

Industrial Snapshot Q4 2015

Roanoke, Virginia

ROANOKE OFFICE

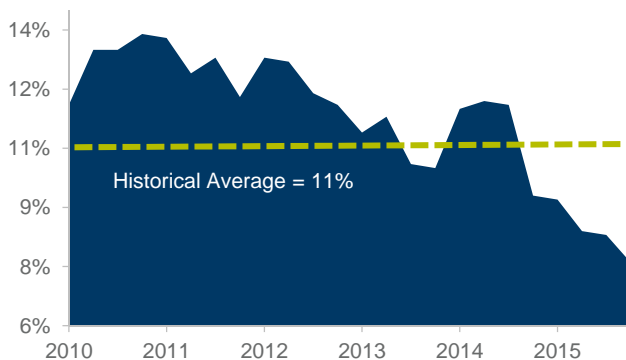
Economic Indicators

	Q4 14	Q4 15	12-Month Forecast
Roanoke Employment	160k	161k	▲
Roanoke Unemployment	4.9%	4.6%	▼
U.S. Unemployment	5.7%	5.0%	▼

Market Indicators (Overall, All Product Types)

	2014	2015	12-Month Forecast
Overall Vacancy	9.3%	7.6%	■
Net Absorption	130k	1.5M	▼
Under Construction	0	0	■
Overall Average Asking Rent	\$4.33	\$4.14	▲

Overall Vacancy



Economy & Market Overview

Roanoke's unemployment rate continues to decline, settling at 4.6% for January. The largest gainers over the last year were Education and Health Services and Leisure and Hospitality, adding 3.0% and 2.9% to their employment base, respectively. The largest loser of jobs was Government with employment down 7.5%.

Market Overview

The pace of industrial announcements by VEDP in southwest Virginia and along the I-81 corridor finished the year on an uptick with 23 announcements representing an anticipated investment in excess of \$58 million and 962 potential new jobs. While this is encouraging, it is behind last year both for the quarter and for the year. Announcements for the year reveal an expected investment of \$425 million with job creation of 2,821 compared to 2014 with expected investment of \$537.5 million and 3,799 new jobs. On a positive note job loss slowed in 2015 with closings and cutbacks resulting in 837 fewer jobs compared to 1,404 in 2014. There were nine confirmed sale transactions reported in Q4 in the Roanoke/Lynchburg market totaling 251,600 square feet (sf), representing \$5.7 million in transactional volume. Seven leases totaling 499,620 sf were signed during the quarter.

Key Lease Transactions 2015

PROPERTY	SF	TENANT	PROPERTY TYPE
176 Eastpark Dr. Roanoke	74,724	Tread Corp.	Manufacturing
3030 Nicholas Ave., Roanoke	64,000	TCI, LLC & Optical Cable Inc.	Warehousing
105 14th St. NE, Roanoke	37,000	Fuji Electric	Manufacturing

Key Sales Transactions 2015

PROPERTY	SF	BUYER	PRICE
2301 Mayflower, Lynchburg	131,000	Fishing Creek Properties	\$1,100,000
1201 Shenandoah Ave, Roanoke	72,000	Safeside Tactical	\$1,035,000
5259 Aviation Dr., Roanoke	62,960	Averitt Properties, LLC	\$2,750,000
3725 Thirlane Rd., Roanoke	19,128	Iron Mountain Inc.	\$1,300,000

Outlook

The overall market outlook contains a good mix of distribution and manufacturing expansion. The Roanoke/Lynchburg market is hampered by the lack of inventory, particularly larger facilities. Activity along the I-81 corridor is strong, specifically from Harrisonburg to points north.