

Hall Associates 2003 Market Report

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CENTRAL BUSINESS DISTRICT

BUILDING NAME	NET LEASABLE SQUARE FOOTAGE	OWNER OCCUPIED	SQUARE FEET AVAILABLE	SUB-LEASE SQUARE FEET AVAILABLE	FLOORS/ YEAR BUILT
15 East Salem Avenue	16,700	0	4,100		3/1998
309 Campbell Avenue	13,072	3,200	6,900		4/1922
BB&T Building	135,000	0	43,000		13/1973
Boxley Building	31,000	0	17,000		8/1922
Colonial Arms	64,188	0	33,104		10/1927
Commonwealth Park	37,153	0	10,409		3/1986
Coulter Building	45,000	0	8,375		4/1987
Crystal Tower	49,007	26,000	2,979		8/1931
First Campbell Square	88,000	2,000	3,100		1/1988
First Citizens Building	61,000	43,000	0		5/1980
First Union Bank Building	205,096	0	6,000	12,000	15/1973
First Union Tower	218,503	0	13,103		22/1991
Fountain Square	26,488	1,052	5,803		1973
Franklin Plaza	138,651	0	9,000		5/1984
Insystems Building	20,000	10,000	10,000		2000
Jefferson Plaza	36,000	22,290	0		3/1975
Liberty Trust Building	27,190	0	4,050		7/1913
Professional Arts Building	32,825	0	3,543		9/1925
Shenandoah Building	56,837	3,200	7,000		7/1911
Southwest Virginia Savings	17,238	9,092	0		4/1961
Suntrust Plaza	129,954	69,000	5,000		9/1978
Tom Mason Building	36,000	0			2/1961
Valley Bank Building	39,212	0	9,833		7/1958
					TOTAL VACANCY & SUBLEASE %
TOTAL ALL SPACE	1,524,114	188,834	202,299	12,000	14%
CLASS A SPACE	1,057,904	124,000	101,678	12,000	11%
CLASS B SPACE	329,366	35,634	73,642		22%
CLASS C SPACE	136,844	29,200	26,979		20%

* Sublease space available

GROWTH & ABSORPTION

	TOTAL GROSS AREA	VACANCY SQUARE FEET	VACANCY PERCENTAGE	NET ABSORPTION
2002	1,524,114	202,299	13%	9390
2001	1,503,856	191,431	13%	39,424
2000	1,500,428	227,427	15%	7,678
2000	1,471,457	206,134	14%	2,946
1999	1,498,496	236,119	16%	33,942
1998	1,486,331	257,896	17%	48,737
1997	1,439,990	260,292	18%	(34,621)
1996	1,437,390	223,071	16%	49,741
1995	1,436,819	272,241	19%	3,647

CENTRAL BUSINESS DISTRICT TRENDS

The Central Business District of the Roanoke office market seems to be in the least demand. The CBD experienced moderate absorption this past year with 9,390 square feet absorbed. This segment of the market grew by approximately 20,000 square feet overall with the vacancy rate remaining virtually unaffected at 13 percent. For 2003 we do not see a significant change in demand for the first half of the year, but feel the second half demand should strengthen somewhat.

