



ECONOMY: ECONOMIC AND INVESTMENT MOMENTUM CONTINUES

The Roanoke region ended the year with an unemployment rate of 3.4%, marking a slight increase from the end of 2024, 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.

INVENTORY: VACANCY REMAINS STEADY

Overall vacancy ended the quarter at 3.3%, remaining flat quarter-over-quarter (QOQ). Leasing activity increased 15.2% year-over year (YOY) ending with 191,401 square feet (sf) leased. The top lease transaction was signed at 2110 Bennington St Se, where Collectors Lair leased 7,500-sf of space in Southwest Roanoke. Following behind was 551 Marshall Ave SW in Downtown Roanoke where Sakura Asian Fusion leased 4,592 sf of space.

While deliveries for the fourth quarter were limited, the new Popeyes location remains underway. Located at 2673 Lee Hwy in Botetourt County, their new store will total 2,000 sf. This will be the company's fourth location in the market.

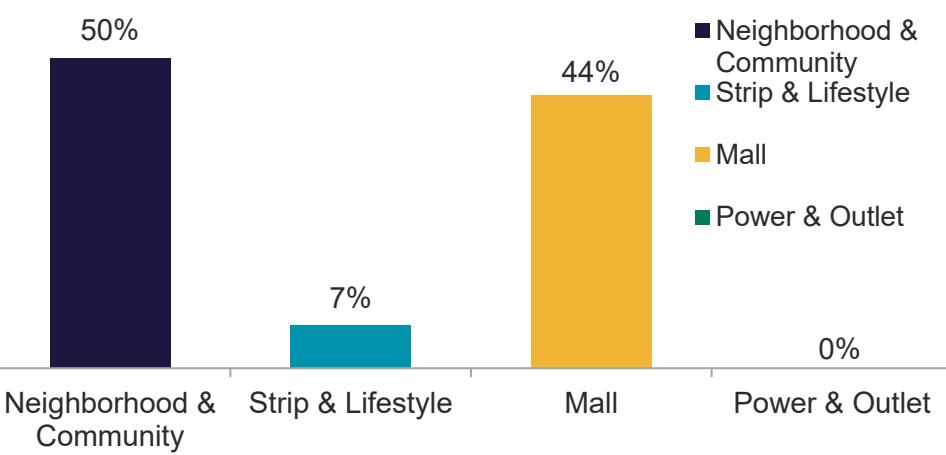
PRICING: RATES REMAINS STABLE

Rental rates have decreased 4.2% QOQ yet have increased almost 2.0% YOY. Neighborhood and community centers have seen the largest rental rate decrease, decreasing 7.9% QOQ. Topping the sale transactions for the quarter was 6767 Cloverdale Rd. This 4,120-sf convenience store in Botetourt County transferred for \$2.0M, or \$485 per-square-foot (psf). The second largest transaction was 713 Hardy Rd. Located in Southeast Roanoke, this 4,188-sf fast food restaurant sold for \$1.6M, or \$420 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	1,505,203	37,155	0	2.5%	11,475	20,152	2,000	\$14.07
Craig County	74,325	0	0	0.0%	0	0	0	-
Downtown Roanoke	1,312,331	19,802	0	1.5%	5,008	-5,356	0	\$12.42
North Franklin County	1,070,375	37,986	0	3.5%	9,095	-4,482	0	\$13.93
Northeast Roanoke	5,966,695	48,524	156,331	3.4%	1,400	-126,598	0	\$13.76
Northwest Roanoke	2,870,885	115,704	0	4.0%	-7,229	-57,644	0	\$14.51
South Franklin County	755,736	9,500	14,550	3.2%	-3,600	-5,300	0	\$19.73
Southeast Roanoke	1,367,676	20,327	0	1.5%	-7,368	-11,418	0	\$11.24
Southwest Roanoke	6,635,017	246,532	4,503	3.8%	-11,361	-18,381	0	\$17.07
ROANOKE TOTALS	21,558,243	535,530	175,384	3.3%	-2,580	-209,027	2,000	\$14.26

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

KEY LEASE TRANSACTIONS Q4 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
2110 Bennington St SE	Southwest Roanoke	Collectors Lair	7,500	New
551 Marshall Ave SW	Downtown Roanoke	Sakura Asian Fusion	4,592	New
3719 Brambleton Ave	Southwest Roanoke	Undisclosed	4,016	New
7547 Williamsburg Rd	Northeast Roanoke	Big Lick Comics, LLC	4,000	New
832-952 Tanyard Rd	South Franklin County	Undisclosed	2,880	New

