

MARKETBEAT

Roanoke, VA

Retail Q2 2018



ECONOMIC INDICATORS

National

	Q2 17	Q2 18*	12-Month Forecast**
GDP Growth	2.2%	3.0%	▲
CPI Growth	1.9%	2.8%	▲
Consumer Spending Growth	2.7%	2.5%	▼
Retail Sales Growth	4.3%	5.3%	▲

* Q2 18 Estimates. Values represent year-over-year % change.

** Forecast by Cushman & Wakefield.

Regional

	Q2 17	Q2 18	12-Month Forecast
Household Income	\$51,895.34	\$52,955.35	▲
Population Growth	0.16%	0.09%	▼
Unemployment	3.9%	3.3%	▼

Source: Moody's Analytics

Rental Rate vs. Overall Vacancy



Economy

Retail growth is cycling stronger with increases in GDP, CPI and Retail Sales as predicted in our last quarterly reporting. Retail has continued to evolve from a restructuring, rebranding or right-sizing standpoint. With IPO's hitting the public platform such as BJ's Wholesale Club successfully selling shares to climb out of debt, we also see rebranding such as Campers World purchase of former Gander Mountain locations and rebranded to Campers Outdoors; which has just recently announced their expansion plans for 2019 to the tune of 40 more units.

Market Overview

New development and re-development continue to merge forward and offer our region a dynamic shopping experience. In addition to the recent openings of Aldi and Hobby Lobby in Christiansburg, we are continuing to see new store openings such as First Watch in Roanoke and new construction such as BJ's Wholesale Club. BJ's Wholesale Club is major chain membership warehouse club based out of Massachusetts that offer customers an annual fee for access to discounted value items ranging from household goods to groceries.

Outlook

Despite the strongest economic indicators since the Great Recession the retail marketplace will continue to face challenges in the near term due to changing consumer patterns and e-commerce. We expect to see additional challenges through the remainder of the year along with more news related to mergers, acquisitions, consolidations and additional store closings.

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