

MARKET FUNDAMENTALS

	YOY Chg	Outlook
3.1% Vacancy Rate	▲	▲
-36.3K YTD Net Absorption, SF	▲	▲
\$6.27 Asking Rent, PSF <small>(Overall, Net Asking Rent)</small>	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
167.9K Roanoke MSA Employment	▲	▲
3.3% Roanoke MSA Unemployment Rate	▲	▲
4.2% U.S. Unemployment Rate <small>Source:BLS</small>	▲	▲

ECONOMY: CONTINUED REGIONAL INVESTMENT

At the end of the second quarter, the Roanoke region unemployment rate stands at 3.3%, which remains well below the national rate of 4.2%. According to Old Dominion University, the Blacksburg, Christiansburg, and Radford metro area has experienced a 13.1% increase in GDP since 2019, closely aligning with the statewide growth rate of 13.2% during the same period. In a significant economic development move, Google has purchased land in Botetourt County zoned for industrial use and data centers. The company plans to cover all expenses required to extend utility services to the site. Once operational, the facility is expected to generate substantial tax revenue, which will help fund school facility upgrades, infrastructure improvements, first responder equipment, and other community needs.

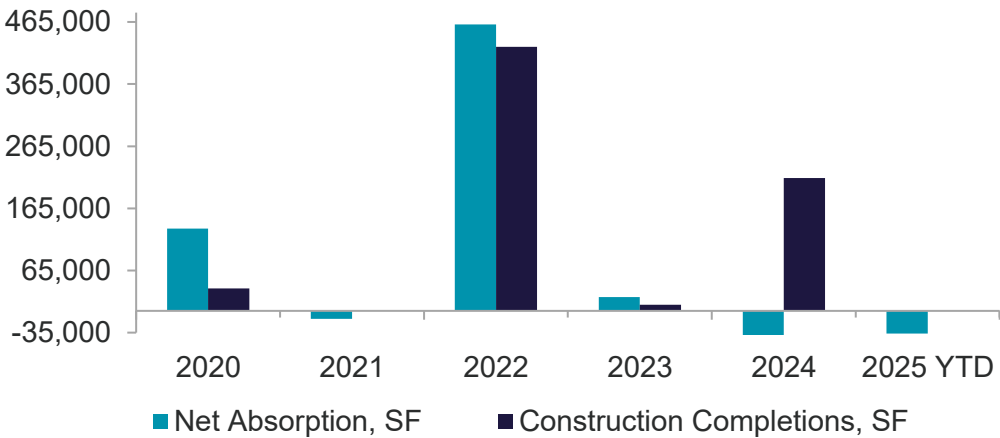
SUPPLY AND DEMAND: EXPANDING INDUSTRIAL FOOTPRINT

The overall vacancy rate remained flat quarter-over-quarter (QOQ) and has increased 80 basis points (bps) year-over-year (YOY) to 3.1%. Construction is limited to the 9,900 square foot (sf) building at 68 St John Rd, with asking rates starting at \$11.75 per square foot (psf). Once delivered, the new building will help ease the supply shortage. Leasing activity topped 85,500 sf for the quarter with continued investments being made in the region. Integer, a global medical contract developer and manufacturing organization announced plans to expand their operations in Southwest Roanoke over the next five years. Currently located at 200 South Yorkshire Street, Integer plans to lease a 13,000-sf manufacturing facility nearby which is estimated to create over 83 jobs.

