



MARKET FUNDAMENTALS

	YOY Chg	Outlook
3.7% Vacancy Rate	▲	▼
-63.1K YTD Net Absorption, SF	▼	▲
\$5.89 Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▼	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
168.0K Roanoke MSA Employment*	▼	▲
3.4% Roanoke MSA Unemployment Rate*	▲	—
4.3% U.S. Unemployment Rate	▲	▲

Source: BLS
 *Q4 2025

ECONOMY: EXPANDING OPPORTUNITIES IN THE REGION

The Roanoke region continues to experience steady growth and investment across a range of sectors, supporting its position as an increasingly dynamic economic hub. Recent announcements highlight a diverse mix of activity. Google has announced plans to develop a 1 million-square-foot (msf) data center campus across three buildings in Botetourt County's Greenfield Industrial Park, signaling continued interest in the region's strategic location. Italian aerospace firm Avio S.p.A. selected Pittsylvania County's Multimodal Park for a \$500 million (M), 860,000-square-foot (sf) manufacturing facility, marking the second largest economic development project in the region's history. Rounding out these investments, biotech startup and research spinoff Tiny Cargo is expanding into the City of Roanoke, bringing three new jobs and approximately \$500,000 in capital investment, further supporting the region's growth.

SUPPLY AND DEMAND: INCREASE IN VACANCY

The overall vacancy rate increased 20 basis points (bps) quarter-over-quarter (QOQ) and 60 bps year-over-year (YOY) to end the quarter with a vacancy rate of 3.7%. Warehouse properties saw the largest increase in vacancy, closing the year at 3.2% and increasing 20 bps QOQ.

Leasing activity has topped 70,864 sf year-to-date (YTD). Notable lease transactions for the quarter include Unio services, who leased 32,500 sf of space at 2590 Lee Hwy in Botetourt County. Also noteworthy is 28,000 sf of space being leased by an undisclosed tenant at 3030 Nicholas Ave in Northeast Roanoke.

PRICING: POTENTIAL TARIFF CHALLENGES

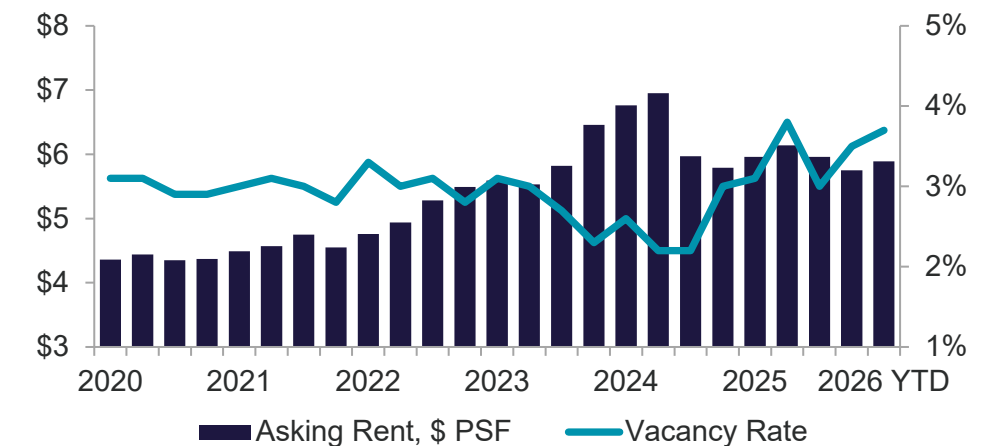
Overall quoted industrial rates ended the quarter at \$5.89 per square foot (psf), reflecting a 2.4% increase QOQ. Actual rates are upwards of 17.0% higher than average quoted rates as a result of large blocks of unpriced space. Sales activity reached \$20.7M for the quarter, led by the transaction of 520 Weaver St in North Franklin County. The 65,000-square-foot building sold for \$5.0M, or \$77.26 psf to Valley Ice.

