MARKETBEAT
ROANOKE, VA
INDUSTRIAL Q3 2025

CUSHMAN & WAKEFIELD THALHIMER

MARKET FUNDAMENTALS

	YOY Chg	Outlook
2.9% Vacancy Rate	▲	▼
63K YTD Net Absorption, SF	▲	▲
$6.15 Asking Rent, PSF	▼	▲

(Overall, Net Asking Rent)

ECONOMIC INDICATORS

	YOY Chg	Outlook
168K Roanoke MSA Employment	▲	▲
3.4% Roanoke MSA Unemployment Rate	▲	▲
4.3% U.S. Unemployment Rate	▲	▲

Source:BLS

ECONOMY: REGIONAL INVESTMENT GROWTH

The Roanoke region closed the third quarter with an unemployment rate of 3.4%, a slight uptick from the previous quarter but still well below the national average of 4.3%. The area continues to demonstrate economic strength, ranking in the top third nationwide for food and beverage manufacturing according to Global Location Strategies. In addition, regional growth is being bolstered by new investments such as digital retail company MerryGoRound's announcement of a more than $10 million (M) fulfillment and logistics center in the Danville area. The project is projected to create over 200 new jobs.

SUPPLY AND DEMAND: NEW SUPPLY EASES PRESSURE

The overall vacancy rate decreased 90 basis points (bps) quarter-over-quarter (QOQ) and has increased 70 bps year-over-year (YOY) to end the quarter with a vacancy rate of 2.9%. Helping ease the supply-side shortage is the newly-built facility at 68 St John Road. This 9,900 square foot (sf) building was delivered in Southwest Roanoke, with rates starting at $11.75 per square foot (psf).

Leasing activity has topped 327,000 sf year-to-date (YTD). Notable lease transactions for the quarter include Solar Energy Solutions lease of 26,850 sf of space at the Nelson Roanoke Building located at 901 11th Street NE in Southeast Roanoke.

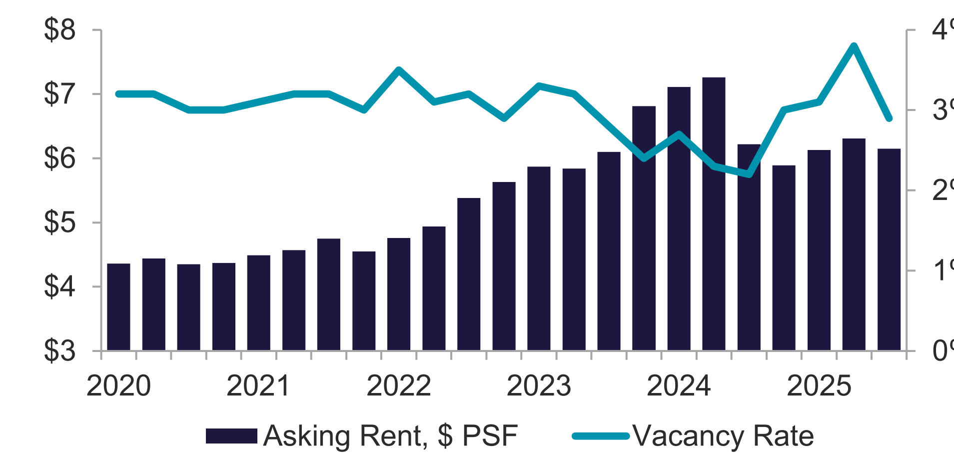
PRICING: RENTAL RATES STABILIZE

Overall rental rates dropped 2.5% QOQ, marking the end of three consecutive quarters of rental rate growth. Manufacturing and flex space rental rates remained flat, where warehouse rental rates saw a decrease of 4.6% QOQ.

Notable sale transfers included the sale of 1342 Roanoke Boulevard in Southwest Roanoke. Fit Studio purchase this 65,760-sf building for $4.9M, or $74.51 psf. Also closing in the third quarter was 5800 Prillaman Switch Road in South Franklin County. This 60,000-sf building traded for $750,000, or $12.50 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	954,910	0	0.0%	45,134	34,010	0	0	-	-	-
North Franklin County	3,375,143	65,194	1.9%	0	-364	0	0	-	-	$2.50
Northeast Roanoke	10,800,891	418,890	4.0%	309,183	-49,484	0	0	-	$9.85	$6.43
Northwest Roanoke	2,616,819	186,676	7.1%	-34,324	-24,924	0	0	$6.00	-	-
South Franklin County	883,276	0	0.0%	30,000	30,000	0	0	-	-	-
Southeast Roanoke	3,481,152	31,116	0.9%	0	-4,266	0	0	-	-	$3.98
Southwest Roanoke	14,324,014	477,326	3.4%	53,602	78,204	0	9,900	$3.00	$11.00	$7.48
ROANOKE TOTALS	**40,856,083**	**1,179,202**	**2.9%**	**403,595**	**63,176**	**0**	**9,900**	**$6.72**	**$10.41**	**$5.62**

