

MARKET FUNDAMENTALS

	YOY Chg	Outlook
<div>\$70,900</div> <div>Median HH Income</div>	▲	▲
<div>0.3%</div> <div>Population Growth</div>	▬	▲
<div>3.3%</div> <div>Unemployment Rate</div>	▲	▲

Source: BLS

ECONOMIC INDICATORS

	YOY Chg	Outlook
<div>1.4%</div> <div>GDP Growth</div>	▼	▲
<div>2.4%</div> <div>Consumer Spending Growth</div>	▼	▲
<div>2.0%</div> <div>Retail Sales Growth</div>	▼	▬

Source: BEA, Census Bureau

ECONOMY: CONTINUED REGIONAL INVESTMENT

At the end of the second quarter, the Roanoke region’s 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 areas have 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 and will 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.

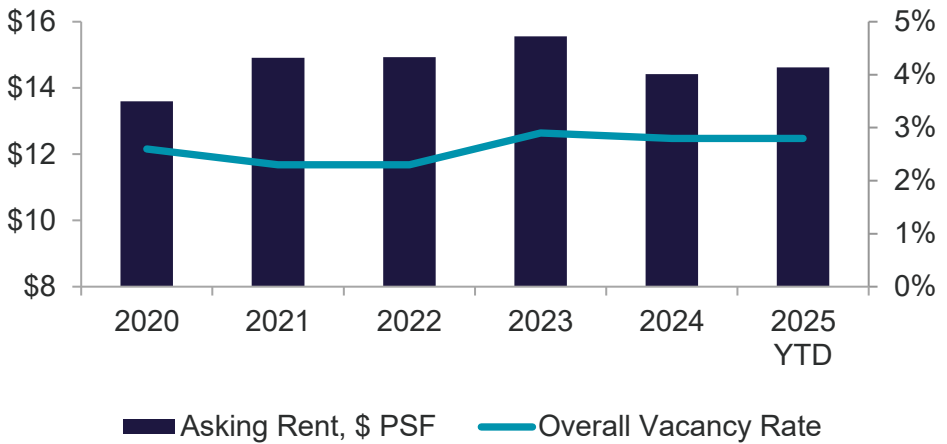
INVENTORY: INCREASED CONSTRUCTION PIPELINE

Overall vacancy remained flat quarter-over-quarter (QOQ) at 2.8%, marking the sixth consecutive quarter rates have remained at or below 3.1%. Leasing activity reached 76,354 square feet (sf) year-to-date (YTD). While there were no deliveries for the quarter, 7512 Williamson Road remains under construction. Sheetz plans to occupy the 6,000 sf building in Northeast Roanoke once completed. 7 Brew Coffee has broken ground on their location at 1229 West Main Street in Salem. Next door, Cookout has torn down the former Atlantic Union Bank branch and has begun their ground-up construction.

