

Office Snapshot Q3 2015

Roanoke, VA



CUSHMAN & WAKEFIELD

THALHIMER

ROANOKE OFFICE

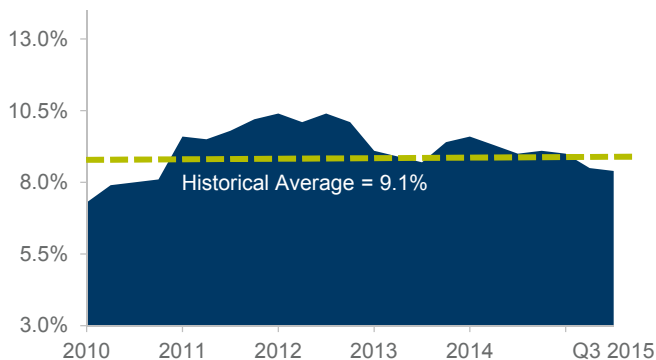
Economic Indicators

	Q3 14	Q3 15	12-Month Forecast
Roanoke Employment	160k	162k	▲
Roanoke Unemployment	5.1%	4.6%	▼
U.S. Unemployment	6.1%	5.1%	▼

Market Indicators

	Q3 14	Q3 15	12-Month Forecast
Overall Vacancy	8.9%	8.4%	■
Net Absorption	9k	169k	▲
Under Construction	24k	73k	■
Overall Average Asking Rent	\$13.47	\$13.99	▲

Overall Vacancy



Economy & Market Overview

Roanoke is among the top growth economies in Virginia, second only to Richmond, according to the Roanoke Regional Partnership and Gross Metropolitan Product (GMP) numbers from the U.S. Bureau of Economic Analysis. From 2013-2014—the most recent numbers available—GMP grew by 3.3%. Additionally, Roanoke is growing faster than more than half of all U.S. metro areas. Multiple office space users are experiencing growth, including Interactive Achievement, a Roanoke-based Inc. 1000 business that will be hiring 35 new employees.

About Cushman & Wakefield

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Market Overview

Overall vacancy has remained flat over Q3 while overall net absorption compared to Q3 2014 has increased slightly. Significant activity in the market included the sale of the Anthem BlueCross/BlueShield building in downtown Roanoke for \$11,000,000 in a sale-leaseback transaction in July. Anthem leased the space back from the new owners and continues to occupy 130,995 square feet (sf) of the single-tenant building. Additionally, Fuji Electric Corp. recently opened a 37,000-sf engineering, sales, and assembly facility just outside of the downtown district. Within the southwest Roanoke submarket, the 88,000-sf Shenandoah Life Building sold to Carilion Clinic for \$4.6 million—\$100,000 above asking price; meanwhile, Shenandoah Life announced that it will be relocating to 15,000 sf of office space in the Executive Park at Pheasant Ridge in Southwest Roanoke.

Key Lease Transactions Q3 2015

PROPERTY	SF	TENANT	PROPERTY TYPE
114 Market Street	9,521	Merrill Lynch	Class A
105 Arbor Drive	7,097	Volvo Group	Class A
Richlands Professional Bldg.	3,000	Medical Services, Inc.	Class B

Key Sales Transactions Q3 2015

PROPERTY	SF	BUYER	PRICE
602 S Jefferson Street	142,430	Anthem BC/BS	\$11,000,000
2301 Brambleton Avenue	88,000	Carilion Clinic	\$4,600,000
111 Franklin Plaza	139,191	Fortress	\$3,950,000
5330-5338 Peters Creek Road	27,084	Triple J, LLC	\$2,900,000
6035 Peters Creek Road	5,300	ROS Enterprises, LLC	\$1,434,000

Outlook

Despite positive economic growth and increasing employment figures in the overall market, vacancy and rental rates continue to be flat in the office market year-over-year. Asking rates could move up slightly if vacancy continues to drop.

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