

MARKET FUNDAMENTALS

	YOY Chg	Outlook
\$77,000 Median HH Income	▲	▲
0.2% Population Growth	▼	▲
3.4% Unemployment Rate	▲	▬

Source: BLS

ECONOMIC INDICATORS

	YOY Chg	Outlook
2.2% GDP Growth	▼	▲
2.2% Consumer Spending Growth	▼	▲
1.3% Retail Sales Growth	▼	▬

Source: BEA, Census Bureau

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.

INVENTORY: NEW TENANT INTEREST

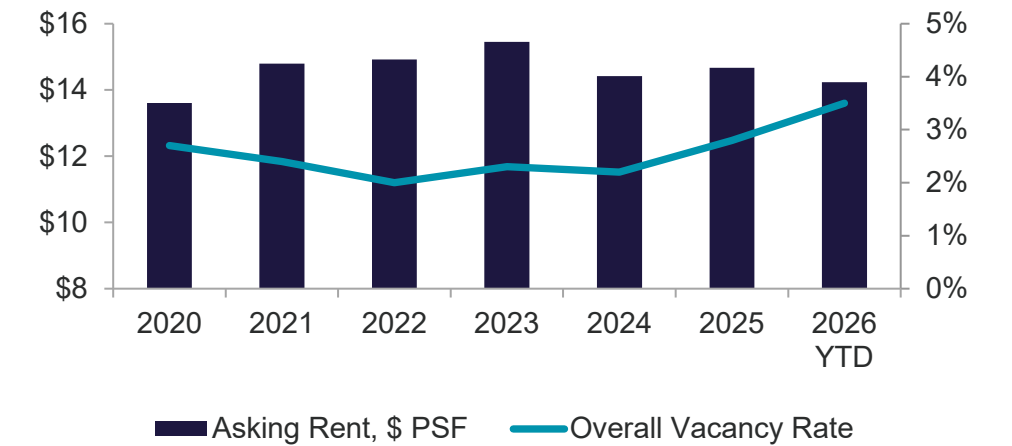
Overall vacancy ended the quarter at 3.5%, increasing 10 basis points (bps) quarter-over-quarter (QOQ). Leasing activity topped 35,631 sf, with neighborhood and community centers contributing to almost 47.0% of the volume. The top lease transaction was signed at 1092 By Pass Rd, where Floyd Dance Studio leased 7,000 sf of space in Southeast Roanoke.

While deliveries for the first quarter were limited, Tract D at Orchard Marketplace remains underway. This building will total 7,500 sf and is being built by Thomas Builders of Virginia, Inc. While unconfirmed, local officials have approved a performance-based agreement to support a “national destination retailer” at the Gateway Crossing site near Interstate 81. Widely believed to be Costco, the potential project has generated significant attention and could serve as a major economic driver and could spur addition retail growth.

