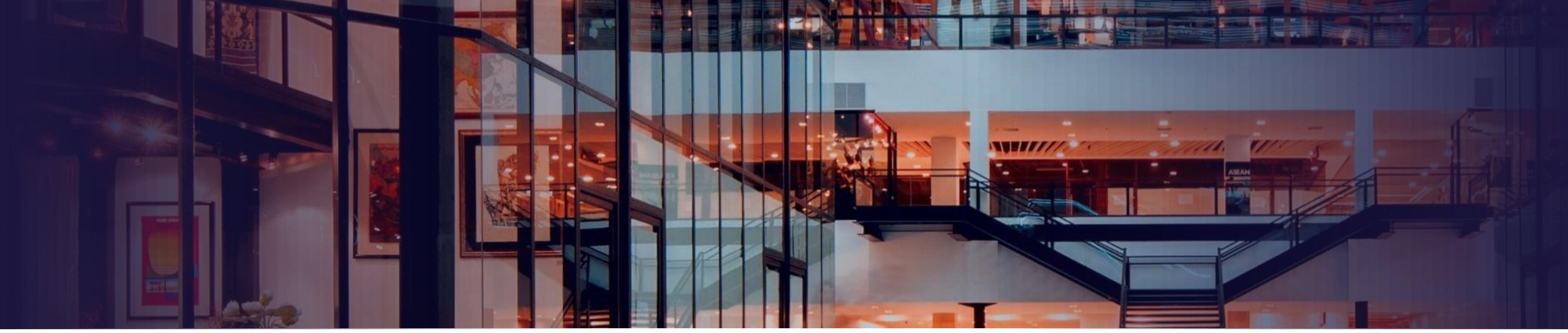
MARKETBEAT
ROANOKE, VA
RETAIL Q3 2025



CUSHMAN & WAKEFIELD
THALHIMER

MARKET FUNDAMENTALS

	YOY Chg	Outlook
$71,000 Median HH Income	▲	▲
0.3% Population Growth	—	▲
3.4% Unemployment Rate	▲	▲

Source: BLS

ECONOMIC INDICATORS

	YOY Chg	Outlook
0.7% GDP Growth	▼	▲
1.6% Consumer Spending Growth	▼	▲
-0.4% Retail Sales Growth	▼	—

Source: BEA, Census Bureau

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.

INVENTORY: VACANCY INCREASE

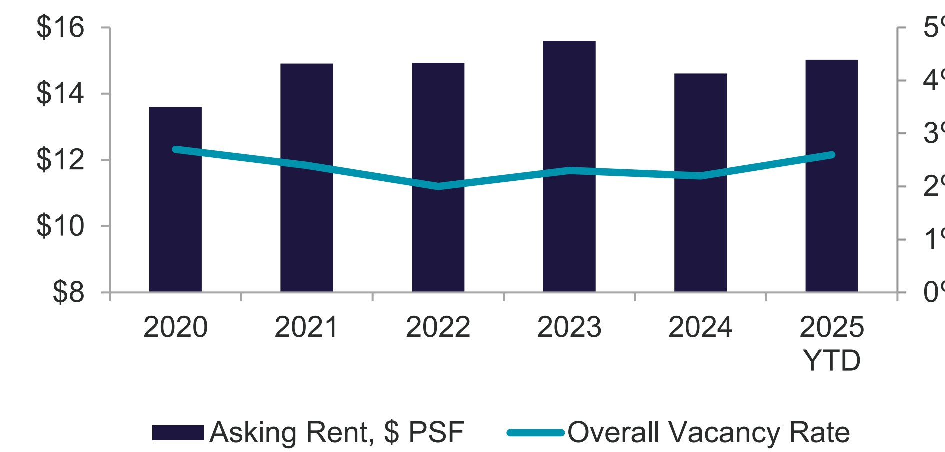
Overall vacancy ended the quarter at 3.3%, a 110-basis-point (bps) increase quarter-over-quarter (QOQ). Leasing activity reached 110,918 square feet (sf) year-to-date (YTD). The top lease transaction was signed at 520 Hardy Road in Southeast Roanoke where an undisclosed tenant will occupy 4,938 sf of space. Following behind was 108 Campbell Avenue SW in Downtown Roanoke where The Haven leased 4,400 sf of space.

