

**MARKET FUNDAMENTALS**

	YOY Chg	Outlook
<b>5.0%</b> Vacancy Rate	▼	▼
<b>-16.8K</b> YTD Net Absorption, SF	▼	▲
<b>\$21.10</b> Asking Rent, PSF <i>(Overall, All Property Classes)</i>	▲	▲

**ECONOMIC INDICATORS**

	YOY Chg	Outlook
<b>168.0K</b> Roanoke MSA Employment*	▼	▲
<b>3.4%</b> Roanoke MSA Unemployment Rate*	▲	▬
<b>4.3%</b> U.S. Unemployment Rate <i>Source: BLS *Q4 2025</i>	▲	▲

**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: VACANCY REMAINS STABLE**

Roanoke's office market continues to demonstrate strength and stability. Vacancy remained flat quarter-over-quarter (QOQ) for the third consecutive quarter at an exceptionally low 5.0% and decreased 110 basis points (bps) year-over-year (YOY), highlighting tight availability of quality space. While net absorption was negative at -16,816 sf, leasing activity remained strong with 45,358 sf leased during the first quarter, indicating that businesses are actively making moves. Downtown Roanoke led the market in terms of activity, accounting for over 77.8% of leasing activity. With no new deliveries and no buildings currently under construction, the market is well positioned to maintain its stability for both tenants and landlords.

**PRICING: RENT GROWTH STABLE**

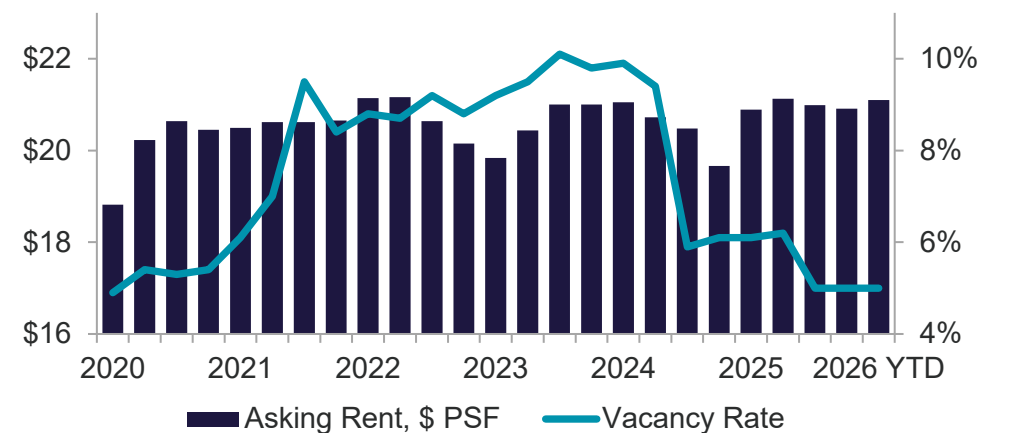
Overall asking rents remained essentially flat, with less than a 1.0% decrease compared to the previous quarter and just over a 1.0% increase YOY. Significant lease transactions include and undisclosed tenant leasing 19,323-sf of space at 110 Franklin Rd SE.

Sales activity topped \$10.9M in total deal volume for the quarter. Topping the transactions was 3433 Brambleton Ave. This 28,766-sf multi-tenant building transacted for \$3.8M, or \$132.54 psf. Store Capital Corporation was the buyer, and the building was 29.0% leased at the time of sale.

**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%	0	0	0	0	\$28.00	-
Downtown Roanoke	3,194,224	218,825	0	6.9%	-2,017	-2,017	35,326	0	\$22.05	\$26.81
North Franklin County	117,384	0	0	0%	0	0	0	0	-	-
Northeast Roanoke	1,246,796	43,998	0	3.5%	-9,315	-9,315	0	0	\$19.71	-
Northwest Roanoke	351,563	31,925	0	9.1%	-3,625	-3,625	0	0	-	-
South Franklin County	33,003	0	0	0%	0	0	0	0	-	-
Southeast Roanoke	176,085	15,635	0	8.9%	0	0	0	0	\$19.06	-
Southwest Roanoke	3,318,328	100,455	0	3.0%	-1,859	-1,859	10,032	0	\$18.52	\$16.80
<b>ROANOKE TOTALS</b>	<b>8,848,068</b>	<b>437,999</b>	<b>0</b>	<b>5.0%</b>	<b>-16,816</b>	<b>-16,816</b>	<b>45,358</b>	<b>0</b>	<b>\$21.10</b>	<b>\$26.46</b>