At the same time, evolving tariff policies are emerging as a new challenge for industrial users and investors. This was highlighted by a fourth quarter warehouse sale at the Roanoke Centre for Industry and Technology from Orvis to a Coca-Cola-affiliated buyer, where tariffs were cited as a contributing factor, potentially influencing occupier demand and investment decisions moving forward.

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	4,399,106	3,768	0.1%	71,312	71,312	0	0	-	-	-
Craig County	58,400	0	0.0%	0	0	0	0	-	-	-
Downtown Roanoke	907,533	0	0.0%	0	0	0	0	-	-	-
North Franklin County	3,427,521	78,330	2.3%	-19,136	-19,136	0	0	-	-	\$3.82
Northeast Roanoke	11,014,456	675,561	6.1%	-63,510	-63,510	0	0	-	\$12.00	\$6.05
Northwest Roanoke	2,616,877	214,352	8.2%	-27,676	-27,676	0	0	\$6.00	-	\$5.49
South Franklin County	883,276	0	0.0%	0	0	0	0	-	-	-
Southeast Roanoke	3,481,152	0	0.0%	0	0	0	0	-	-	\$8.72
Southwest Roanoke	14,625,977	545,926	3.7%	-24,050	-24,050	0	0	\$6.18	\$10.47	\$6.35
ROANOKE TOTALS	41,414,298	1,517,937	3.7%	-63,060	-63,060	0	0	\$6.04	\$11.05	\$5.67

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

KEY LEASE TRANSACTIONS Q1 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
2590 Lee Hwy	Botetourt County	Unio Services	32,500	New
3030 Nicholas Ave	Northeast Roanoke	Undisclosed	28,000	New
901 11 th St NE	Southeast Roanoke	Undisclosed	4,266	New
5228 Valleypointe Pky	Northeast Roanoke	Legacy Diagnostics	2,167	New
6530-6536 Commonwealth Dr	Southwest Roanoke	Signature Structures Construction	1,800	New

KEY SALE TRANSACTIONS Q1 2026

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
520 Weaver St	North Franklin County	Hometown Ice Co / Valley Ice	65,000	\$5.0M / \$77.26
1305 Municipal Rd NW	Northeast Roanoke	Newbern Properties / B&D Holdings	26,236	\$2.1M / \$80.04
626 Chapman St	Southwest Roanoke	Undisclosed / Investors Real Estate Partners	19,000	\$1.1M / \$59.97
1515 11 th St NE	Northeast Roanoke	Undisclosed / Barn Again LLC	17,457	\$850K / \$48.69
39 Gibson Ln (Part of a Portfolio)	Southwest Roanoke	Halo Partners LLC / JPMorgan Chase & Co.	12,000	\$2.3M / \$190.67

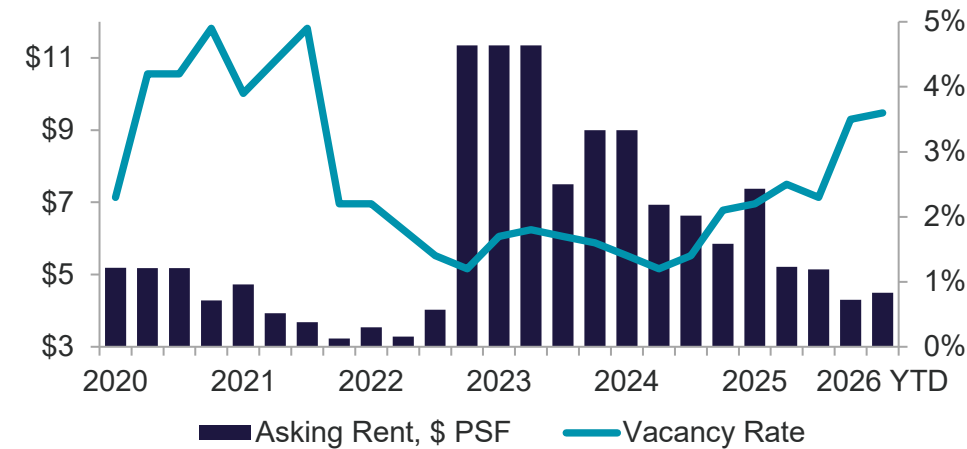
The statistics provided below are for the **Blacksburg** and **Lynchburg** areas, located immediately adjacent to the Roanoke market. These market areas are **not** included in the Roanoke market statistics included on the prior pages of this report but are presented separately due to notable market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