SOUTH SUBURBAN DISTRICT

BUILDING NAME	NET LEASABLE SQUARE FOOTAGE	OWNER OCCUPIED	SQUARE FEET AVAILABLE	SUB-LEASE SQUARE FEET AVAILABLE	FLOORS/ YEAR BUILT
419 Office Center	12,000	0	0		1/1990
Atlantic Companies	150,000	0	0		2/1984
Brambleton Corporate Center	24,000	0	840		2/1987
Brandon Office Park	35,598	0	10,945		1/1958
Cave Spring Professional Center	34,265	7,400	4,138		3/1988
Colonial Green Professional Park	32,914	3,673	1,910	360	3/1980
Colonnade Corporate Center I	57,555	0	2,080		2/1988
Colonnade Corporate Center II	54,000	0	10,500		3/1989
Crystal Spring Medical Building	78,000	58,592	1,055		/2000
Executive Center	14,700	0	1,000		3/1988
Fralin & Waldron Buildings A - D	54,535	0	7,637		2/1972
Fralin & Waldron Buildings E & F	96,027	8,458	4,183		1993
Hunting Hills Office Suites	11,500	3,000	0		2000
Krisch Hotels	38,664	0	0		1/1970
LaPremier	24,000	1,500	3,500		2/1989
McClanahan Building	26,757	13,846	0		4/1972
Moore's Building	50,000	0	0		
NBC Bank Building	17,872	6,500	8,500		3/1976
Oak Grove Offices	26,519	0	1,440		2/1973
Penn Forest Corporate Center	34,000	0	4,411		3/1984
Pheasant Ridge	117,000	1,016	8,148		3/1998
Professional Park I	37,749	1,915	2,406		3/1974
Quantum Building	30,000	10,000	20,000		"3/2002
Radford Family Building	11,000	7,000	0		2000
South Park	29,600	0	18,000		2/1974
Stratford Park	40,000	2,500	8,354		2/1970
Tanglewood Executive Park	27,000	0	24,421		2/1988
Tanglewood West	54,000	0	9,700		4/1974
					TOTAL VACANCY & SUBLEASE %
TOTAL ALL SPACE	1,219,255	125,400	153,168	360	13%
CLASS A SPACE	716,782	89,566	79,298	0	11%
CLASS B SPACE	320,339	26,834	46,071	360	14%
CLASS C SPACE	182,134	9,000	27,799	0	15%

GROWTH & ABSORPTION

	TOTAL GROSS AREA	VACANCY SQUARE FEET	VACANCY PERCENTAGE	NET ABSORPTION
2003	1,219,255	153,168	13%	16,830
2002	1,135,522	86,265	8%	10,624
2001	1,101,239	62,606	6%	69,285
2000	1,026,761	57,413	6%	30,170
1999	995,888	56,710	6%	10,720
1998	982,226	53,768	5%	101,046
1997	915,047	87,635	10%	42,639
1996	917,665	132,892	14%	38,358
1995	917,965	171,550	19%	(50,906)

SOUTH SUBURBAN DISTRICT TRENDS

The South Suburban office market has experienced moderate growth in vacancies because absorption has not kept up with new construction, and some tenants have downsized. Rental rates are currently stable. At this time, the demand is moderate at best with the majority of tenants being in the medical and financial fields.

NORTH SUBURBAN DISTRICT

BUILDING NAME	NET LEASABLE SQUARE FOOTAGE	OWNER OCCUPIED	SQUARE FEET AVAILABLE	SUB-LEASE SQUARE FEET AVAILABLE	FLOORS/ YEAR BUILT
Bowers Buildings	15,986	1,800	0		1/1967
Brammer Village	90,300	2,400	19,500		1/1988
Century Business Center	53,300	0	20,000		1/1987
Executive Park	54,000	0	3,087		1/1978
Lewis Gale Clinic	58,000	0	24,000		4/1987
Northpark	34,603	0	7,524		1/1989
Peters Creek Plaza	36,476	14,266	16,000		2/1968
Salem Bank & Trust	32,000	24,000	0		5/1974
Valley Court	157,000	0	37,821		1/1990
Valleypointe	145,969	0	10,207		1/1989
Woodhaven Office Park	11,665	0	1,620		2000
				TOTAL VACANCY & SUBLEASE %	
TOTAL ALL SPACE	689,299	42,466	139,759	20%	
CLASS A SPACE	303,537	0	63,351	21%	
CLASS B SPACE	333,300	24,400	60,408	18%	
CLASS C SPACE	52,462	16,066	16,000	30%	

* Sublease space available

GROWTH & ABSORPTION

	TOTAL GROSS AREA	VACANCY SQUARE FEET	VACANCY PERCENTAGE	NET ABSORPTION
2003	689,299	139,759	20%	(9,708)
2002	685,666	126,418	18%	(29,627)
2001	671,856	82,981	12%	(9,542)
2000	660,680	62,263	9%	5,659
1999	660,680	67,922	10%	58,844
1998	605,917	72,003	12%	22,252
1997	605,917	94,255	16%	60,152
1996	561,278	109,768	20%	94,214
1995	389,598	32,302	8%	13,815

NORTH SUBURBAN DISTRICT TRENDS

The North Suburban office market suffered for what is now three tough years to absorb a negative (9,708) square feet. Vacancy rose from 18 percent to 20 percent. For 2003, We expect market stabilization and a reduction in vacancy rates throughout the year.

Office Market Data Prepared By Stuart Meredith And Chris Nelson