\*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q1 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
110 Franklin Rd SE	Downtown Roanoke	Undisclosed	19,323	New
110 Franklin Rd SE	Downtown Roanoke	Undisclosed	10,983	New
821 Salem Ave SW	Southwest Roanoke	Undisclosed	3,400	New
5115 Bernard Dr SW	Southwest Roanoke	McCandlish Holton, P.C.	2,395	New
1948 Franklin Rd SW	Southwest Roanoke	Appliance Studio	2,216	Renewal
10 Church Ave SE	Downtown Roanoke	Undisclosed	1,601	New

\*Renewals not included in leasing statistics

KEY SALE TRANSACTIONS Q1 2026

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
30 Franklin Rd SW	Downtown Roanoke	Professional Arts Building LLC / Franklin Pab LLC	43,810	\$3.25M / \$74.18
3433 Brambleton Ave	Southwest Roanoke	Whitecap Enterprises / STORE Capital Corporation	27,776	\$3.81M / \$132.54
7629 Williamson Rd	Northeast Roanoke	BDW Management, Inc. / Jones and Morris Real Estate LLC	12,630	\$595K / \$47.11
192 Summerfield Ct	Botetourt County	Undisclosed / Botetourt Bank Shares, Inc.	12,000	\$1.55M / \$129.17

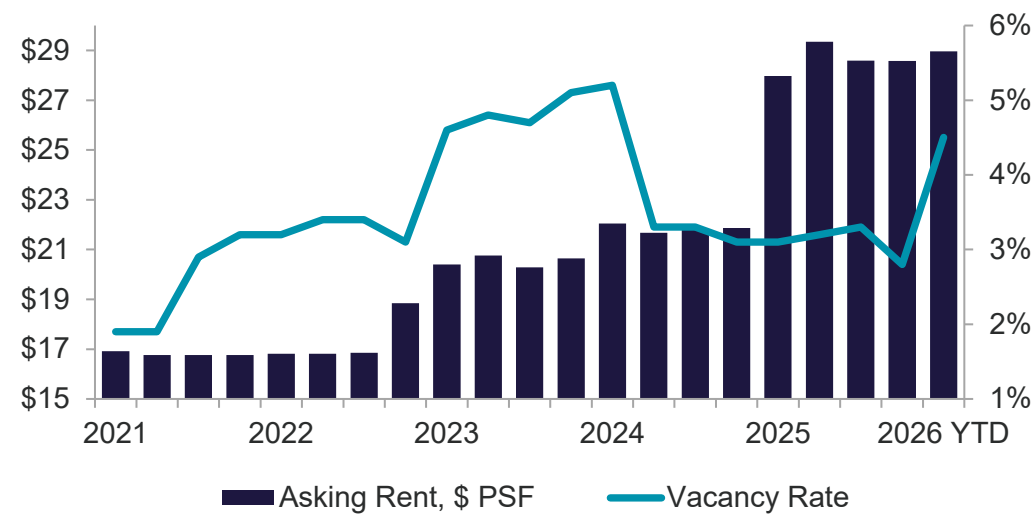
The statistics provided below are for the **Blacksburg** and **Lynchburg** areas, located immediately adjacent to the Roanoke market. These market areas are **not** included in the Roanoke market statistics included on the prior pages of this report but are presented separately due to notable market 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	3,208,634	99,408	44,552	4.5%	-55,765	-55,765	539	0	\$28.96	-
Lynchburg	4,182,263	199,520	1,400	4.8%	-7,988	-7,988	31,985	0	\$19.67	-
<b>BLACKSBURG &amp; LYNCHBURG TOTALS</b>	<b>7,390,897</b>	<b>298,928</b>	<b>45,952</b>	<b>4.7%</b>	<b>-63,753</b>	<b>-63,753</b>	<b>32,524</b>	<b>0</b>	<b>\$24.32</b>	<b>-</b>

