MARKETBEAT

ROANOKE, VA

OFFICE Q3 2025

CUSHMAN & WAKEFIELD

THALHIMER

MARKET FUNDAMENTALS

	YOY Chg	Outlook
5.9% Vacancy Rate	▼	▼
47.7K YTD Net Absorption, SF	▲	▲
$20.69 Asking Rent, PSF	▼	▲

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	Outlook
168.3K 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: VACANCY DECREASES

Roanoke's office market has shown steady movement throughout the third quarter. Overall absorption was positive, and the vacancy rate decreased 90 basis points (bps) quarter-over-quarter (QOQ), closing at 5.9%. New leasing activity remained consistent, with more than 40,800 square feet (sf) of space being leased during the quarter and over 165,600 sf leased year-to-date (YTD). Downtown Roanoke led the market for the quarter, accounting for over 19,333 sf of newly occupied space, with Northeast Roanoke following behind. A large block of space was removed from the Downtown Roanoke inventory after the 47,050-sf building at 116 N Jefferson Street was converted to a sale-only offering. This change impacted the quarter's net absorption statistics.

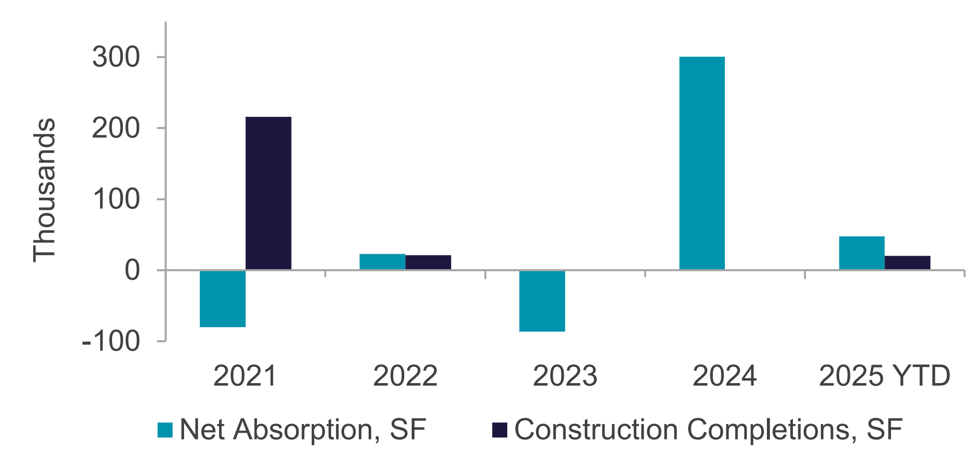
While there is currently no new office space in under construction in the Roanoke region, nearby the Centra Langhorne Medical Center in Lynchburg remains underway. This six-story, 130,000 sf medical office building represents the largest healthcare project in Centra Health's 40-year history.

PRICING: RATES REMAIN STABLE

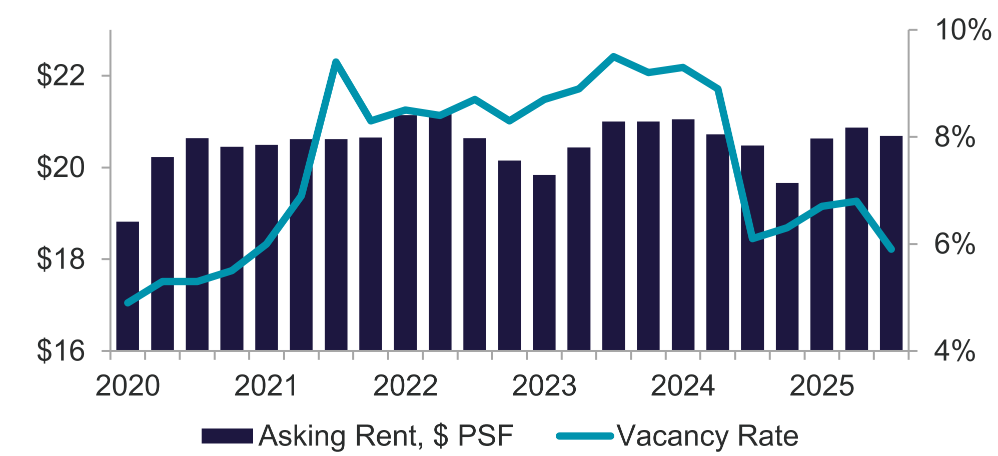
Overall asking rents remained essentially flat, with less than a 1.0% decrease compared to the previous quarter. Significant lease transactions include Davenport & Company's renewal of 9,238 sf of space at 510 S Jefferson Street SE in Downtown Roanoke. Pike also leased 8,857 sf of space in 5162 Valleypointe Parkway located in Northeast Roanoke.

