

MARKET FUNDAMENTALS

	YOY Chg	Outlook
4.9% Vacancy Rate	▼	▼
101.2K YTD Net Absorption, SF	▼	▲
\$20.91 Asking Rent, PSF <small>(Overall, All Property Classes)</small>	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
168.1K Roanoke MSA Employment	▲	▲
3.4% Roanoke MSA Unemployment Rate	▲	▲
4.6% U.S. Unemployment Rate <small>Source:BLS</small>	▲	▲

ECONOMY: ECONOMIC AND INVESTMENT MOMENTUM CONTINUES

The Roanoke region ended the year with unemployment rate of 3.4%, marking a slight increase from the previous quarter, yet remains significantly lower than the national average of 4.6%. Roanoke continues to stand out as a growing and attractive market, earning national recognition as one of Livability’s Top 100 Places to Live in the U.S. The region benefits from strong institutional and healthcare investment, highlighted by Roanoke-based Carilion Clinic’s \$105.6 million (M) fundraising effort for the 260,000-square-foot (sf) Carilion Taubman Cancer Center, which is currently under construction and slated to open in 2028. In addition, Virginia Tech ranked #5 nationwide by College Raptor among the best colleges for real estate nationwide further reinforcing the region's economic strength.

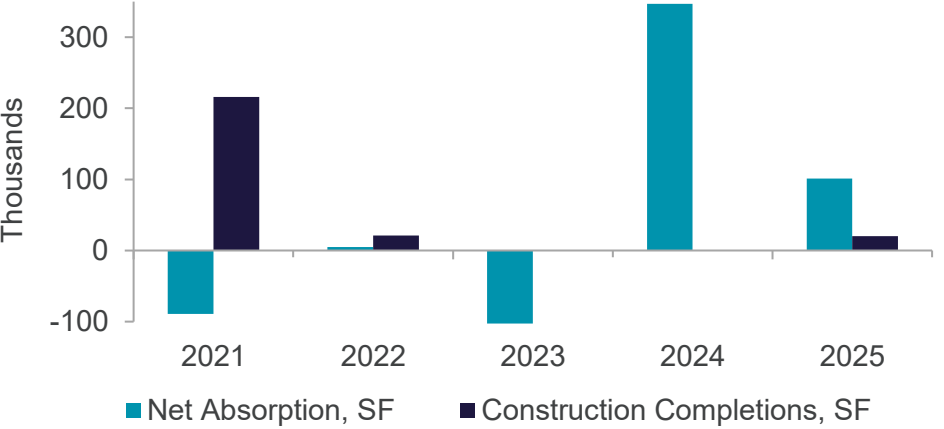
SUPPLY AND DEMAND: VACANCY STABLE

Roanoke’s office market has shown steady movement throughout the fourth quarter with positive annual absorption, totaling over 101,100 sf. The vacancy rate remained flat quarter-over-quarter (QOQ), closing at 4.9% and decreased 110 basis points (bps) year-over-year (YOY). New leasing activity remained consistent, with 210,686 sf of space being leased during the year. Downtown Roanoke led the market for the quarter, accounting for over 27,860 sf of newly occupied space, with Southwest Roanoke following behind. While there is currently no new office space under construction in the Roanoke region, nearby Lynchburg has completed construction of the Centra Langhorne Medical Center. This five-story, 130,000-sf medical office building represents the largest healthcare project in Centra Health’s 40-year history.

