

MARKET FUNDAMENTALS

	YOY Chg	Outlook
6.2% Vacancy Rate	▲	▲
-49.4K YTD Net Absorption, SF	▼	▲
\$20.80 Asking Rent, PSF <small>(Overall, All Property Classes)</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, & Radford metro area has experienced a 13.1% increase in GDP since 2019, closely aligning with the statewide growth rate of 13.2% over 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.

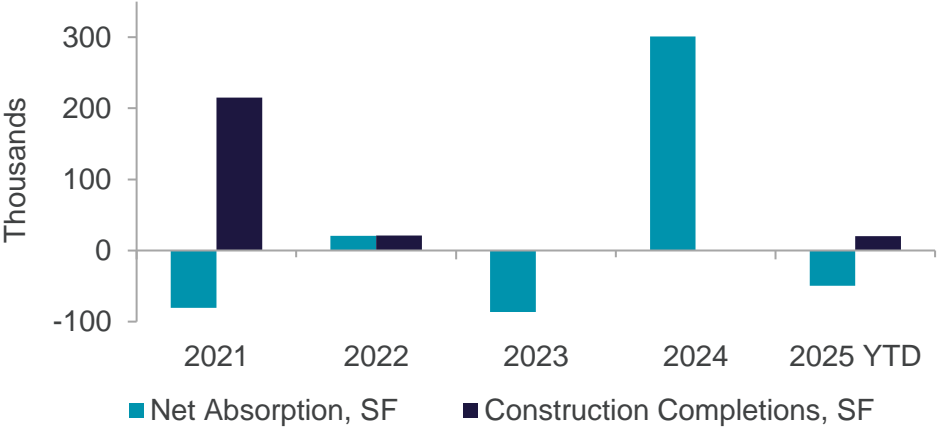
SUPPLY AND DEMAND: INVENTORY INCREASING

Roanoke’s office market has shown moderate movement throughout the second quarter. Overall absorption was negative, while the vacancy rate increased 20 basis points (bps) quarter-over-quarter (QOQ). New leasing activity remained steady, totaling over 18,700 square feet (sf) of space being leased throughout the quarter and surpassing 90,900 sf year-to-date (YTD). Southwest Roanoke led the market, accounting for over 7,338 sf of newly occupied space. In the construction pipeline, Centra Langhorne Medical Center remains underway. Located in Lynchburg, this 130,000 sf multi tenant medical office building is planned to be 5 stories tall and will be 100% occupied at opening.

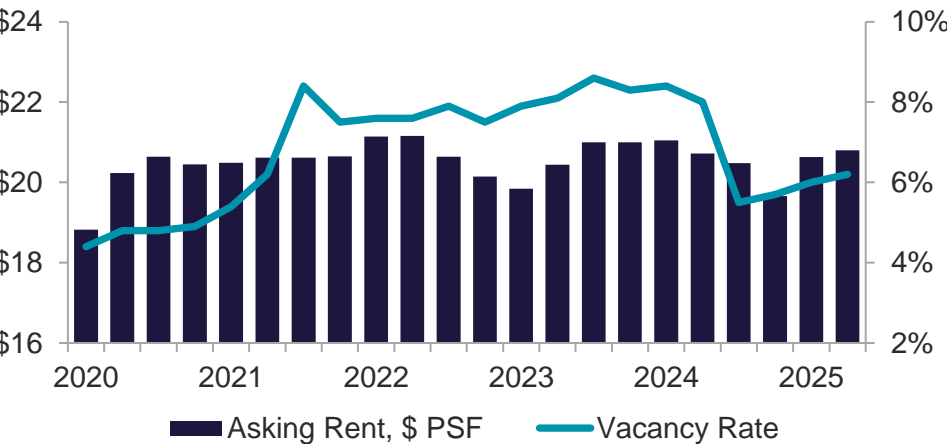
PRICING: RATES STABILIZED

Overall asking rents remained essentially flat, with just a 1.0% increase compared to the previous quarter. Significant lease transactions include 301 S Main St, where Twenty20 Management leased 7,489 sf of space in Blacksburg. Notable sale transactions include 210 S Jefferson St, a 18,444 sf building located in Downtown Roanoke. Edward Walker purchased this building from the Roanoke Regional Chamber of Commerce for \$1.0 Million (M), or \$54.22 per-square-foot (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	410,685	24,061	0	5.9%	-6,358	8,964	5,807	0	\$28.00	-
Downtown Roanoke	3,590,595	313,974	0	8.7%	3,855	-13,407	12,639	0	\$21.82	\$26.34
North Franklin County	156,569	0	0	0%	0	0	0	0	-	-
Northeast Roanoke	2,319,734	109,872	0	4.7%	-7,349	-15,611	12,679	0	\$18.16	-
Northwest Roanoke	351,563	34,160	0	9.7%	2,747	0	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%	15,000	15,000	15,000	0	\$21.52	\$21.52
Southwest Roanoke	3,416,530	152,630	0	4.5%	-8,483	-44,302	42,109	0	\$18.00	\$16.94
ROANOKE TOTALS	10,454,764	650,332	0	6.2%	-588	-49,356	90,981	0	\$20.80	\$24.09