KEY SALE TRANSACTIONS Q4 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
713 Hardy Rd	Southeast Roanoke	JRN, Inc. / Undisclosed	4,188	\$1.8M / \$420
6767 Cloverdale Rd	Botetourt County	Undisclosed / CrossAmerica Partners	4,120	\$2M / \$485
4467 Starkey Rd SW	Southwest Roanoke	Blue Owl Capital / Strauss Construction Corp.	3,049	\$1.6M / \$513

KEY CONSTRUCTION PROJECTS Q4 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
2673 Lee Hwy	Botetourt County	Popeyes	2,000	Popeyes / Botsini Corporation

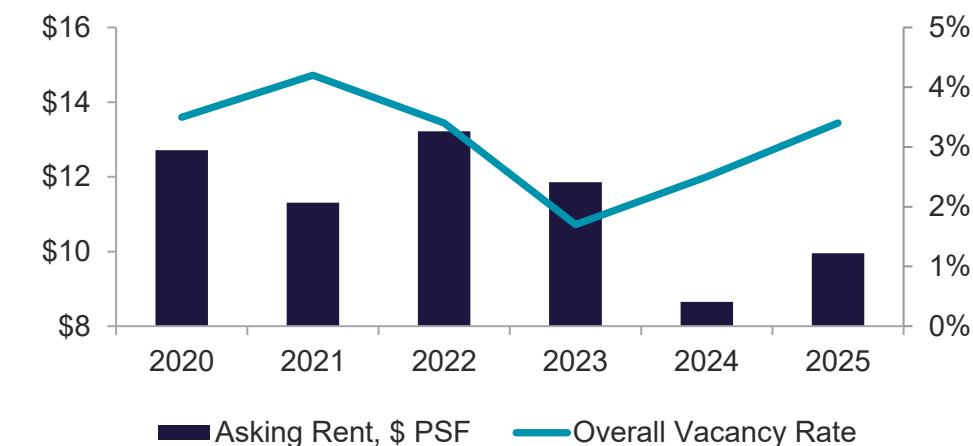
The statistics provided below are for the **Blacksburg** and **Lynchburg** areas, located immediately adjacent to the Roanoke market. These market areas are **not** included in the Roanoke market statistics included on the prior pages of this report but are presented separately due to notable market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

BLACKSBURG & LYNCHBURG MARKET STATISTICS

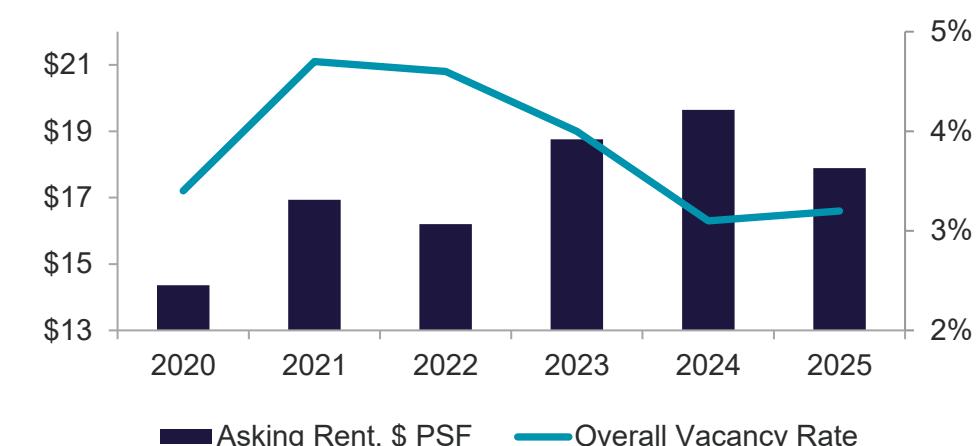
Submarket	Inventory (SF)	Direct Vacant (SF)	Sublet Vacant (SF)	Overall Vacancy Rate	Current Qtr Overall Net Absorption (SF)	YTD Overall Net Absorption (SF)	Under Cnstr (SF)	Overall Avg Asking Rent (NNN)*
Blacksburg	8,527,246	320,250	10,500	3.9%	-57,526	-58,567	-	\$9.98
Lynchburg	11,490,225	494,887	8,250	4.4%	-172,374	-144,758	18,436	\$16.18
BLACKSBURG & LYNCHBURG TOTALS	20,017,471	815,137	18,750	4.2%	-229,900	-203,325	18,436	\$13.08