Sheetz has delivered their new location at 1799 US 460. Located in Botetourt County, their new store totals 6,139 sf. Also delivering in the third quarter was 7 Brew Coffee, a drive-thru only, quick service coffee concept. Located at 1229 W Main St in Northwest Roanoke, their new location totals 510 sf. This is the first location for 7 Brew Coffee in the region and one of 9 total in the state.

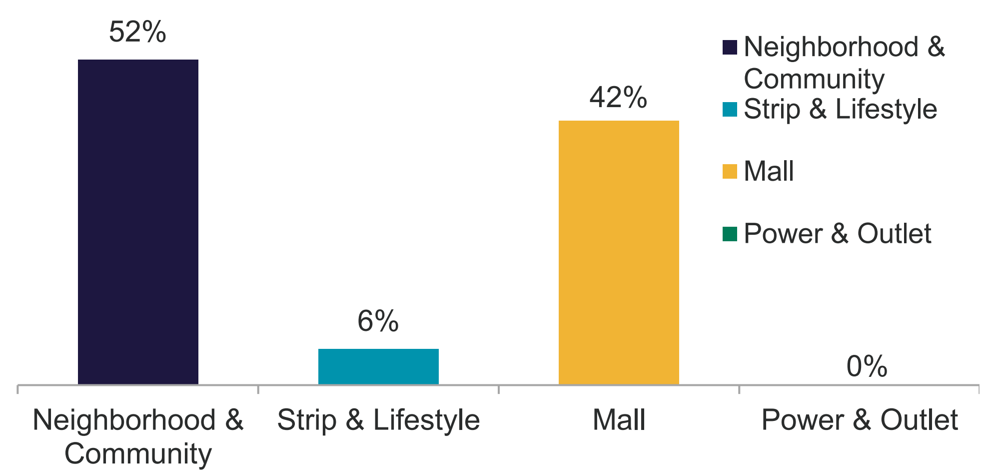
PRICING: RATES REMAINS STABLE

Rental rates have remained essentially flat decreasing less than 1.4% QOQ and increasing over 6.0% year-over-year (YOY). Neighborhood and community centers have seen the largest rental rate decrease, decreasing 10.9% QOQ. Topping the sale transactions for the quarter was 11498 Virgil H Goode Highway. This 4,799-sf service station in South Franklin County transferred for $3.0M, or $625.13 psf. The second largest transaction was 389 Roanoke Road. Located in Botetourt County, this 4,448-sf convenience store sold for $1.4M, or $314.75 psf.

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	1,513,895	48,630	0	3.2%	-14,336	8,677	0	$14.07
Craig County	74,325	0	0	0.0%	0	0	0	-
Downtown Roanoke	1,345,713	30,263	0	2.2%	-4,181	-12,544	0	$16.42
North Franklin County	1,073,041	47,081	0	4.4%	355	-13,577	0	$13.93
Northeast Roanoke	5,924,577	48,524	156,331	3.5%	-146,142	-127,998	0	$15.08
Northwest Roanoke	2,838,054	108,475	0	3.8%	-18,476	-50,415	0	$14.40
South Franklin County	748,397	5,900	14,550	2.7%	-1,700	-1,700	0	$20.98
Southeast Roanoke	1,376,473	15,565	0	1.1%	-3,520	-4,050	0	$10.02
Southwest Roanoke	6,686,012	235,164	4,503	3.6%	-20,847	-14,097	0	$18.34
ROANOKE TOTALS	**21,580,487**	**539,602**	**175,384**	**3.3%**	**-208,874**	**-215,704**	**0**	**$15.17**

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

KEY LEASE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
520 Hardy Rd	Southeast Roanoke	Undisclosed	4,938	New
108 Campbell Ave SW	Downtown Roanoke	The Haven	4,400	New
1718 Williamson Rd NE	Northeast Roanoke	Undisclosed	3,036	New
70 Scruggs Rd	North Franklin County	Love & Lace Bridal	2,400	New
525 Orange Ave	Southeast Roanoke	Spin & Smoke, LLC	2,200	New

KEY SALE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
11498 Virgil H Goode Hwy	South Franklin County	Undisclosed	4,799	$3.0M / $625.13
389 Roanoke Rd	Botetourt County	Cross America Partners / TPB Properties	21,244	$1.4M / $65.59
3846 Electric Rd	Southwest Roanoke	Briar Oak Investments IV / Soma Divine, LLC	4,875	$1.1M / $225.66