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
310 First St	Downtown Roanoke	RRMM Architects	5,667	New
3959 Electric Rd	Southwest Roanoke	Undisclosed	4,877	New
65 Shenandoah Ave	Botetourt County	Undisclosed	3,665	New
5251 Concourse Dr	Northeast Roanoke	Undisclosed	2,099	New
4419 Pheasant Ridge Rd	Southwest Roanoke	James River Home Healthcare, Inc.	1,865	New

*Renewals not included in leasing statistics

KEY SALE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
210 S Jefferson St	Downtown Roanoke	Roanoke Regional Chamber / Edward B Walker	18,444	\$1.0M / \$54.22

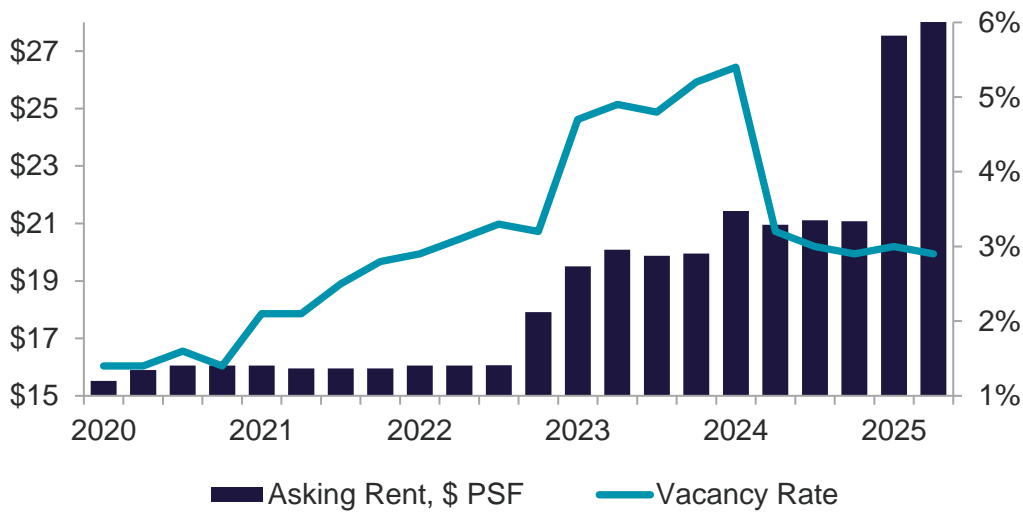
The statistics provided below are for the **Blacksburg** and **Lynchburg** areas, located immediately adjacent to the Roanoke market. These market areas are **not** included in the Roanoke market statistics included on the prior pages of this report but are presented separately due to notable market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

BLACKSBURG & LYNCHBURG MARKET STATISTICS

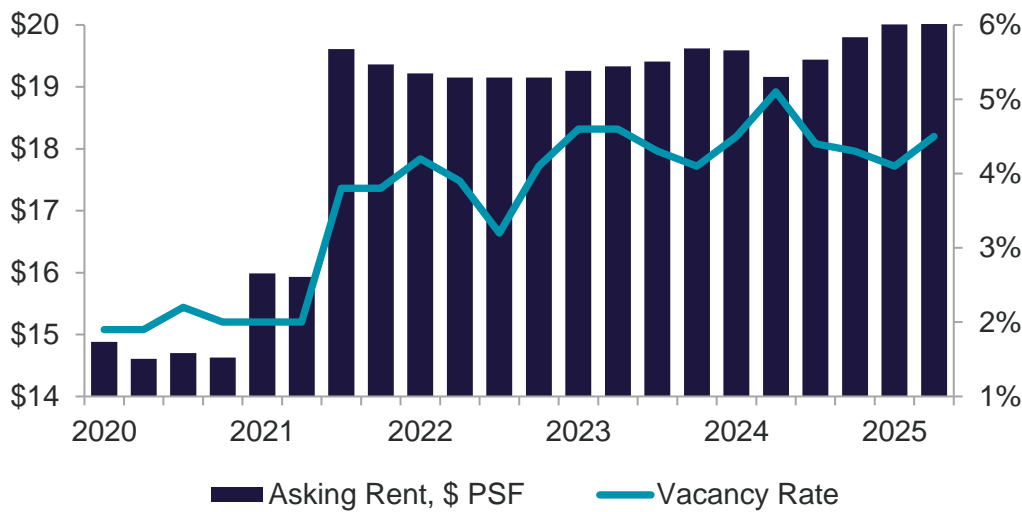
SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Blacksburg	3,010,341	86,499	0	2.9%	4,767	9,130	16,643	-	\$28.34	-
Lynchburg	4,012,129	179,808	1,400	4.5%	-15,629	-6,700	14,470	130,000	\$20.09	-
BLACKSBURG & LYNCHBURG TOTALS	7,022,470	266,307	1,400	3.7%	-10,862	2,430	31,113	130,000	\$24.22	-