\*Rental rates reflect full service asking

**BLACKSBURG OVERALL VACANCY & ASKING RENT**



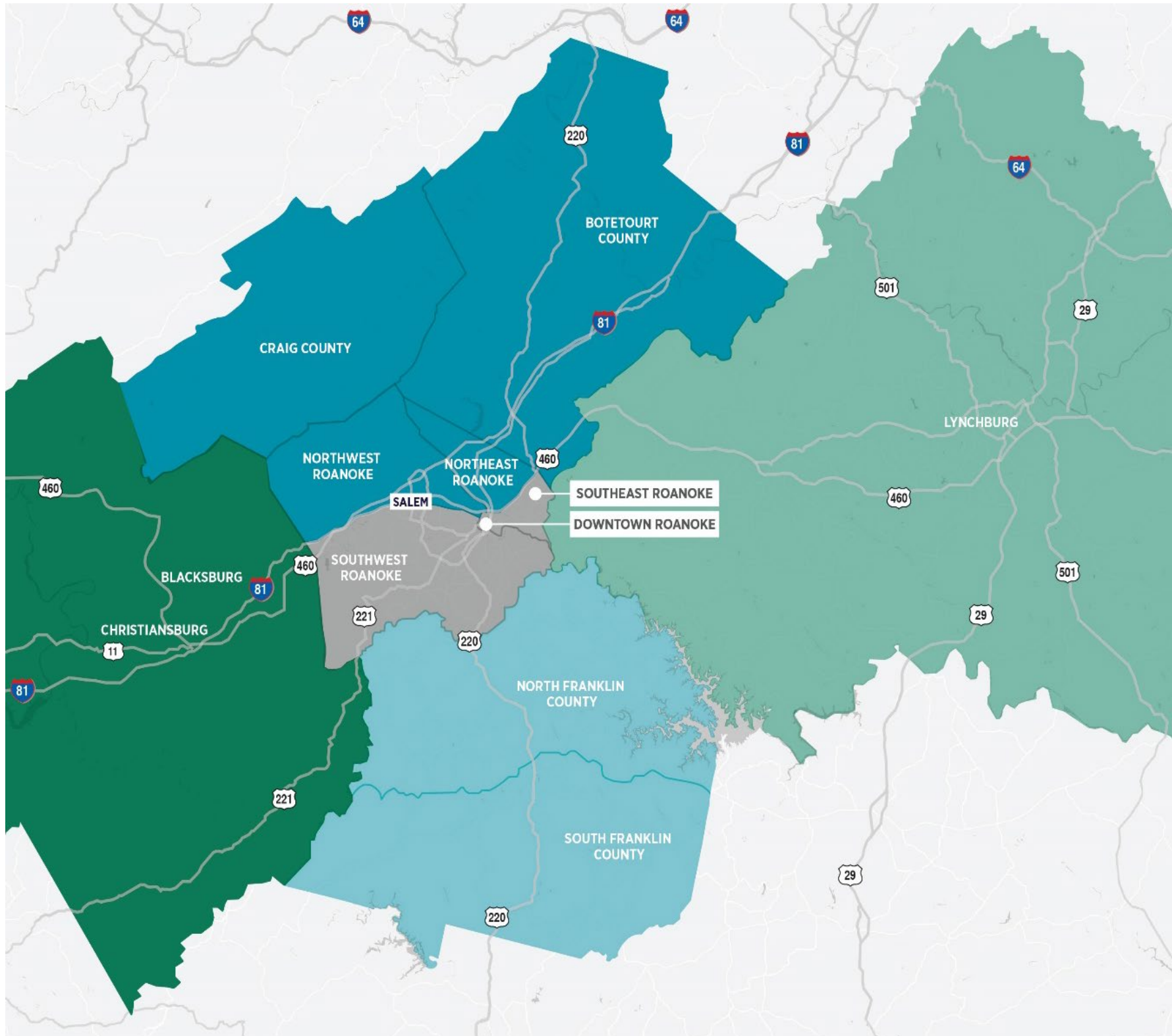
**LYNCHBURG OVERALL VACANCY & ASKING RENT**



**KEY LEASE TRANSACTIONS Q1 2026**

PROPERTY	SUBMARKET	TENANT	SF	TYPE
2107 Graves Mill Rd	Lynchburg	Undisclosed	2,600	New
828 Main St	Lynchburg	Undisclosed	752	New
3311 Old Forest Rd	Lynchburg	Undisclosed	700	New
1872 Pratt Dr	Blacksburg	Undisclosed	539	New

OFFICE SUBMARKETS



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