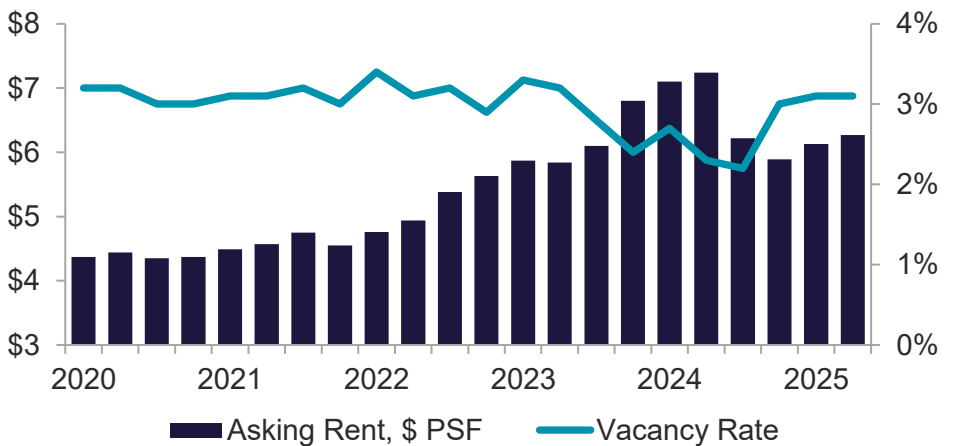
PRICING: UPWARD PRESSURE

Upward pressure on overall rental rates continued through the second quarter with an ongoing supply-side storage of warehouse and office/service space that pushed rates up 2.2% QOQ. Notable sale transfers included 14822 Lee Highway in Botetourt County. This 17,039-sf warehouse sold for \$2.5 million or \$146.72 psf. Also closing in the second quarter was the sale of 1330 Courtland Road NE. This 9,480-sf building in Northeast Roanoke traded for \$1.0M or \$105.49 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)	YTD CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Botetourt County	4,361,478	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%	0	-11,124	0	0	-	-	-
North Franklin County	3,375,143	65,194	1.9%	-864	-364	0	0	-	-	\$2.50
Northeast Roanoke	10,899,655	428,606	3.9%	-26,746	-53,667	0	0	-	\$9.85	\$6.67
Northwest Roanoke	2,655,819	152,352	5.7%	0	9,400	0	0	\$6.00	-	-
South Franklin County	883,276	30,000	3.4%	0	0	0	0	-	-	-
Southeast Roanoke	3,481,152	31,116	0.9%	-4,266	-4,266	0	0	-	-	\$3.98
Southwest Roanoke	14,299,108	501,223	3.5%	22,480	23,707	9,900	0	\$3.00	\$11.00	\$7.77
ROANOKE TOTALS	41,006,518	1,253,625	3.1%	-9,396	-36,314	9,900	0	\$6.72	\$10.41	\$5.83

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

KEY LEASE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
3453 Aerial Way Dr SW	Southwest Roanoke	Orion Solutions, LLC	41,200	New
685 Tripple Creek Rd	South Franklin County	Undisclosed	16,530	New
315 24 th St NW	Southwest Roanoke	Small Batch Liquidations, LLC	15,800	New
2813-2825 Mary Linda Ave	Northeast Roanoke	Noble Office Furniture	7,000	Renewal*
1715 Granby St NE	Northeast Roanoke	Undisclosed	5,000	New

* Renewals not included in leasing activity

KEY SALE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
14822 Lee Hwy	Botetourt County	Simmons Holdings, LLC / Mkkb Holdings, LLC	17,039	\$2.5M / \$146.72
1330 Courtland Rd NE	Northeast Roanoke	Southeastern Building Corporation / 2 Hornes Va, LLC	9,480	\$1.0M / \$105.49
3032 Trinkle Ave NE	Northeast Roanoke	Undisclosed / Undisclosed	5,271	\$325K / \$61.66