*Rental rates reflect full service asking

BLACKSBURG OVERALL VACANCY & ASKING RENT



LYNCHBURG OVERALL VACANCY & ASKING RENT



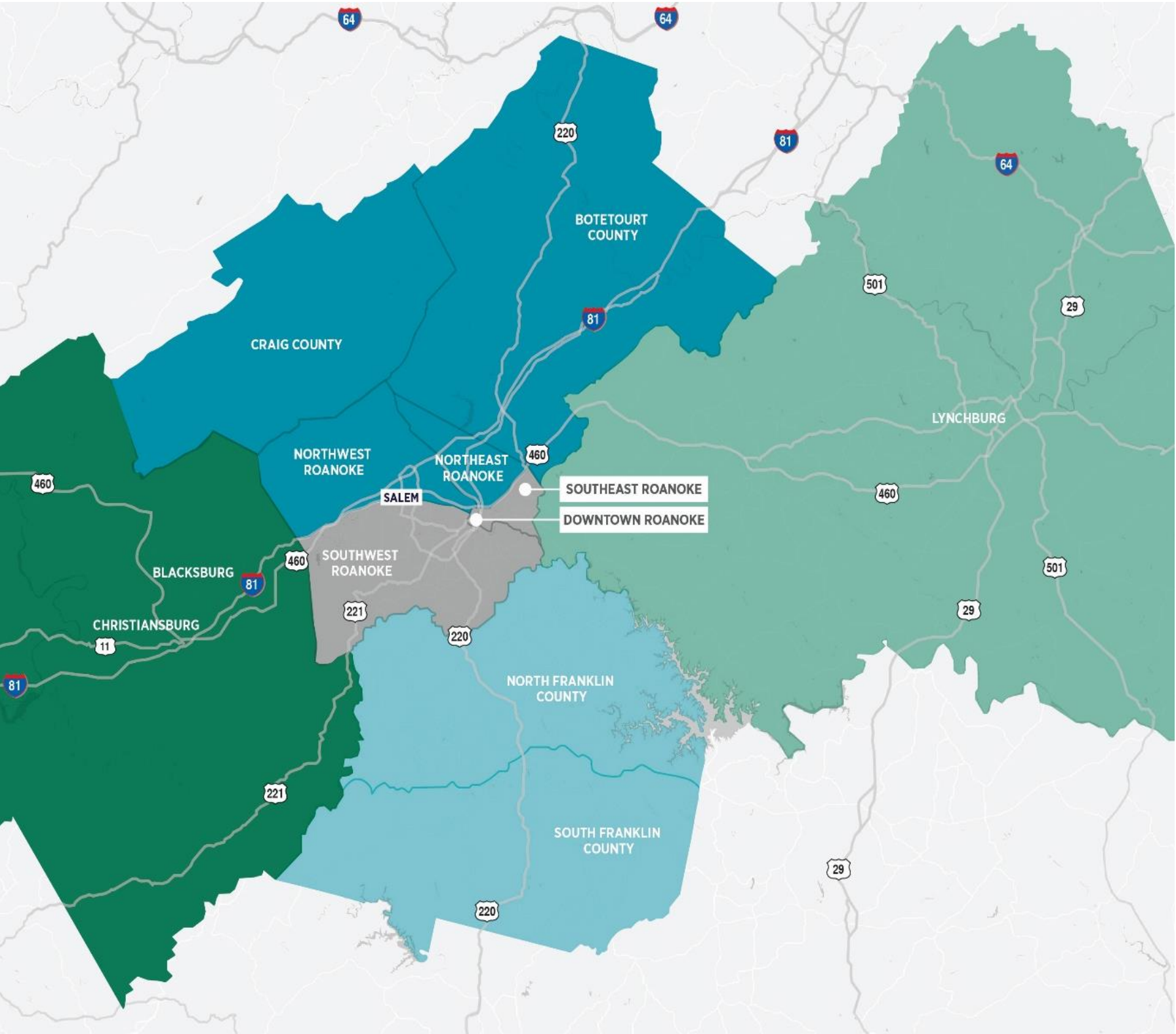
KEY SALE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
200 Professional Park Dr SE	Blacksburg	Frances T Wilson Revocable Trust / 200ProfParks4, LLC	33,000	\$372K / \$11.29
2001 S Main St Suite 103	Blacksburg	Cip Properties, LLC / Jjdl, LLC	16,890	\$300K / \$17.76
2250 Murrell Rd	Lynchburg	Rock Tree Investments, LLC / Favored Services, LLC	12,000	\$235K / \$19.58

KEY CONSTRUCTION PROJECTS Q2 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
2125 Langhorne Rd	Lynchburg	Centra Medical Group, LLC	130,000	Centra Health, Inc. / Remedy Medical Properties

OFFICE SUBMARKETS



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