Leading the sale tranfers was 4461 Starkey Road in Southwest Roanoke. This 16,560 sf medical office building transferred to Miken Veterinary Group for $2.5M, or $150.97 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%	0	12,639	5,807	0	$28.00	-
Downtown Roanoke	3,593,079	263,609	0	7.3%	45,820	38,080	53,750	0	$21.91	$26.76
North Franklin County	156,569	0	0	0%	0	0	0	0	-	-
Northeast Roanoke	1,332,356	92,753	0	7.0%	5,661	-5,250	25,098	0	$15.73	-
Northwest Roanoke	351,563	28,300	0	8.0%	4,960	5,860	8,607	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	15,000	15,000	0	$19.13	$21.52
Southwest Roanoke	3,320,148	124,145	0	3.7%	36,590	-18,641	57,370	0	$18.16	$16.90
ROANOKE TOTALS	**9,373,488**	**548,503**	**0**	**5.9%**	**73,711**	**47,678**	**165,632**	**0**	**$20.69**	**$24.27**

Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
510 Jefferson St SE	Downtown Roanoke	Davenport & Company	9,238	Renewal
5162 Valleypointe Pky	Northeast Roanoke	Pike	8,857	New
510 Jefferson St SE	Downtown Roanoke	Scott Insurance	7,932	Renewal
3807 Brandon Ave SW	Southwest Roanoke	CJK Ventures dba City Wide Facility Solutions Blue	2,940	New
6740-6744 Thirlane Rd	Northwest Roanoke	Kwest	2,810	New

Renewals not included in leasing statistics

KEY SALE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
4461 Starkey Rd	Southwest Roanoke	Spine & Orthopedic Rehab of VA, Inc. / Miken Veterinary Group	16,560	$2.5M / $150.97
2110 Carolina Ave	Southwest Roanoke	River Ridge Dermatology / Hospitality House of the Blue Ridge	12,980	$2.1M / $161.79

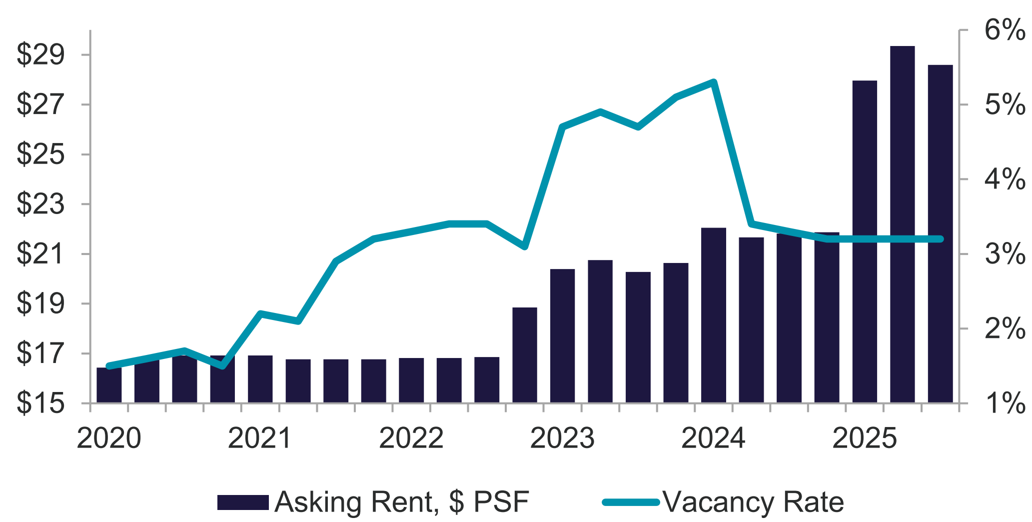
The statistics provided below are for the **Blacksburg** and **Lynchburg** areas, located immediately adjacent to the Roanoke market. These market areas are **not** included in the Roanoke market statistics included on the prior pages of this report but are presented separately due to notable market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

