

MARKET FUNDAMENTALS

	YOY Chg	Outlook
5.9% Vacancy Rate	▲	▲
-41.4K YTD Net Absorption, SF	▼	▲
\$20.33 Asking Rent, PSF <small>(Overall, All Property Classes)</small>	▲	▬

ECONOMIC INDICATORS

	YOY Chg	Outlook
168.1K Roanoke MSA Employment	▼	▲
3.0% Roanoke MSA Unemployment Rate	▲	▲
4.1% U.S. Unemployment Rate <small>Source:BLS</small>	▲	▲

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: REMAINS STABLE

Roanoke’s office market has shown moderate movement throughout the first quarter. Overall absorption was negative, while the vacancy rate increased 30 basis points (bps) quarter-over-quarter (QOQ). New leasing activity remained robust with over 57,000 square feet (sf) of space being leased, which is an increase of 46.2% QOQ. With the completion 20,000 sf of office space at 32 Town Center Street in Botetourt County, there are no remaining properties in the construction pipeline.

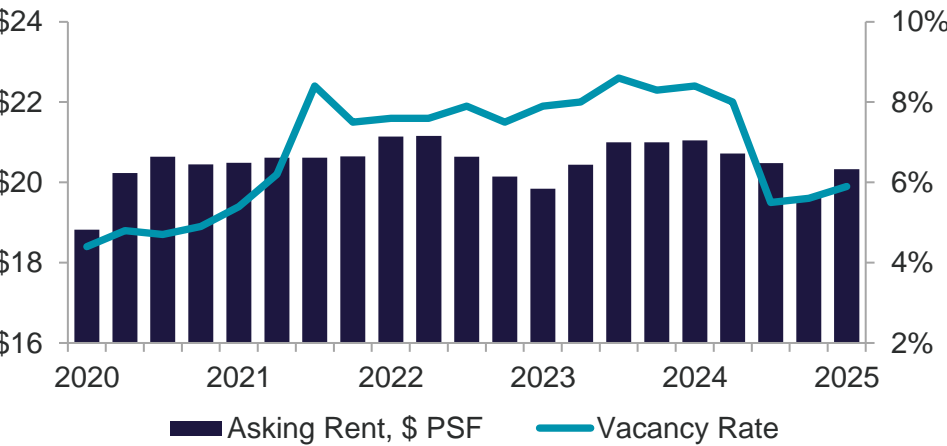
PRICING: TRENDING UPWARD

Overall asking rents ticked up slightly, rising 3.4% compared to the previous quarter, and dipping 3.5% year-over-year (YOY). Significant lease transactions include 442 Rutherford Ave NE, where Bastille Networks leased 15,000 sf of class A space in Southeast Roanoke. Notable sale transactions include 616 Idaho Street a 48,580 sf building that sold for \$5.69 M, or \$117.23 per-square-foot (psf). Trailing behind was 230 Franklin Street in Rocky Mount, a 12,000 sf building that sold for \$650,000, or \$54.17 psf.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Botetourt County	405,113	21,368	0	5.3%	13,180	13,180	2,142	0	\$22.00	-
Downtown Roanoke	3,638,009	316,674	0	8.7%	-17,262	-17,262	6,972	0	\$21.70	\$26.11
North Franklin County	156,569	0	0	0%	0	0	0	0	-	-
Northeast Roanoke	2,319,503	104,622	0	4.5%	-8,262	-8,262	10,580	0	\$17.28	\$
Northwest Roanoke	351,563	34,160	0	9.7%	-2,747	-2,747	2,747	0	\$22.00	\$22.00
South Franklin County	33,003	0	0	0%	0	0	0	0	-	-
Southeast Roanoke	176,085	15,635	0	8.9%	0	0	15,000	0	\$21.52	\$21.52
Southwest Roanoke	3,394,133	125,639	0	3.7%	-26,334	-26,334	27,685	0	\$15.47	\$17.02
ROANOKE TOTALS	10,473,978	618,098	0	5.9%	-41,425	-41,425	65,126	0	\$20.33	\$23.75

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
442 Rutherford Ave NE	Southeast Roanoke	Bastille Networks	15,000	New
10 S Jefferson St	Downtown Roanoke	Undisclosed	6,822	New
7857 Enon Dr	Northeast Roanoke	Beltone	5,400	Renewal
7857 Enon Dr	Northeast Roanoke	ECS Mid-Atlantic	5,180	New