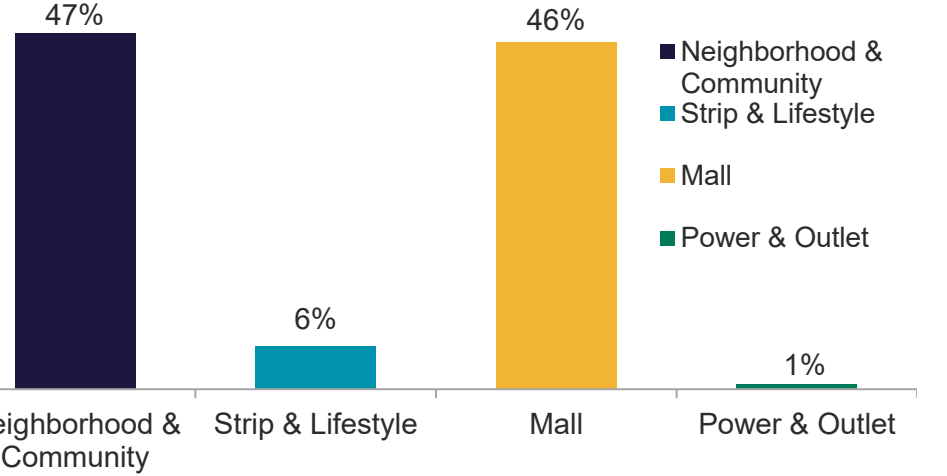
PRICING: REMAINS STABLE

Rental rates have remained essentially flat QOQ, and have increased 8.4% year-over-year (YOY). Neighborhood and community centers have seen the largest rental rate increase, increasing 6.3% QOQ. Topping the sale transactions for the quarter was 7521 Friendship Lane. This 2,500 sf building, which was 100% occupied by Starbucks at the time of sale, sold for \$3.0 million or \$1,190.80 per square foot (psf). The second largest transaction was 5030 Valley View Boulevard in Northeast Roanoke. This 6,922 sf building transacted for \$2.2 million or \$316.38 psf, with Red Palace Valley View fully occupying the space. Elsewhere in Roanoke, a small portfolio of two (2) KFC’s sold, consisting of the Orange Avenue and Electric Road locations.

OVERALL VACANCY & ASKING RENT



AVAILABILITY BY PRODUCT TYPE



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)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (NNN)*
Botetourt County	1,622,992	39,630	0	2.4%	0	24,113	0	\$15.53
Craig County	74,325	0	0	0.0%	0	0	0	-
Downtown Roanoke	1,296,021	15,888	0	1.2%	2,274	731	0	\$10.00
North Franklin County	1,068,729	48,980	0	4.6%	-14,152	-16,876	0	\$13.93
Northeast Roanoke	6,414,030	46,459	156,331	3.2%	-8,999	6,853	0	\$14.76
Northwest Roanoke	2,823,841	89,489	0	3.2%	-14,301	-39,939	0	\$14.16
South Franklin County	748,397	4,200	14,550	2.5%	0	0	0	\$25.00
Southeast Roanoke	1,418,956	11.045	0	0.8%	470	-530	0	\$9.77
Southwest Roanoke	6,797,729	203,111	2,216	3.0%	2,605	6,777	0	\$18.30
ROANOKE TOTALS	22,265,020	458,802	173,097	2.8%	-32,103	-18,871	0	\$15.00

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

KEY LEASE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
5301-5329 Williamson Rd	Northeast Roanoke	Undisclosed	10,000	New
3422-3424 Orange Ave NE	Northeast Roanoke	Tacos Los Torros LLC #3	7,857	New
1300-1338 W Main St	Southwest Roanoke	Undisclosed	5,600	New
3109 Brambleton Ave	Southwest Roanoke	Undisclosed	4,300	New
903 W Main St	Northwest Roanoke	QDOBA	2,687	New

KEY SALE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
7521 Friendship Ln	Northeast Roanoke	ROANOKE VA 7515 FRIENDSHIP, LLC / Wellshire Properties, LLC	2,500	\$2.98M / \$1,190.80
5030 Valley View Blvd NW	Northeast Roanoke	Ts Gulick Real Estate, LLC / L & Y Property of Roanoke, LLC	6,922	\$2.19M / \$316.38
3226 Brandon Ave SW	Southwest Roanoke	Boundy Properties, Inc / Chill Zone Prop, LLC	3,579	\$1.6M / \$447.05

KEY UNDER CONSTRUCTION 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
7512 Williamson Rd	Northeast Roanoke	Sheetz	6,000	Visconsi Companies. Ltd.
1229 W Main St	Northwest Roanoke	7 Brew Coffee	510	7 Hills Investment Properties

