

MARKETBEAT

Roanoke, VA

Retail Q3 2018



CUSHMAN & WAKEFIELD

THALHIMER

ECONOMIC INDICATORS

National

	Q3 17	Q3 18*	12-Month Forecast**
GDP Growth	2.3%	3.1%	▲
CPI Growth	2.0%	2.8%	▲
Consumer Spending Growth	2.4%	2.7%	▲
Retail Sales Growth	4.5%	6.1%	▲

* Q3 18 Estimates. Values represent year-over-year % change.

** Forecast by Cushman & Wakefield.

Regional

	Q3 17	Q3 18	12-Month Forecast
Household Income	\$52,085.74	\$53,260.50	▲
Population Growth	0.13%	0.06%	▼
Unemployment	3.8%	3.0%	▼

Source: Moody's Analytics

Rental Rate vs. Overall Vacancy



Economy

Retail continues to be on a roll as we saw sales growth substantially increase to 6.1% in the third quarter of 2018 from 4.5% one year ago. It is the highest increase we have seen since pre-recession. Baby boomers are continuing to lead the way on consumer spending, according to Visa. The freshness still in the air of the recent announcement of Sears Holdings filing bankruptcy; the retail industry will continue shifting and adapting to these changes, creating opportunity for new concepts, smaller footprints and more change, hopefully leading to additional growth.

Market Overview

Surplus properties are continuing to be acquired as we saw the former K-Mart on Franklin Roanoke sell for \$4.2M in Roanoke. BJ's Wholesale Club, which was another local former Kmart site, is set to open early in the fourth quarter of this year. BJ's is a major chain membership warehouse club that offer customers an annual fee for access to discounted value items arranging from household goods to groceries. Overall vacancy rate continues its downward trend to an overall low, dropping from 4.7% one year ago down to 3.3% in the third quarter of 2018.

Outlook

As we begin to enter to the holiday season, we will see additional announcements of larger national chains that are filing bankruptcy, downsizing, or closing all together but this will not effect category leaders and omnichannel pioneers. According to the National Retail Federation holiday report, analysts are estimating more modest growth for the 2018 holiday season (retail holiday sales growth between 4.3%-4.8%). The industry will finish strong however trade, tariffs and mid term elections could effect estimates.

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

For more information, contact:
Jessica Johnson, CCIM
Tel: +1 540 767 3006
jessica.johnson@thalhimer.com

About Cushman & Wakefield

Cushman & Wakefield (NYSE, CWK) is a leading global real estate services firm that delivers exceptional value by putting ideas into action for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with 48,000 employees in approximately 400 offices and 70 countries. In 2017, the firm had revenue of \$6.9 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.

©2018 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.