KEY CONSTRUCTION COMPLETIONS Q3 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
1799 US 460	Botetourt County	Sheetz	6,139	Sheetz, Inc.
1229 W Main St	Northwest Roanoke	7 Brew Coffee	510	7 Hills Investment Properties

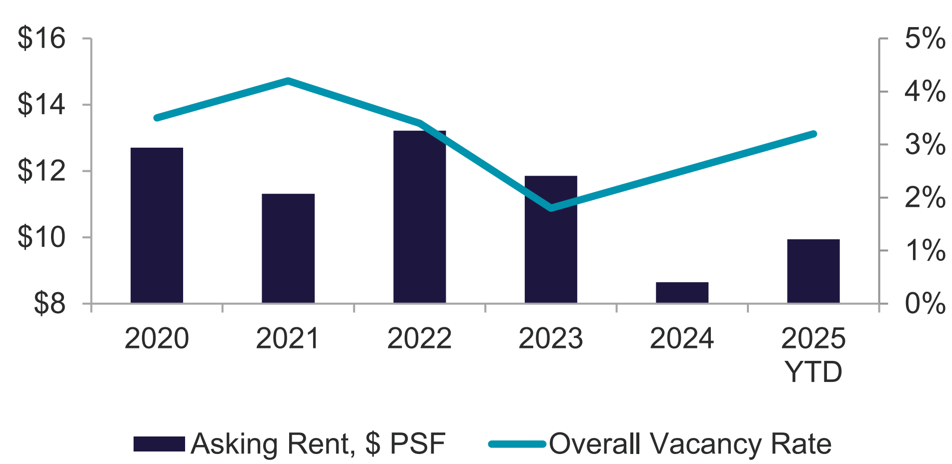
The statistics provided below are for the **Blacksburg** and **Lynchburg** areas, located immediately adjacent to the Roanoke market. These market areas are **not** included in the Roanoke market statistics included on the prior pages of this report but are presented separately due to notable market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

BLACKSBURG & LYNCHBURG MARKET STATISTICS

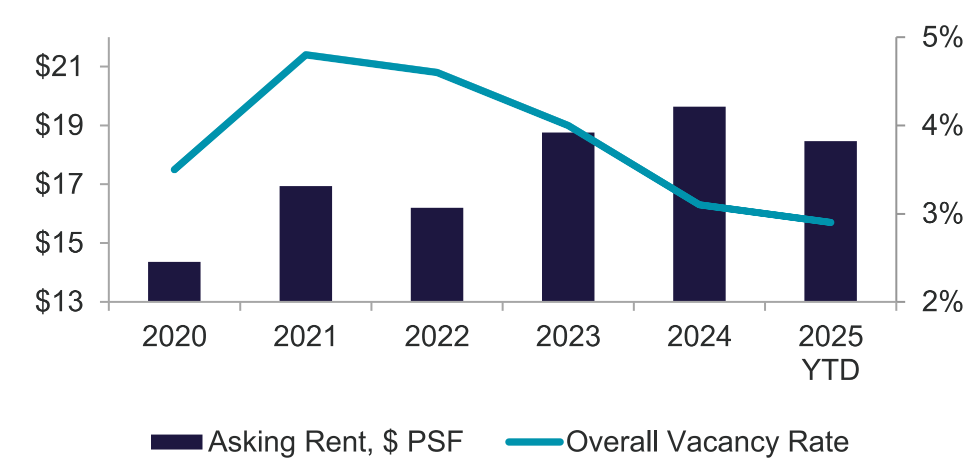
SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (NNN)*
Blacksburg	8,431,173	262,248	10,500	3.2%	-4,409	-1,041	-	$11.30
Lynchburg	11,351,596	316,274	8,250	2.9%	-22,852	26,886	47,615	$16.10
BLACKSBURG & LYNCHBURG TOTALS	**19,782,769**	**578,522**	**18,750**	**3.1%**	**-27,261**	**25,845**	**47,615**	**$13.70**

