

MARKETBEAT

Roanoke, VA

Retail Q4 2018



CUSHMAN & WAKEFIELD

THALHIMER

ECONOMIC INDICATORS

National

	Q4 17	Q4 18*	12-Month Forecast**
GDP Growth	2.5%	3.3%	▲
CPI Growth	2.1%	2.3%	▲
Consumer Spending Growth	2.7%	2.7%	▲
Retail Sales Growth	5.9%	4.6%	▲

* Q4 18 Estimates. Values represent year-over-year % change.

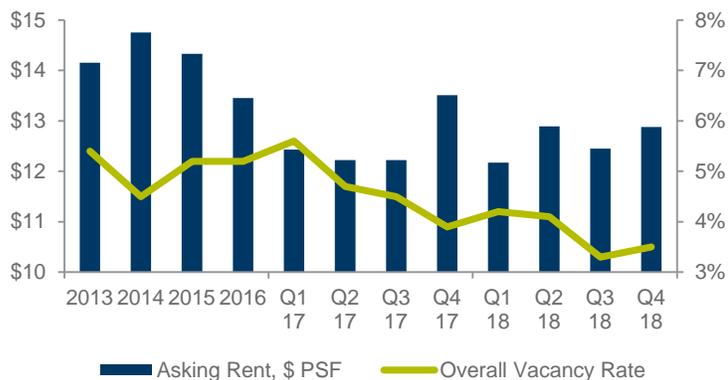
** Forecast by Cushman & Wakefield.

Regional

	Q4 17	Q4 18*	12-Month Forecast
Household Income	\$54,929.45	\$55,893.28	▲
Population Growth	0.12%	0.05%	▼
Unemployment	4.1%	3.7%	▼

Source: Moody's Analytics

Rental Rate vs. Overall Vacancy



Economy

Despite healthy sales forecasted previously, which we had anticipated achieving at the national level; consumer spending stayed relatively tight compared to last year's holiday season. While we saw a slight decrease in retail sales growth nationally, regionally for Roanoke came a welcomed increase from fourth quarter 2017 to fourth quarter 2018 rising from 5.3% to 5.5%; proving that consumers still are validating our growth rebound.

Market Overview

Roanoke's downtown landscape continues to achieve revitalization as we saw the largest notable sale this last quarter with the historical Heironimus building changing ownership hands.

The S.H. Heironimus Co. was an American department store chain based in Roanoke, Virginia and opened its first store in downtown Roanoke in 1890. After sitting vacant for over 20 years and with the recent acquisition, additional retail space will be available in 2019. Approximately 28,000 square feet of space is currently under construction bringing a new face of mixed-use opportunities collectively: residential, retail and office.

Roanoke also added additional buzz to its dining options with openings from Cabo Fish Taco and Three Notch'd Brewing Company. Cabo Fish Taco opened its third store in Roanoke and offers a unique fusion of fresh seafood and original Baja Mexican Cuisine. Three Notch'd Brewing Company, based out of Charlottesville, Virginia, also opened its doors to their new Roanoke tasting room.

Outlook

The outlook is somewhat of a mixed bag due to several national retailers closing stores or entering bankruptcy; most notably Sears Holdings, which includes also K-mart. However, there is hope for positive momentum in 2019 due to the robust holiday spending and consumer confidence remaining near an all-time high.

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