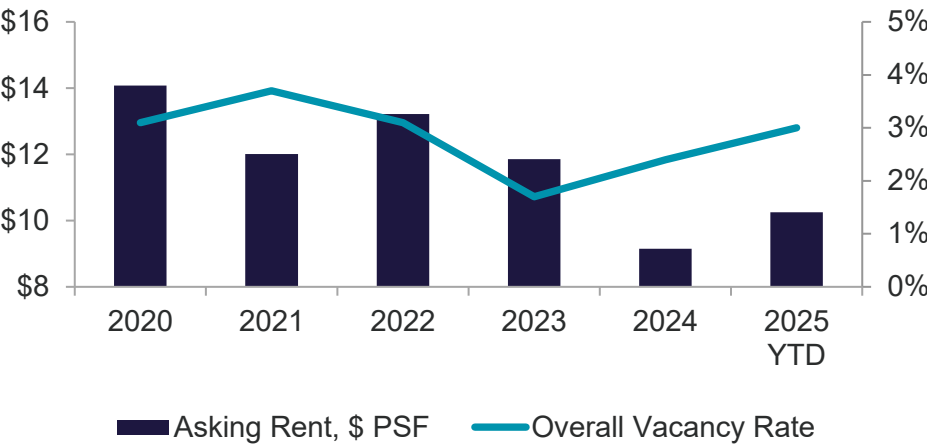
The statistics provided below are for the **Blacksburg** and **Lynchburg** areas, located immediately adjacent to the Roanoke market. These market areas are **not** included in the Roanoke market statistics included on the prior pages of this report but are presented separately due to notable market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

BLACKSBURG & LYNCHBURG MARKET STATISTICS

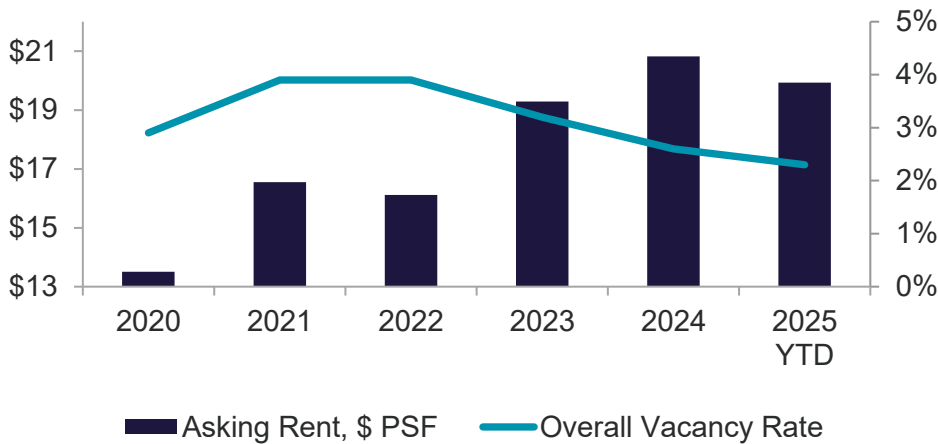
SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (NNN)*
Blacksburg	9,473,920	272,583	10,500	2.9%	33,300	60,691	-	\$11.05
Lynchburg	14,065,597	351,817	8,250	2.2%	-15,629	46,086	24,800	\$19.91
BLACKSBURG & LYNCHBURG TOTALS	23,539,517	624,400	18,750	2.6%	17,671	106,777	24,800	\$15.48