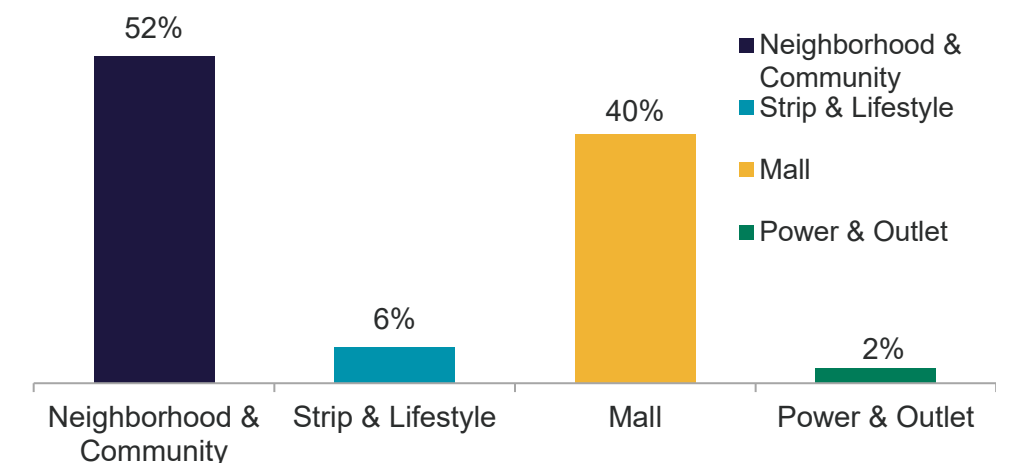
PRICING: INCREASED INVESTMENTS

Rental rates have decreased just over 1.0% YOY. Neighborhood and community centers have seen the largest rental rate decrease, decreasing 1.4% QOQ. Sales volume for the first quarter topped \$60.1M. Largely contributing to the sales volume was the portfolio sale of Towne Square. Big V Property Group sold the 299,134-sf grocery anchored power center to Octave Holdings and Investments for \$46.3M, or \$154.61 psf. The property was 92.0% occupied at the time of sale, and anchored by national tenants including Marshalls, Academy Sports, Ross, and more.

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	1,453,094	30,180	0	2.1%	3,907	3,907	9,500	\$14.53
Craig County	74,325	0	0	0.0%	0	0	0	-
Downtown Roanoke	1,327,573	31,837	0	2.4%	-10,978	-10,978	0	\$15.03
North Franklin County	1,070,375	37,986	0	3.5%	0	0	0	\$13.93
Northeast Roanoke	5,991,361	58,455	156,331	3.6%	-9,931	-9,931	0	\$12.87
Northwest Roanoke	2,912,746	133,018	0	4.6%	18,166	18,166	0	\$14.51
South Franklin County	749,686	9,500	14,550	3.2%	0	0	0	\$18.71
Southeast Roanoke	1,370,876	36,849	0	2.7%	-13,916	-13,916	0	\$11.84
Southwest Roanoke	6,640,191	246,960	2,287	3.8%	-3,750	-3,750	0	\$17.36
ROANOKE TOTALS	21,590,227	584,785	173,168	3.5%	-16,502	-16,502	9,500	\$14.23

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

KEY LEASE TRANSACTIONS Q1 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
1092 By Pass Rd	Southeast Roanoke	Floyd Ward School of Dance	7,000	New
117 Goodwin Ave	Northwest Roanoke	Undisclosed	5,100	New
4335 Starkey Rd	Southwest Roanoke	Crumble Cookie	3,000	New
2155-2177 Bennington St Se	Southwest Roanoke	Undisclosed	2,500	New
5036 Keagy Rd	Southwest Roanoke	Elite Therapy & Performance	2,216	New

KEY SALE TRANSACTIONS Q1 2026

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
1287-1455 Towne Square Blvd (Part of a Portfolio)	Northeast Roanoke	Big V Property Group / Octave Holdings and Investments	206,639	\$33.6M / \$162.72
1372-1420 Towne Square Blvd (Part of a Portfolio)	Northeast Roanoke	Big V Property Group / Octave Holdings and Investments	92,495	\$12.6M / \$136.51
5264 W Main St	Southwest Roanoke	Boone Tractor & Implement / Crc Property Holdings LLC	24,835	\$4.5M / \$182.20

KEY CONSTRUCTION PROJECTS Q1 2026

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
Market Center Way – Tract D	Botetourt County	N/A	7,500	Thomas Builders of Virginia, Inc. / N/A
2673 Lee Hwy	Botetourt County	Popeyes	2,000	Popeyes / Botsini Corporation

