



MARKET FUNDAMENTALS

	YOY Chg	Outlook
2.7% Vacancy Rate	▲	▲
90.1K YTD Net Absorption, SF	▲	▲
\$6.13 Asking Rent, PSF <small>(Overall, Net Asking Rent)</small>	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
168.1K Roanoke MSA Employment	▼	▲
3.0% Roanoke MSA Unemployment Rate	▲	▲
4.1% U.S. Unemployment Rate	▲	▲

Source:BLS

ECONOMY: RISING ECONOMY

In 2024, the Roanoke region saw impressive growth, with employment increasing by 2.2%, surpassing the averages for Northern Virginia, the state of Virginia, and the nation. At the end of the first quarter, the region’s unemployment rate stands at a low 3.0% compared to the national rate of 4.1%. Roanoke’s economic appeal has also been recognized nationally, as USA Today ranked it #2 among the best cities to move to in the South. Additionally, Munters Corporation plans to expand their HVAC manufacturing facility in Botetourt County by 200,000 square feet (sf), which will create 270 jobs.

SUPPLY AND DEMAND: INCREASING VACANCY

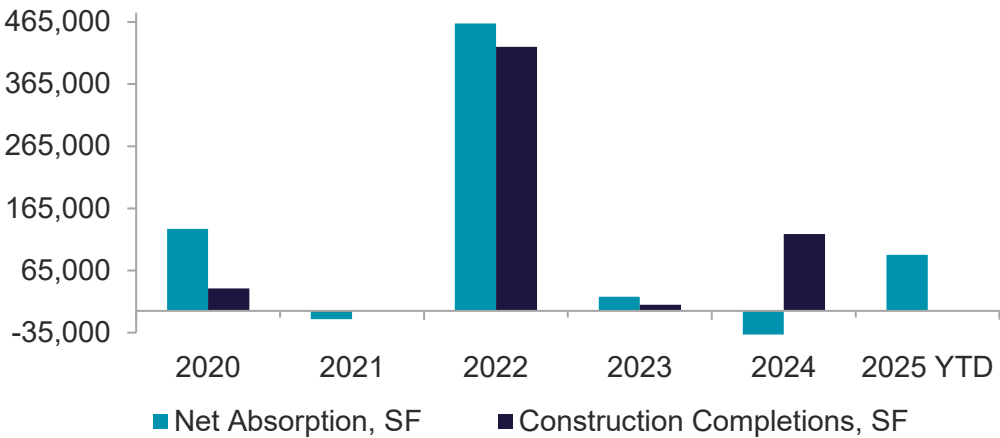
Vacancy remains historically low, and the region saw a increase of 30 basis points (bps) compared to the previous quarter. This is now the seventh consecutive quarter rates have remained below 3.0%. Easing the supply shortage is a new project underway at 68 St John Road. This development in Southwest Roanoke will total 9,900 sf with rates starting at \$8.50 per square foot (psf).

Over 49,000 sf of space was leased during the first quarter. Leasing activity continues to slow compared to previous quarters due to the limited supply. Notable transactions for the quarter includes Defy Gravity leasing 12,800 sf of space at 5205 Starkey Road, located in Southwest Roanoke.

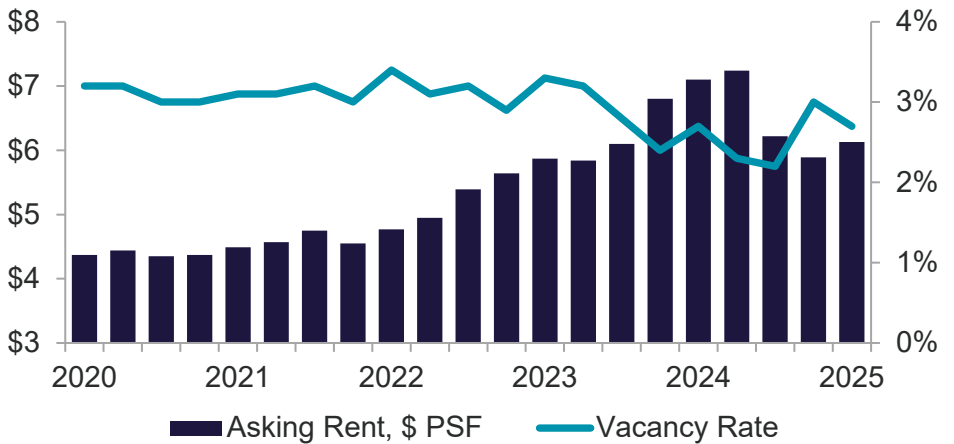
PRICING: TRENDING UPWARD

Quoted rental rates have increased 4.3% compared to the previous quarter, and with the continued shortage of quality warehouse and office/service space, upward pressure on rents is likely. Notable sale transfers include 2005 Greenbriar Avenue SE, a 269,732 sf building purchased by Gregory Pallet & Lumber Co. for \$2.0 million, or \$7.41 psf. The second largest transfer for the quarter was located at 3221 Shenandoah Avenue SW. This 11,239 sf property was purchased for \$1.4 million or \$123.79 psf.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Botetourt County	4,341,478	0	0.0%	0	0	0	0	-	-	-
Craig County	58,400	0	0.0%	0	0	0	0	\$10.00	-	-
Downtown Roanoke	992,487	45,134	4.5%	-11,124	-11,124	0	0	-	-	-
North Franklin County	3,436,519	64,330	1.9%	0	0	0	0	-	\$2.75	\$2.50
Northeast Roanoke	10,887,475	412,131	3.8%	-50,000	-50,000	0	0	-	\$8.91	\$6.64
Northwest Roanoke	2,565,584	152,352	5.9%	0	0	0	0	\$6.00	-	\$3.00
South Franklin County	883,276	46,530	5.3%	0	0	0	0	-	-	-
Southeast Roanoke	3,481,152	26,850	0.8%	0	0	0	0	-	-	\$3.60
Southwest Roanoke	14,277,412	366,903	2.6%	151,227	151,227	9,900	0	\$3.00	\$11.00	\$6.23
ROANOKE TOTALS	40,923,783	1,114,230	7.4%	90,103	90,103	9,900	0	\$6.72	\$8.89	\$5.69