BLACKSBURG & LYNCHBURG MARKET STATISTICS

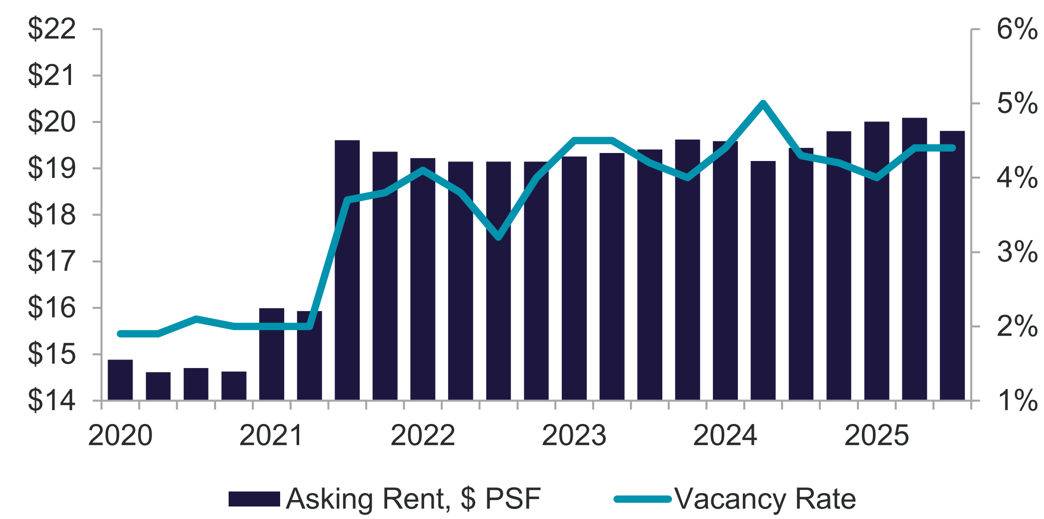
SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Blacksburg	3,182,740	103,206	0	3.2%	-927	6,817	24,296	-	$28.59	-
Lynchburg	4,101,277	168,143	1,400	4.1%	2,050	-4,650	25,985	130,000	$19.81	-
BLACKSBURG & LYNCHBURG TOTALS	**7,284,017**	**271,349**	**1,400**	**3.7%**	**1,123**	**2,167**	**50,281**	**130,000**	**$24.20**	**-**

*Rental rates reflect full service asking

BLACKSBURG OVERALL VACANCY & ASKING RENT



LYNCHBURG OVERALL VACANCY & ASKING RENT



KEY LEASE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
925 Main St	Lynchburg	Undisclosed	8,115	New
21 Timberoak Ct	Lynchburg	Undisclosed	1,500	New
3311 Old Forest Rd	Lynchburg	Grace Care LLC	700	New