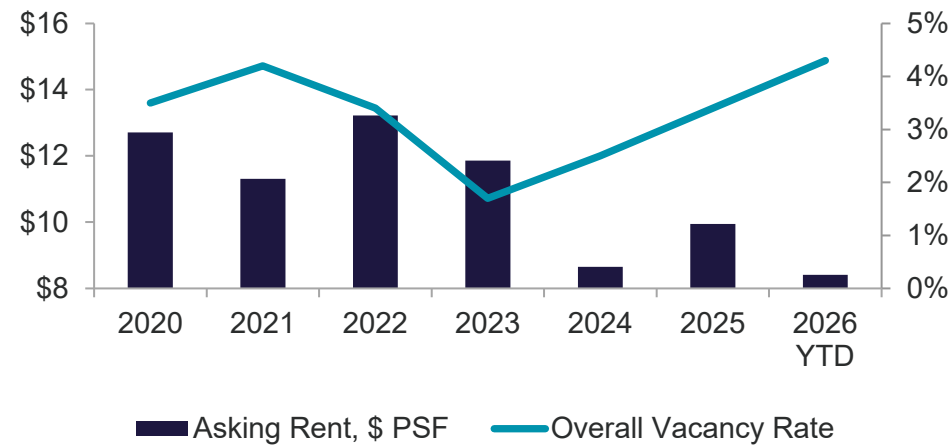
The statistics provided below are for the **Blacksburg** and **Lynchburg** areas, located immediately adjacent to the Roanoke market. These market areas are **not** included in the Roanoke market statistics included on the prior pages of this report but are presented separately due to notable market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

BLACKSBURG & LYNCHBURG MARKET STATISTICS

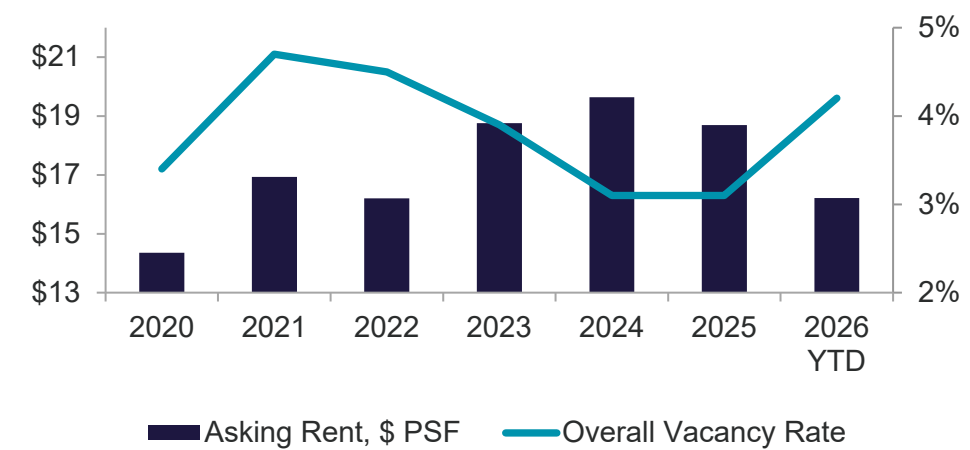
SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (NNN)*
Blacksburg	8,520,866	366,575	0	4.3%	-27,043	-27,043	-	\$8.41
Lynchburg	11,579,463	479,011	8,250	4.2%	22,329	22,329	21,759	\$16.21
BLACKSBURG & LYNCHBURG TOTALS	20,100,329	845,586	8,20	4.3%	-4,714	-4,714	21,759	\$12.31