*Renewals not included in leasing statistics

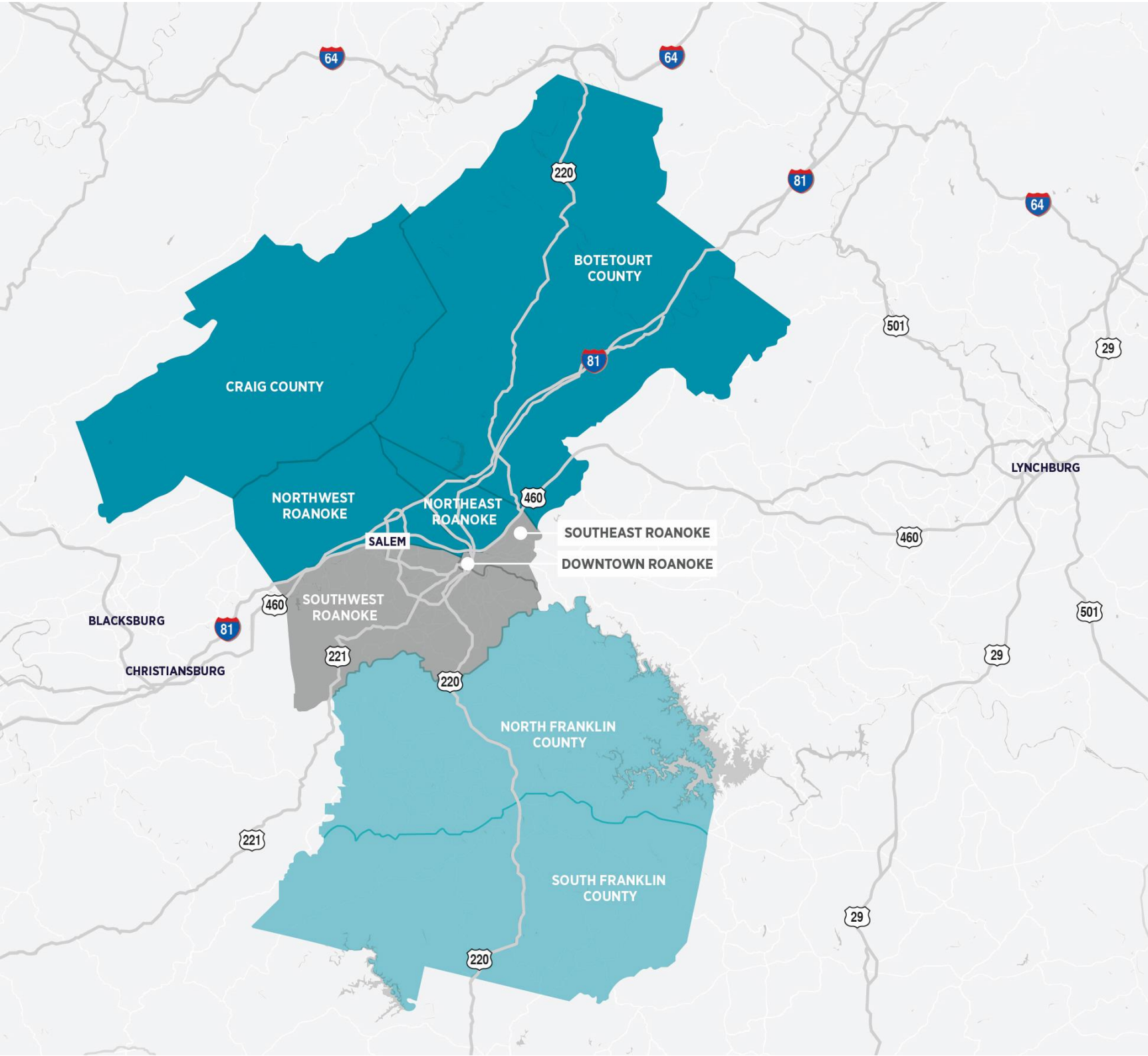
KEY SALE TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
616 Idaho Street	Southwest Roanoke	Ben Feldman / Qualichem, Inc.	48,580	\$5.7M / \$117.23
230 Franklin Street	North Franklin County	Wray James H / Carl F Miller	12,000	\$650K / \$54.17

KEY CONSTRUCTION COMPLETIONS Q1 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
32 Town Center Street	Botetourt County	Undisclosed	20,000	-

OFFICE SUBMARKETS



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