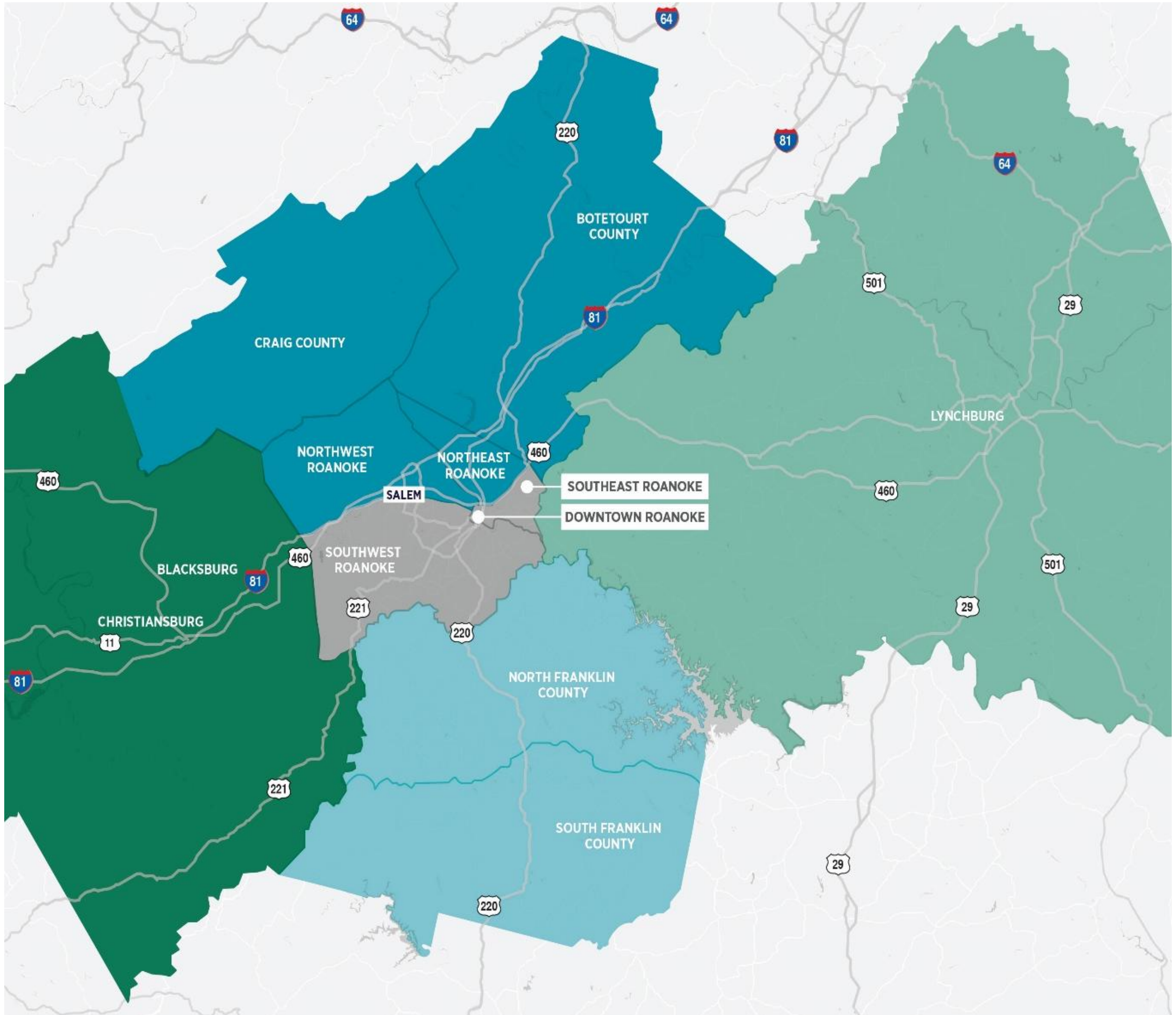
KEY SALE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
1701 Kraft Dr	Blacksburg	Virginia Tech Corporate Research Center / 1701 Kraft Drive LLC	26,461	$4.0M / $150.14

KEY CONSTRUCTION PROJECTS Q3 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



PRICE GUTSHALL
Vice President
Tel: +1 540 767 3011
price.gutshall@thalhimer.com

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