

MARKETBEAT

Roanoke

Industrial Q4 2016



ROANOKE INDUSTRIAL

Economic Indicators

	Q4 15	Q4 16	12-Month Forecast
Roanoke Employment	163k	164k	▲
Roanoke Unemployment	4.1%	4.0%	▼
U.S. Unemployment	5.0%	4.8%	▼

Market Indicators (Overall, All Property Types)

	Q4 15	Q4 16	12-Month Forecast
Vacancy	7.6%	7.2%	▼
YTD Net Absorption (sf)	1.5M	410k	▲
Under Construction (sf)	0	250k	■
Average Asking Rent*	\$4.14	\$4.32	■

*Rental rates reflect net asking \$psf/year

Overall Asking Rent/Overall Vacancy

4-QTR TRAILING AVERAGE



Economy

Roanoke proved its resilience in 2016 as the year ended with strong market fundamentals including 65 months of year-over-year employment growth and a low unemployment rate of 3.9%.

Market Overview

After an eventful first half of 2016, the third and fourth quarters of the year produced few notable sales, leases and announcements. Botetourt County received its fifth major economic development news of 2016 when Canatal Steel USA announced an expansion to their 160,000-square-foot (SF) Botetourt facility. Canatal Steel will invest \$1.5 million to purchase equipment and add 38 jobs. Hollingsworth & Vose, a global manufacturer of advanced materials, will expand their Floyd County operations, which will result in a \$9.1-million investment and 13 additional jobs. In Salem City, Yokohama Tire will layoff 50 of the 821 total employees at the plant. HDT Global, a manufacturer of military tents, will be closing their 173,055-SF distribution/manufacturing facility in Buena Vista, which will result in 74 jobs lost.

Outlook

Confidence remains high in the Roanoke region after Eldor Corporation and Ballast Point both selected Botetourt's Greenfield Industrial Park to locate its first American manufacturing facility and first east coast brewery, respectively. Additionally, Deschutes Brewery announced its first east coast brewery will be located in the City of Roanoke's Centre for Industry and Technology. The Roanoke region is strongly positioned to leverage these major announcements in 2017.

Cushman & Wakefield | Thalhimer
10 S Jefferson St, Ste 1750
Roanoke, VA 24011
thalhimer.com

For more information, contact:
Timothy Morris, Director
Tel: +1 804 344 7161
tim.morris@thalhimer.com

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