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

KEY LEASE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
901 11th St NE	Southeast Roanoke	Solar Energy Solutions	26,850	New
793 Union St	Southwest Roanoke	Undisclosed	11,460	New
811 Connecticut Ave NE	Northeast Roanoke	Undisclosed	10,035	New
629-659 S Broad St	Southwest Roanoke	Undisclosed	7,125	New
600 Roanoke St	Southwest Roanoke	Undisclosed	5,000	New

** Renewals not included in leasing activity*

KEY SALE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
1342 Roanoke Blvd	Southwest Roanoke	Salem Flex, LLC / Fit Studio	65,760	$4.9M / $74.51
5800 Prillaman Switch Rd	South Franklin County	The McKelvey Companies / John Eagleton	60,000	$750K / $12.50
1910 Chapman Ave SW	Southwest Roanoke	D&H Investments / ASI Properties, LLC	6,250	$655K / $104.80

KEY CONSTRUCTION COMPLETIONS Q3 2025

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

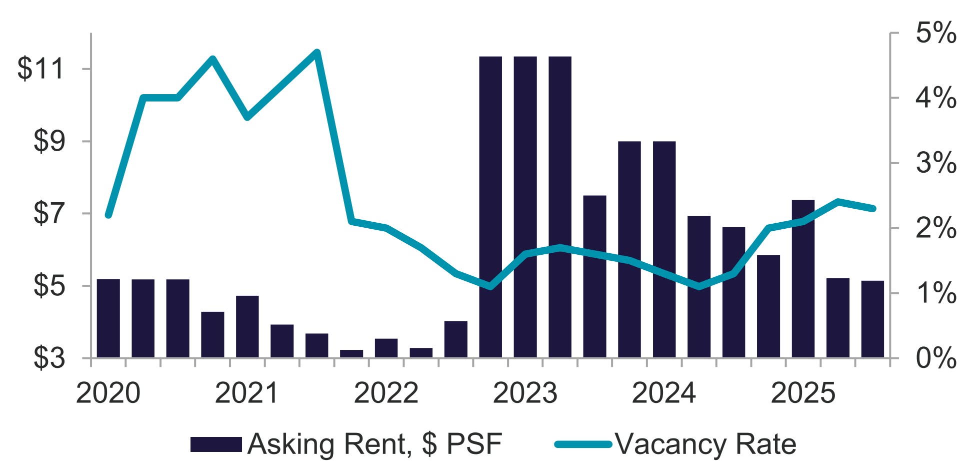
The statistics provided below are for the **Blacksburg** and **Lynchburg** areas, located immediately adjacent to the Roanoke market. These market areas are **not** included in the Roanoke market statistics included on the prior pages of this report but are presented separately due to notable market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

BLACKSBURG & LYNCHBURG MARKET STATISTICS

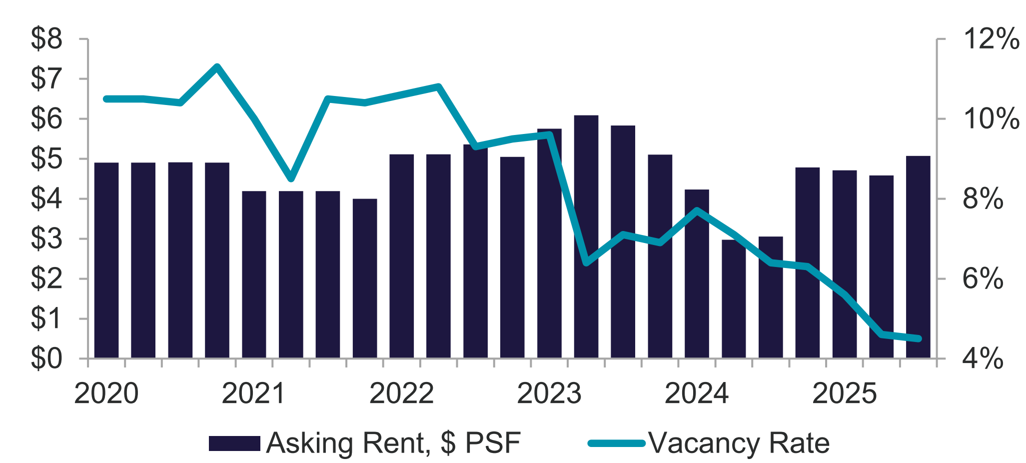
SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	YTD LEASING ACTIVITY SUBLET (SF)	YTD LEASING ACTIVITY TOTAL (SF)	OVERALL WEIGHTED AVERAGE NET RENT (W/D)
Blacksburg	12,810,786	295,439	2.3%	17,030	-59,659	0	0	27,000	358,500	$5.14
Lynchburg	19,503,797	878,939	4.5%	27,210	350,758	89,100	10,000	0	132,784	$5.07
BLACKSBURG & LYNCHBURG TOTALS	**32,314,583**	**1,174,378**	**3.4%**	**44,240**	**291,099**	**89,100**	**10,000**	**27,000**	**491,284**	**$5.12**