BLACKSBURG & LYNCHBURG MARKET STATISTICS

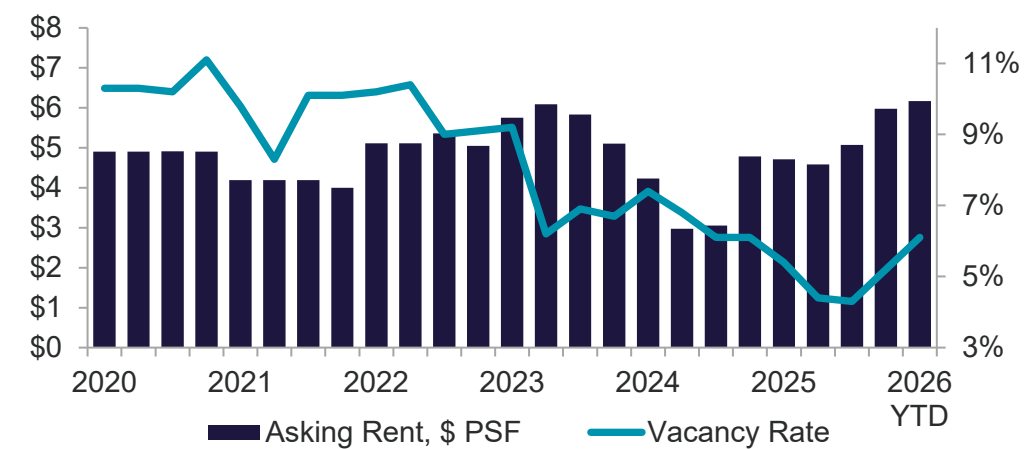
SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	YTD LEASING ACTIVITY SUBLET (SF)	YTD LEASING ACTIVITY TOTAL (SF)	OVERALL WEIGHTED AVERAGE NET RENT (W/D)
Blacksburg	12,132,179	432,080	3.6%	9,270	9,270	0	0	0	0	\$4.50
Lynchburg	20,276,535	1,239,625	6.1%	-178,420	-178,420	167,100	0	0	62,920	\$4.47
BLACKSBURG & LYNCHBURG TOTALS	32,408,714	1,671,705	4.9%	-169,150	-169,150	167,100	0	0	62,920	\$4.49