KEY UNDER CONSTRUCTION 2025

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

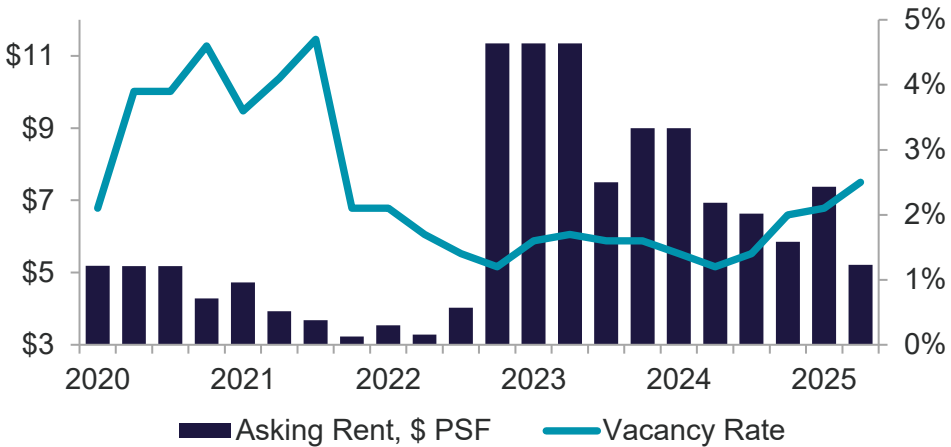
The statistics provided below are for the **Blacksburg** and **Lynchburg** areas, located immediately adjacent to the Roanoke market. These market areas are **not** included in the Roanoke market statistics included on the prior pages of this report but are presented separately due to notable market activity.

BLACKSBURG & LYNCHBURG MARKET STATISTICS

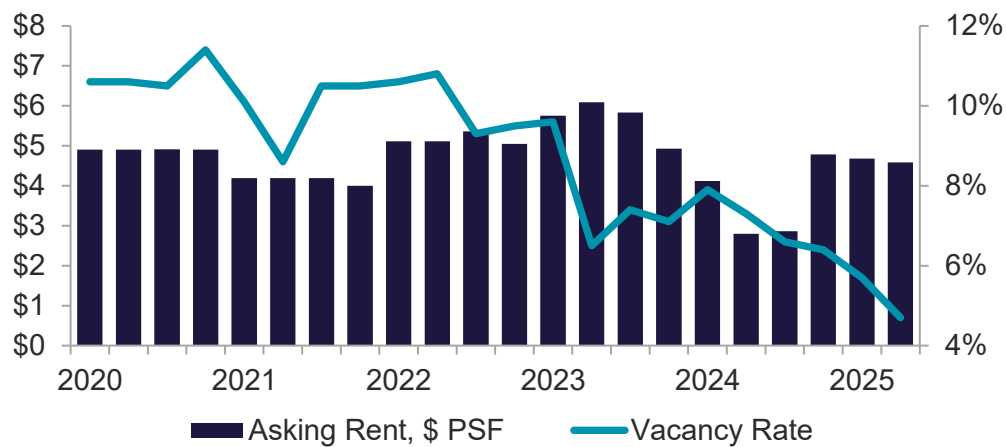
SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	YTD LEASING ACTIVITY SUBLET (SF)	YTD LEASING ACTIVITY TOTAL (SF)	OVERALL WEIGHTED AVERAGE NET RENT (W/D)
Blacksburg	12,966,651	323,005	2.5%	-70,275	-82,685	0	0	27,000	345,043	\$5.14
Lynchburg	19,400,697	919,497	4.7%	178,406	303,012	54,100	0	0	88,784	\$4.58
BLACKSBURG & LYNCHBURG TOTALS	32,367,348	1,242,502	3.6%	108,131	220,327	54,100	0	27,000	433,827	\$4.86