**Rental rates reflect full service asking*

BLACKSBURG OVERALL VACANCY & ASKING RENT



LYNCHBURG OVERALL VACANCY & ASKING RENT



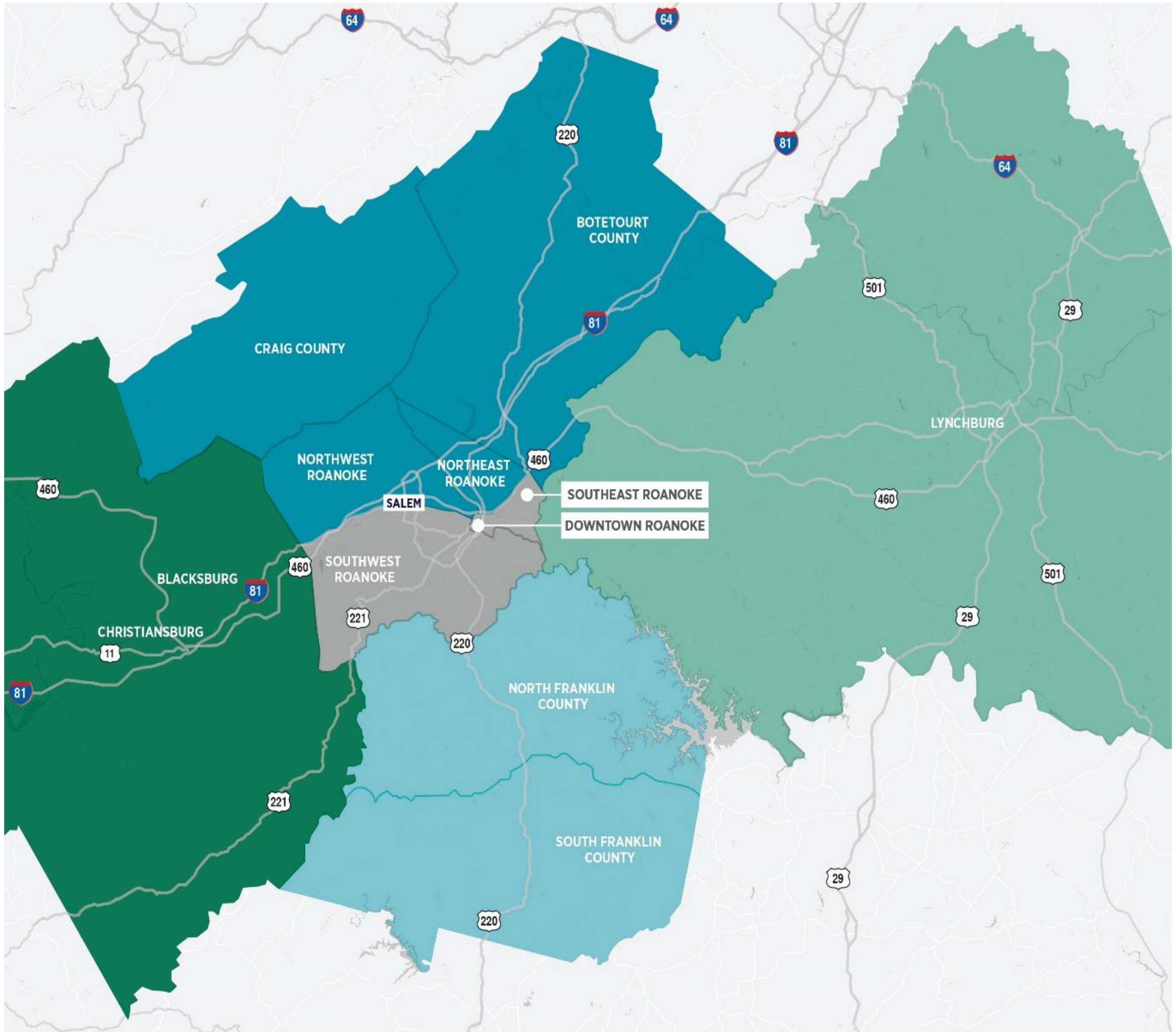
KEY LEASE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
129-248 Amelon Rd	Lynchburg	Planet Fitness	18,000	New
1560-1600 Roanoke St	Blacksburg	Undisclosed	7,520	New
3204 Old Forest Rd	Lynchburg	DaVita Kidney Care	7,205	New

KEY CONSTRUCTION PROJECTS Q3 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
1600 Graves Mill Rd	Lynchburg	N/A	16,900	TPB Properties
14039 Wards Rd	Lynchburg	Wawa	5,915	N/A
3714 Waterlick Rd	Lynchburg	N/A	1,536	N/A

RETAIL SUBMARKETS



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