*Rental rates reflect full service asking

BLACKSBURG OVERALL VACANCY & ASKING RENT



LYNCHBURG OVERALL VACANCY & ASKING RENT



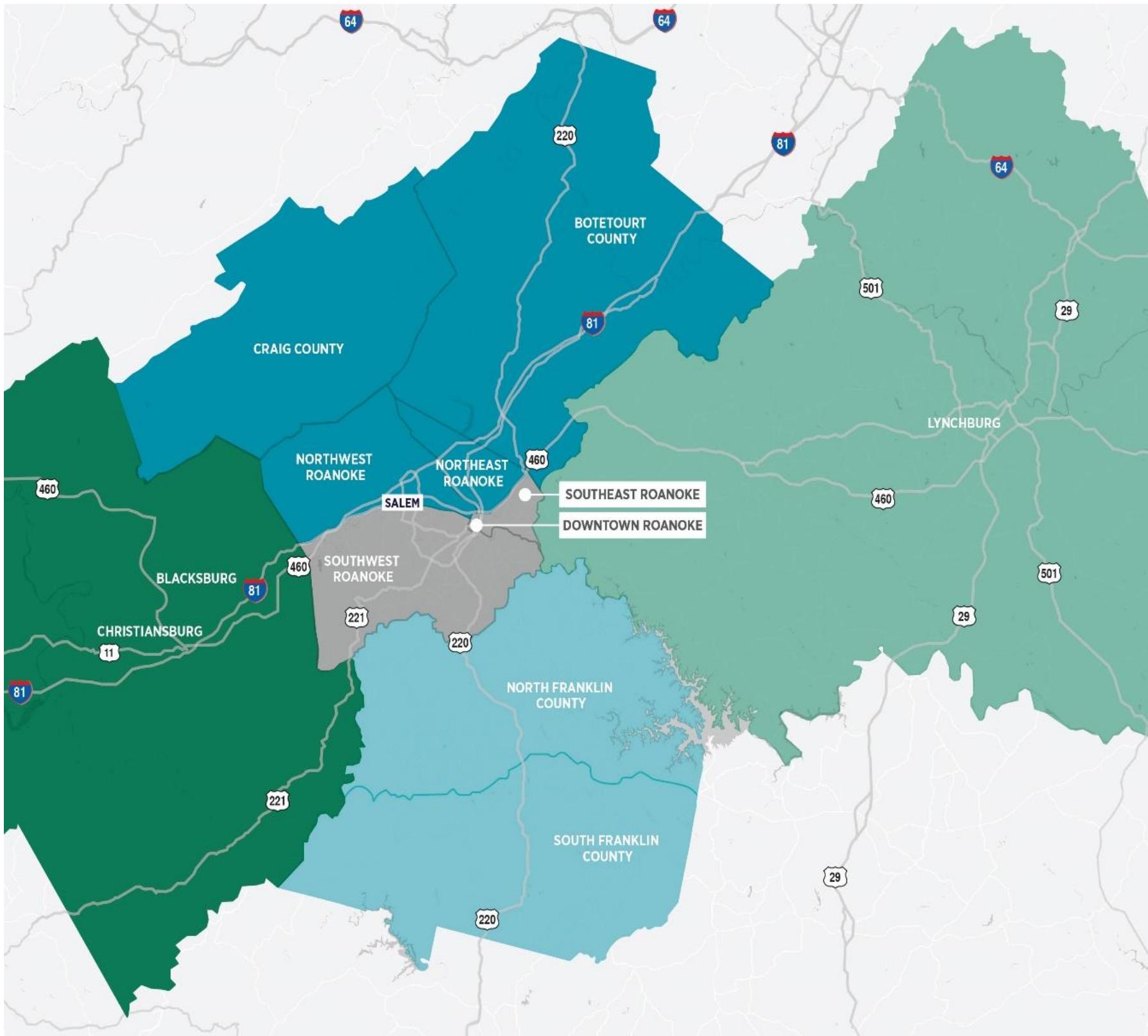
KEY LEASE TRANSACTIONS Q4 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
2317 Wards Rd	Lynchburg	Undisclosed	16,177	New
2505 Wards Rd	Lynchburg	Undisclosed	11,900	New
3700 Candlers Mountain Rd	Lynchburg	Uptown Cheapskate	5,102	New
2505-2767 Market St	Blacksburg	Orange Theory Fitness	3,216	New

KEY CONSTRUCTION PROJECTS Q4 2025

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

RETAIL SUBMARKETS



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