in the past twelve months was Government with employment down 7.0%. The labor force and the number of employed dropped from one year ago, by 1.4% and 0.7%, respectively.

## Market Overview

After many quarters of sluggish industrial growth, the Roanoke Valley has several significant announcements from this eventful first quarter. Perhaps the most anticipated headliner was Bend, Oregon-based Deschutes Brewery announcing the selection of Downtown Roanoke for their first east coast brewery. In addition to the fanfare surrounding this announcement, Italian auto parts manufacturer, Eldor Corporation, announced plans to locate their first U.S. production facility at a 53-acre site in Botetourt's Greenfield Industrial Park. Grading of the site has begun for the 250,000-square foot manufacturing facility. Both Deschutes and Eldor have the potential of attracting additional business to the region, and both commented on the quality of life here as an important element in their decision making process. In total, the first quarter of 2016 expects to gain \$173 million dollars in investment and 608 new jobs.

## Key Lease Transactions Q1 2016

PROPERTY	SF	TENANT	PROPERTY TYPE
622 Huntington Blvd	13,522	General Truck Body	Warehouse
1201 Electric Road	11,709	RSC Equipment	Flex
6525 Commonwealth Drive	10,500	Architectural Wood	Flex
2816 Mary Linda Ave	7,000	NOBLE Furniture	Warehouse
1348 Roanoke Boulevard	6,720	Shred-It USA, LLC	Flex

## Key Sales Transactions Q1 2016

PROPERTY	SF	BUYER	PRICE / PSF
3125 Salem Tpke NW	64,324	L & M Properties LLC	\$355,000 / \$6
7401 Timberlake Road	55,030	Amerco Real Estate Co	\$2,800,000 / \$51
2807 Hershberger Road	41,765	WJBF TV	\$7,700,000 / \$184
1805 Shenandoah Ave NW	5,000	Rawhide Partners LLC	\$160,000 / \$32

## Outlook

Major economic news in the first quarter of 2016 should provide both short-term and long-term optimism throughout Southwest Virginia. Roanoke and Lynchburg continue to suffer from a lack of available industrial property that accommodates more modern manufacturing and distribution needs. Activity along the I-81 corridor remains strong, particularly in the Shenandoah Valley and Roanoke regions.