**Rental rates reflect full service asking*

BLACKSBURG OVERALL VACANCY & ASKING RENT



LYNCHBURG OVERALL VACANCY & ASKING RENT



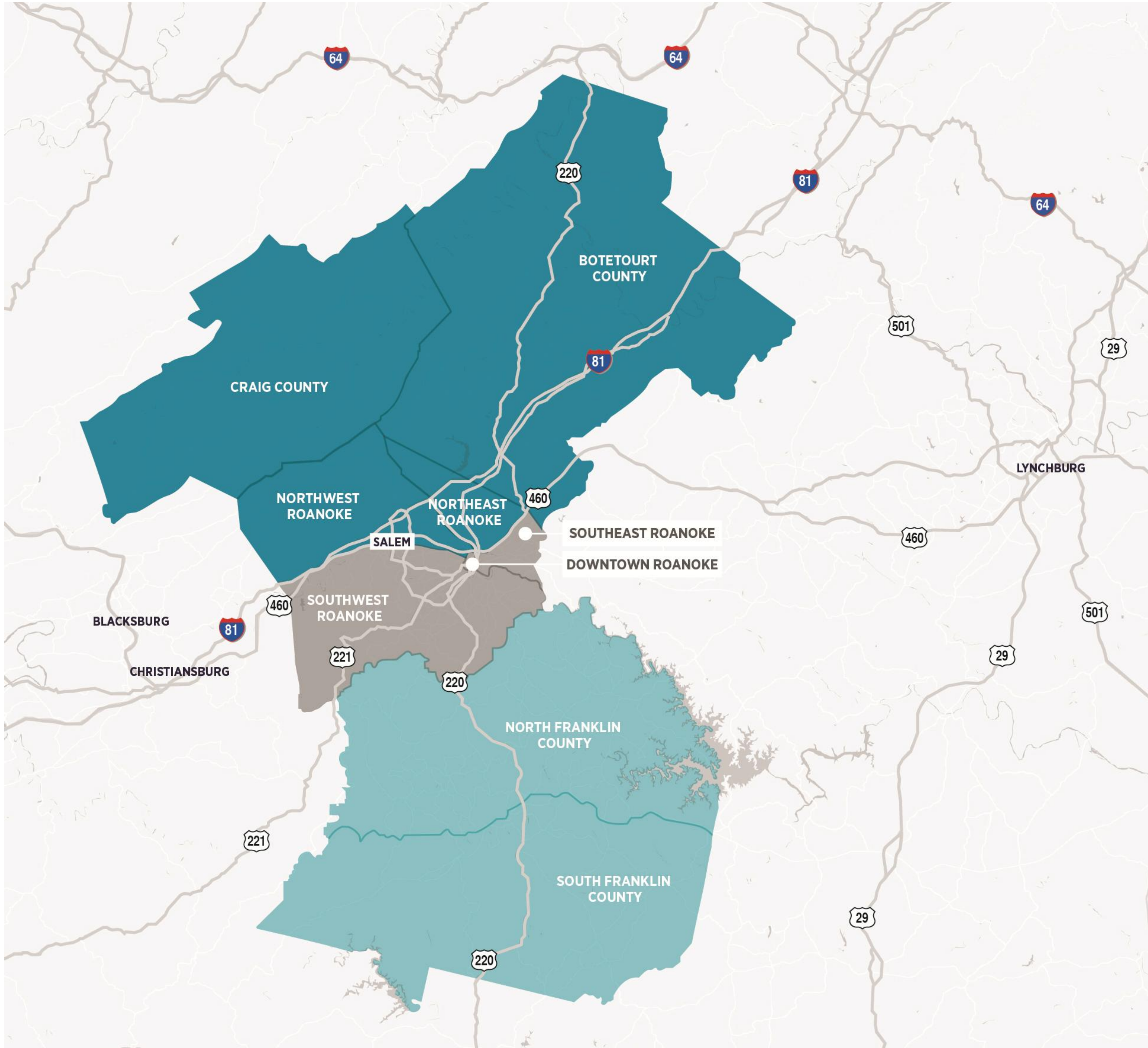
KEY SALE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
1120 W Rock Rd	Blacksburg	Moog, Inc. / Undisclosed	70,061	$3.25M / $46.39
103 Duncan Ln	Blacksburg	Goodwill / Opossum Properties, LLC	42,648	$1.35M / $31.65

KEY CONSTRUCTION PROJECTS Q3 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
293 Ewing Dr	Lynchburg	Undisclosed	45,000	Campbell County Economic Development / Undisclosed
2732 Clover Pl	Lynchburg	Undisclosed	30,000	Dantas Properties, LLC / Undisclosed
3200 Carroll Ave	Lynchburg	Undisclosed	14,100	Undisclosed / Undisclosed

INDUSTRIAL SUBMARKETS



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