*Rental rates reflect full service asking

BLACKSBURG OVERALL VACANCY & ASKING RENT



LYNCHBURG OVERALL VACANCY & ASKING RENT



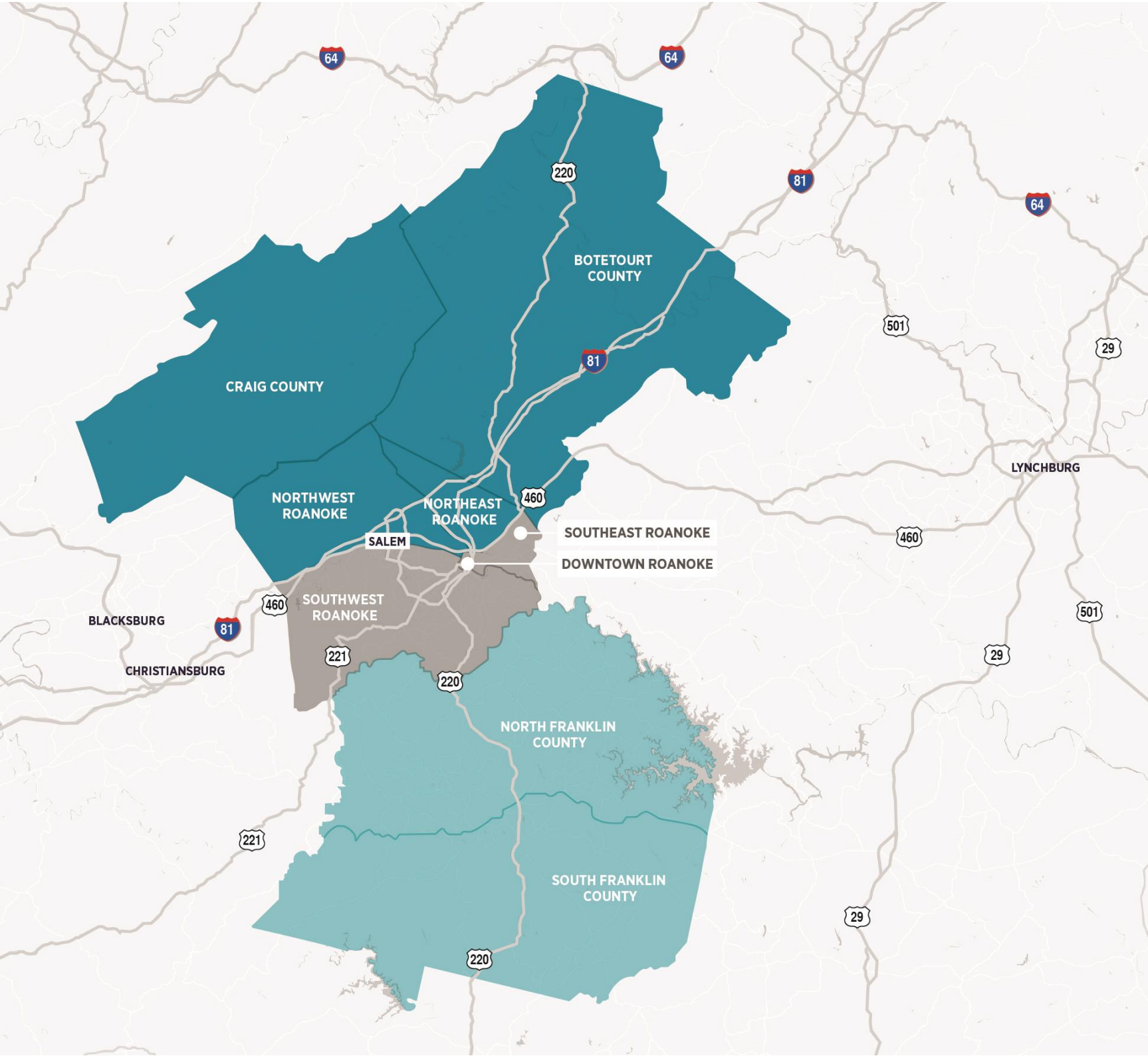
KEY SALE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
1130 Cambria St NE	Blacksburg	Shah Development, LLC / Eagles Nest Regeneration, Inc.	6,676	\$675K / \$101.11
2941 Carroll Ave	Lynchburg	R & B Associates of Lynchburg, LLC / Dantas Properties, LLC	5,814	\$430K / \$73.96

KEY CONSTRUCTION PROJECTS Q2 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
2732 Clover Pl	Lynchburg	Undisclosed	30,000	Dantas Properties, LLC / Undisclosed
3200 Carroll Ave	Lynchburg	Undisclosed	14,100	Undisclosed / Undisclosed
358 Crowell Ln	Lynchburg	Undisclosed	10,000	Shockley Holdings, LLC / Undisclosed

INDUSTRIAL SUBMARKETS



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