*Rental rates reflect full service asking

BLACKSBURG OVERALL VACANCY & ASKING RENT



LYNCHBURG OVERALL VACANCY & ASKING RENT



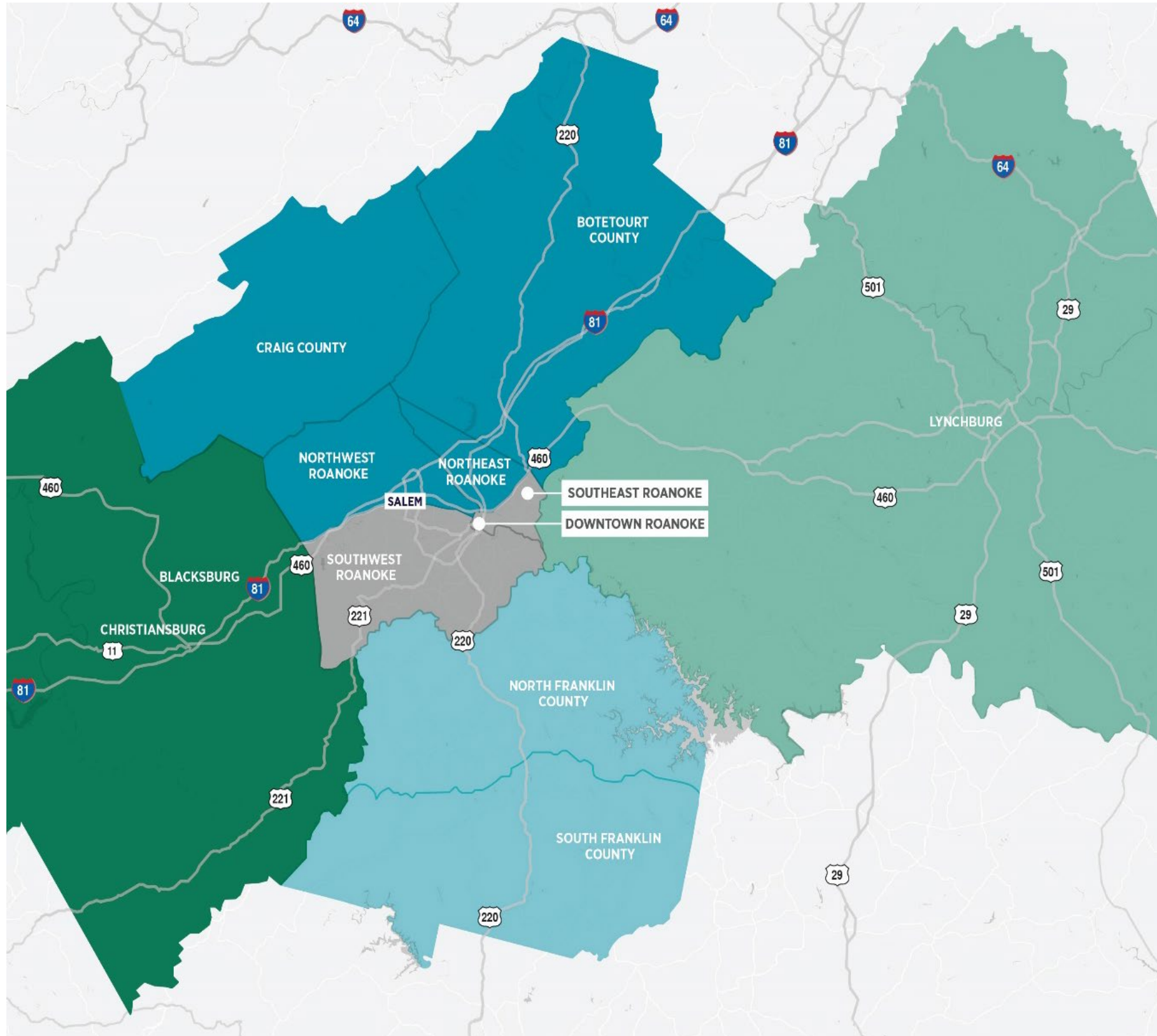
KEY SALE TRANSACTIONS Q1 2026

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
314 Jefferson Ridge Pky	Lynchburg	RiversEdge Furniture / MacKenzie Commercial Real Estate Services, LLC	231,708	\$17.5M / \$75.53
612 12 th St	Lynchburg	Undisclosed / 609 Dunbar, LLC	20,155	\$400k / \$19.85

KEY CONSTRUCTION PROJECTS Q1 2026

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
200 W Progress Ln	Lynchburg	Amazon	78,000	Amazon / Amazon
293 Ewing Dr	Lynchburg	N/A	45,000	Campbell County Economic Development / Undisclosed
2732 Clover Pl	Lynchburg	N/A	30,000	Dantas Properties, LLC / Undisclosed

INDUSTRIAL SUBMARKETS



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