

# MARKETBEAT

## Roanoke

### Industrial Q3 2017



#### ROANOKE INDUSTRIAL

##### Economic Indicators

	Q3 16	Q3 17	12-Month Forecast
Roanoke Employment	162.1k	164.8k	▲
Roanoke Unemployment	4.1%	3.9%	▼
U.S. Unemployment	4.9%	4.4%	▼

##### Market Indicators (Overall, All Property Types)

	Q3 16	Q3 17	12-Month Forecast
Vacancy	8.3%	7.1%	▼
YTD Net Absorption (sf)	340k	1.6M	▲
Under Construction (sf)	250k	250k	■
Average Asking Rent*	\$4.18	\$4.99	▲

\*Rental rates reflect net asking \$psf/year

##### Overall Asking Rent/Overall Vacancy

###### 4-QTR TRAILING AVERAGE



## Economy

Economic indicators for the Roanoke metropolitan area reported that the third quarter overall unemployment rate fell to 3.0%, which is below the national average of 4.4%. The unemployment rate has declined for the last two quarters and represented a 2.7 percentage point decrease from this time last year. Several overall market developments in 2017 continued to have positive impacts on employment and the health of the Roanoke economy.

## Market Overview

Following an active second quarter, the third quarter of 2017 produced a limited number of industrial announcements in the Roanoke market. The most notable news came from the New River Valley as Koinonia Ltd. publicized the opening of its first U.S. manufacturing operation. Koinonia Ltd., also known as Koi Foams, is a Brazilian-based company that produces foam and tape solutions for various industries. Koi Foams will be the first occupier in Pulaski County's ShaeDawn Industrial Park with construction set to begin by the end of the year. The project will produce 40 jobs and \$5 million in investment to the region. In addition to Koi Foams, two announcements in the Shenandoah Valley from Stable Craft Brewing and Draftco will add 13 jobs and 16 jobs, respectively. In aggregate, the incoming jobs will balance out DSC Logistics' 70 layoffs in Raphine.

## Outlook

Southwest Virginia continues its steady growth while the impact of the occasional advanced manufacturing announcement, like Koi Foams, is celebrated. There is a hope that the increase in average asking rents and vacancy dipping to 7.1% results in an uptick in construction.

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