*Rental rates reflect weighted net asking \$psf/year

KEY LEASE TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
5205 Starkey Road	Southwest Roanoke	Undisclosed	12,800	New
105 St John Road	Southwest Roanoke	Undisclosed	9,800	New
1104 Delaware Street	Southwest Roanoke	Rupeshkomar I. Shah	9,700	New
2213 Patterson Avenue SW	Southwest Roanoke	Eco-Tech USA	8,000	New
2224 Buford Avenue	Southwest Roanoke	Paramount Builders LLC	7,526	New

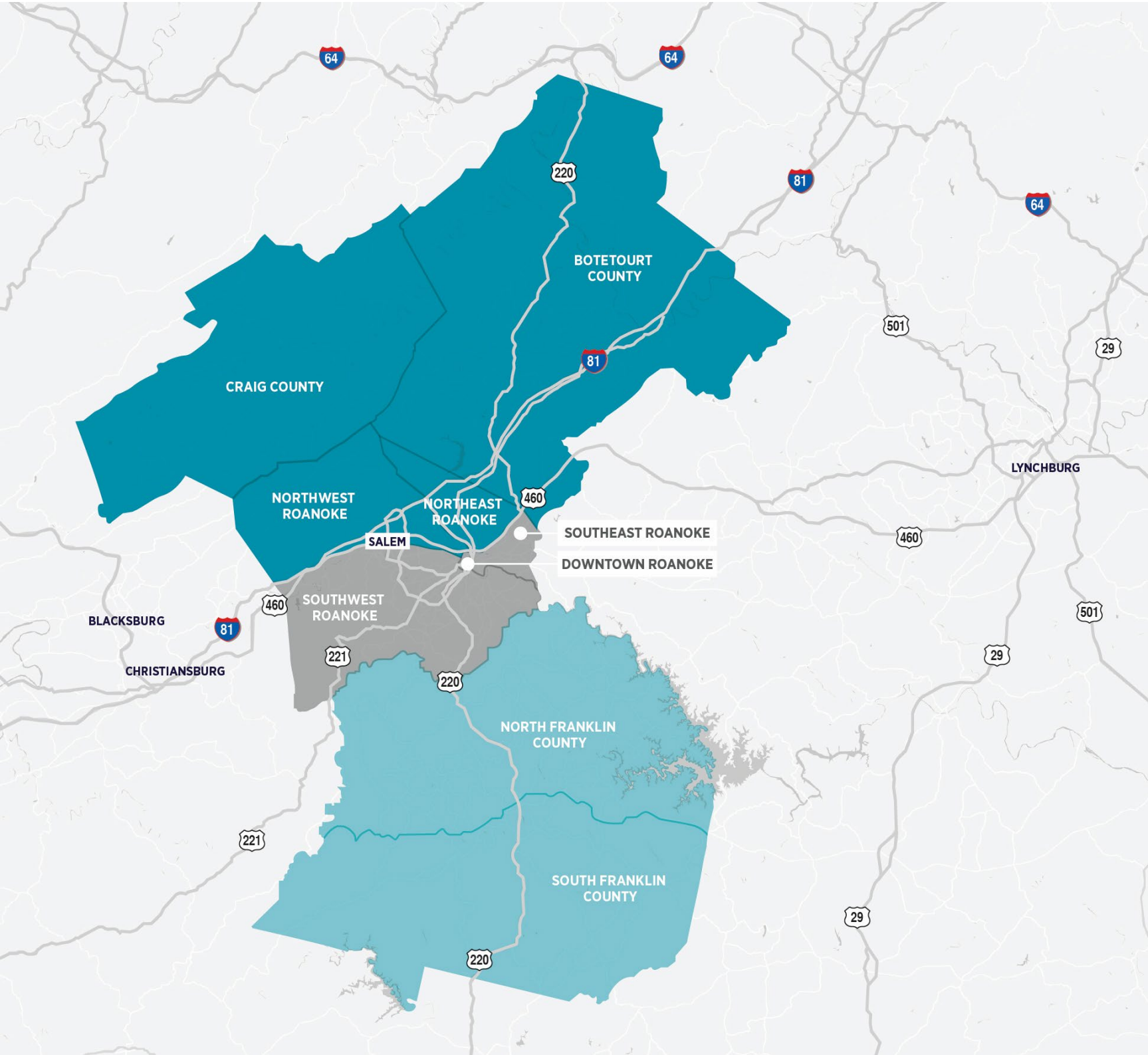
KEY SALE TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
2005 Greenbrier Avenue SE	Southeast Roanoke	Frank Chervan Inc / Gregory Pallet & Lumber Co	269,732	\$2M / \$7.41
3321 Shenandoah Avenue SW	Southwest Roanoke	Lawrence C Musgrove, III / Greg Noles	11,239	\$1.39M / \$123.79
501 Salem Avenue SW	Downtown Roanoke	Khans Builders & Contractors / Bill Chapman Enterprises	28,812	\$775K / \$26.90

KEY UNDER CONSTRUCTION 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
68 St John Road	Southwest Roanoke	N/A	9,900	N/A

INDUSTRIAL SUBMARKETS



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