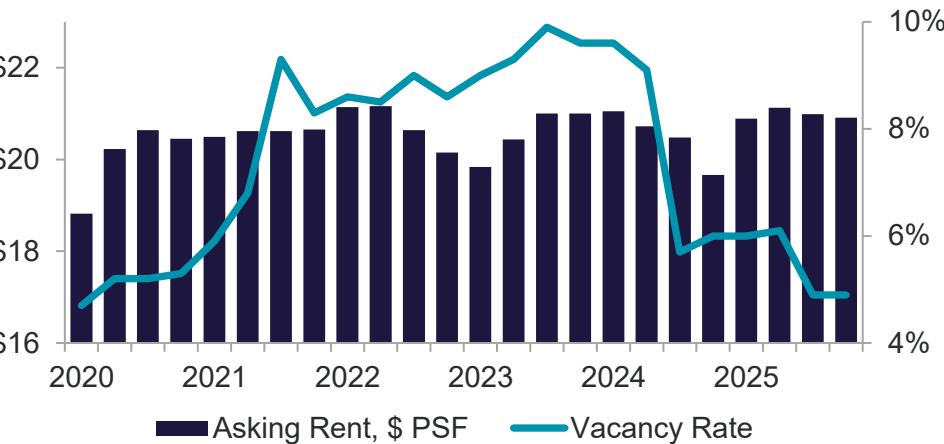
PRICING: RATES REMAIN STABLE

Overall asking rents remained essentially flat, with less than a 1.0% decrease compared to the previous quarter and an increase of 6.4% YOY. Significant lease transactions include Aerotek’s renewal of 15,133 sf of space at 111 Franklin Rd SE. Sales volume topped \$6.9M for the year. The sale of 4461 Starkey Rd in the third quarter contributed for 36.2% of yearly sales volume. This 16,560-sf medical office building transacted for \$2.5M, or \$150.97 per square foot (psf) in Southwest Roanoke,

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	27,161	0	6.6%	-3,100	9,529	8,707	0	\$28.00	-
Downtown Roanoke	3,530,989	253,242	0	7.2%	-12,606	41,481	79,449	0	\$21.89	\$26.74
North Franklin County	117,384	0	0	0%	0	0	0	0	-	-
Northeast Roanoke	1,172,796	34,683	0	3.0%	8,857	18,457	29,798	0	\$19.76	-
Northwest Roanoke	351,563	28,300	0	8.0%	0	5,860	9,782	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	\$19.06	-
Southwest Roanoke	3,234,694	83,651	0	2.6%	3,795	10,847	67,950	0	\$18.05	\$16.90
ROANOKE TOTALS	9,027,199	442,672	0	4.9%	-3,054	101,174	210,686	0	\$20.91	\$24.28

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q4 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
110 Franklin Rd SE	Downtown Roanoke	Undisclosed	25,000	New
111 Franklin Rd SE	Downtown Roanoke	Aerotek	15,133	Renewal / Expansion
312 2 nd St	Downtown Roanoke	Kirk & Soul	5,000	New
3800 Electric Rd	Southwest Roanoke	United Way of Virginia’s Blue Ridge, Inc.	4,965	New
10 S Jefferson St	Downtown Roanoke	Undisclosed	4,129	New
310 First St	Downtown Roanoke	Harman Claytor Corrigan & Wellman, P.C.	3,600	New

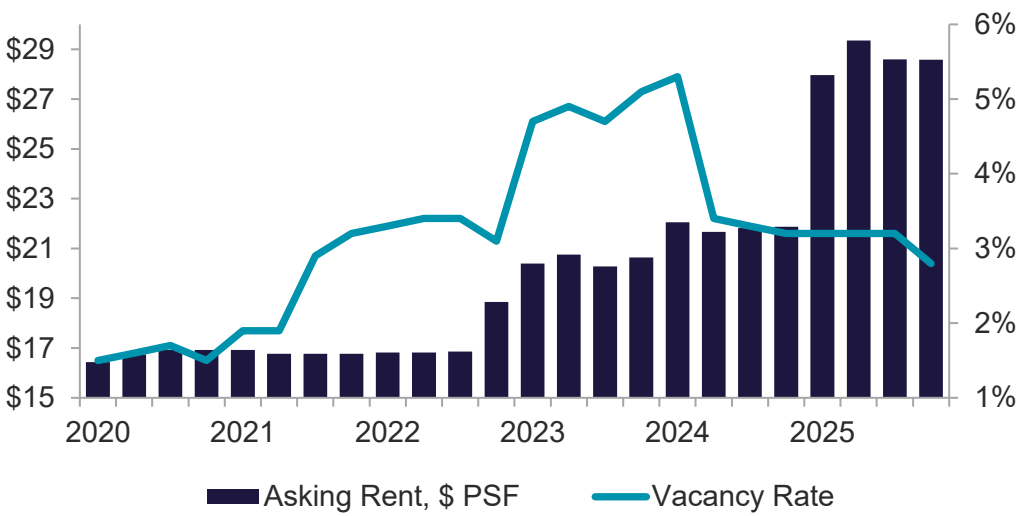
The statistics provided below are for the **Blacksburg** and **Lynchburg** areas, located immediately adjacent to the Roanoke market. These market areas are **not** included in the Roanoke market statistics included on the prior pages of this report but are presented separately due to notable market 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	3,175,882	88,734	0	2.8%	14,472	21,289	27,264	-	\$28.58	-
Lynchburg	4,150,023	194,832	1,400	4.7%	112,926	108,276	31,985	0	\$19.67	-
BLACKSBURG & LYNCHBURG TOTALS	7,325,905	283,566	1,400	3.8%	127,398	129,565	59,249	0	\$24.13	-