*Rental rates reflect full service asking

BLACKSBURG OVERALL VACANCY & ASKING RENT



LYNCHBURG OVERALL VACANCY & ASKING RENT



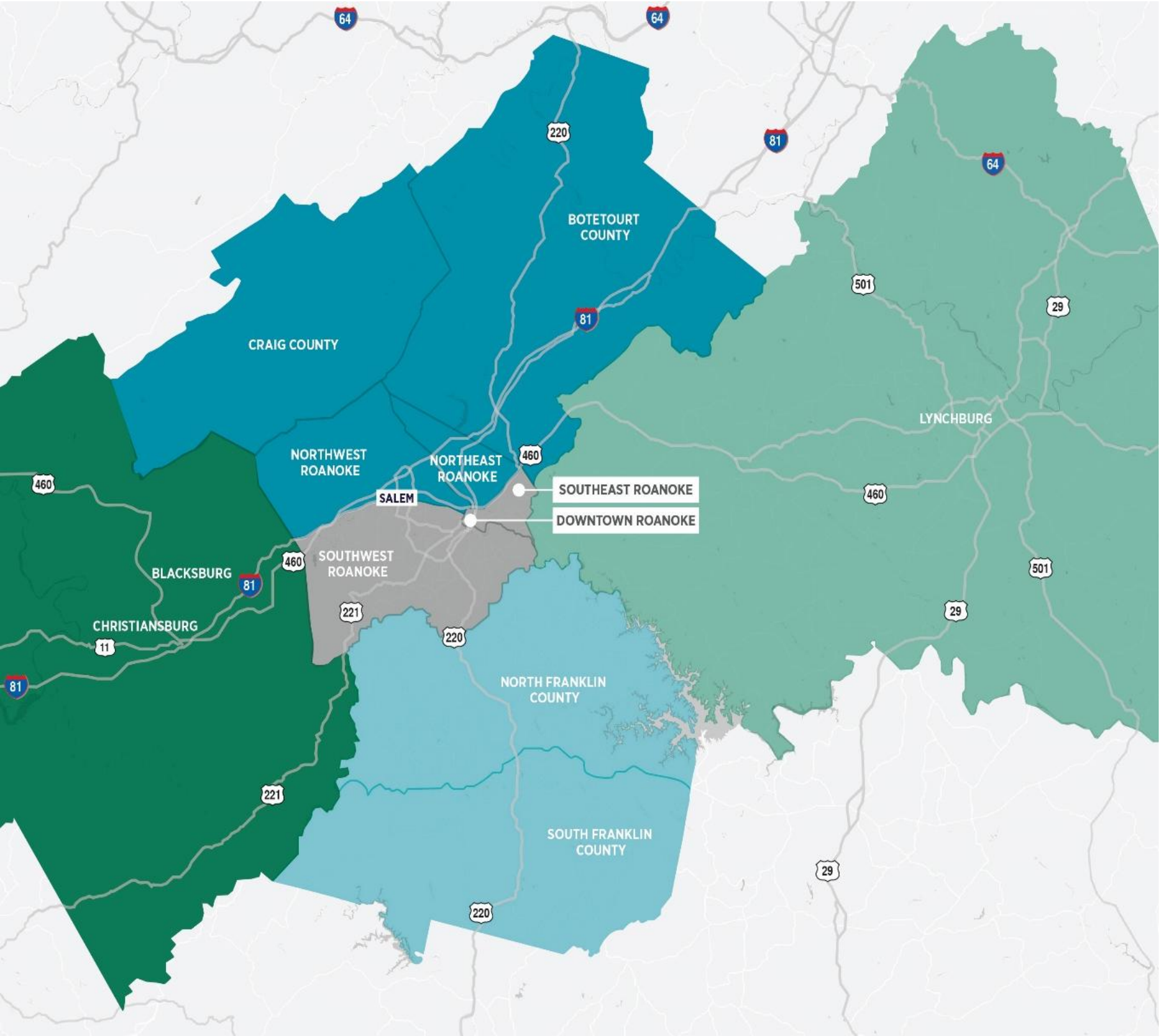
KEY LEASE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
719-725 W Main St	Blacksburg	Tire Discounters	10,000	New
13955-14005 Wards Rd	Lynchburg	Advance Auto Parts	8,040	New
20479 Timberlake Rd	Lynchburg	National Bank of Blacksburg	5,804	New

KEY CONSTRUCTION PROJECTS Q2 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
1043 Gables Dr	Lynchburg	N/A	23,264	Maddox & Son Construction
3714 Waterlick Rd	Lynchburg	N/A	1,536	N/A

RETAIL SUBMARKETS



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