*Rental rates reflect full service asking

BLACKSBURG OVERALL VACANCY & ASKING RENT



LYNCHBURG OVERALL VACANCY & ASKING RENT



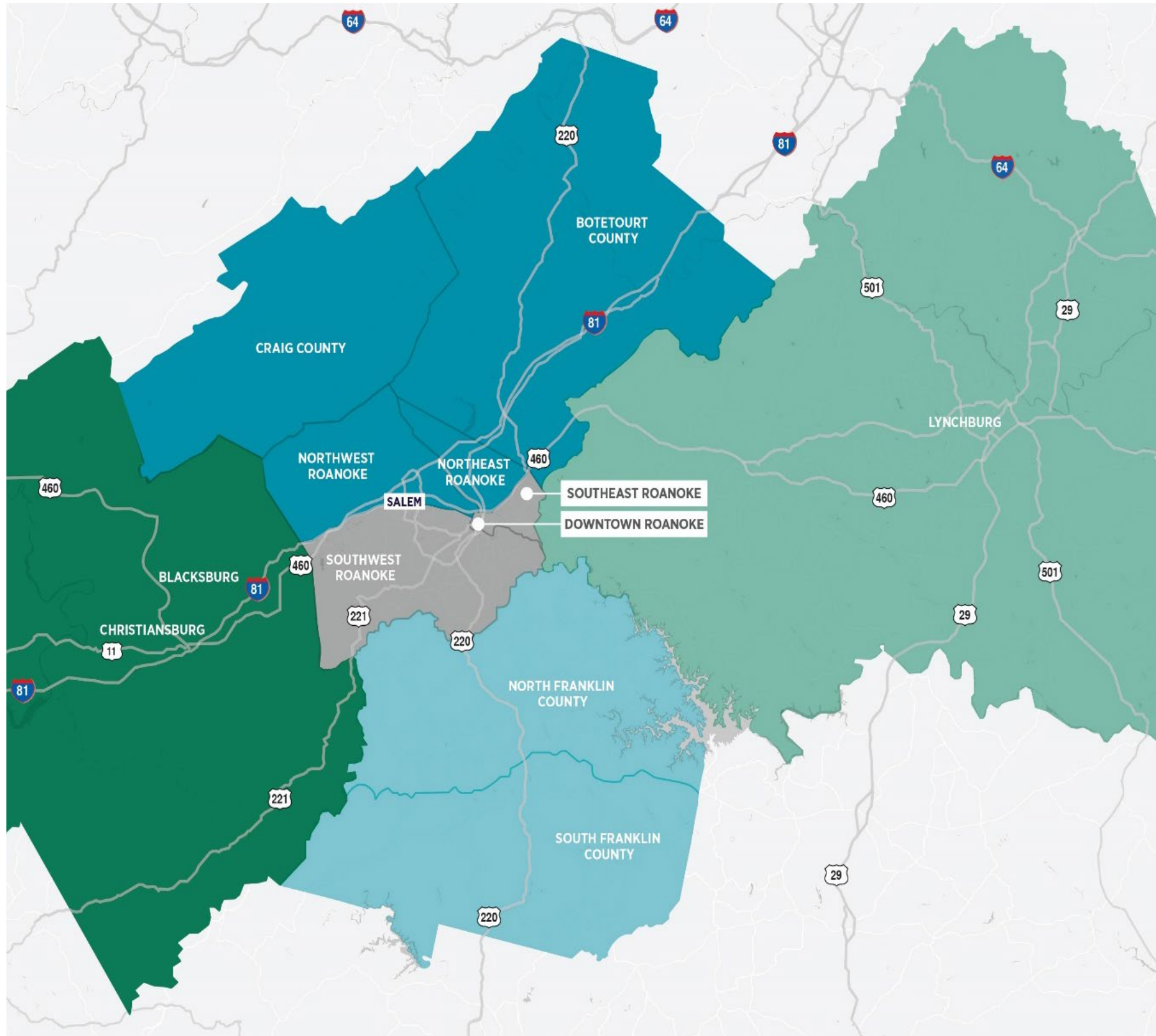
KEY LEASE TRANSACTIONS Q1 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
4529-4525 S Amherst Hwy	Lynchburg	Undisclosed	7,400	New
2600 Dearing Ford Rd	Lynchburg	Vista Fitness 24 Hour	7,200	New
606 N Main St	Blacksburg	Blacksburg Auto Parts & Engineering, LLC	6,040	New
3810 Wards Rd	Lynchburg	Undisclosed	5,274	New

KEY CONSTRUCTION PROJECTS Q1 2026

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
1600 Graves Mill Rd	Lynchburg	N/A	21,759	TPB Properties / Undisclosed

RETAIL SUBMARKETS



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