*Rental rates reflect full service asking

BLACKSBURG OVERALL VACANCY & ASKING RENT



LYNCHBURG OVERALL VACANCY & ASKING RENT



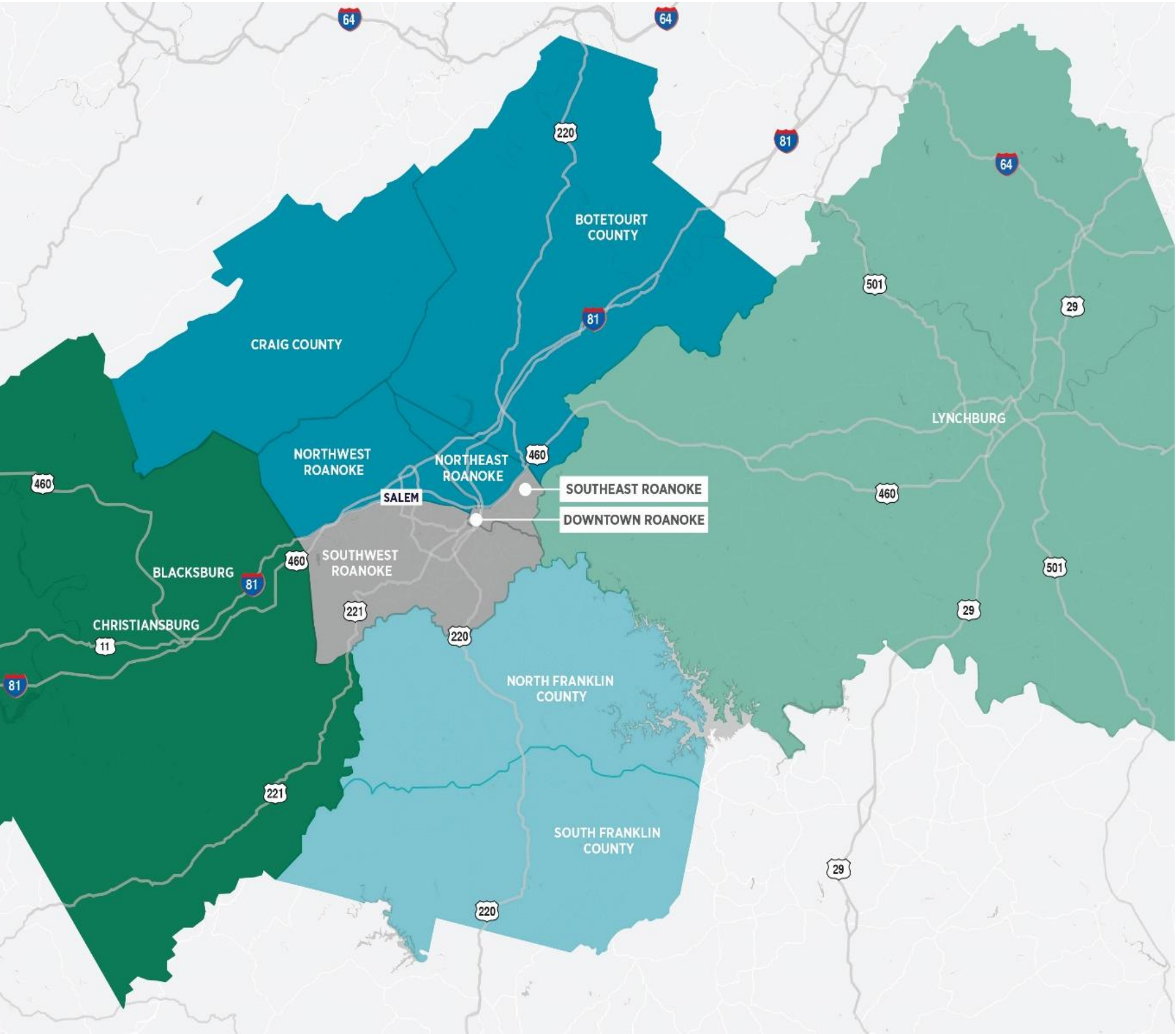
KEY LEASE TRANSACTIONS Q4 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
131 E Commerce St	Lynchburg	Undisclosed	6,500	New
120 Ponderosa Dr	Blacksburg	Undisclosed	2,968	New

KEY CONSTRUCTION DELIVERIES Q4 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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