MARKETBEAT

ROANOKE, VA

INDUSTRIAL Q2 2026

CUSHMAN & WAKEFIELD

THALHIMER

MARKET FUNDAMENTALS

	YOY Chg	Outlook
3.3% Vacancy Rate	▼	▼
-33.4K YTD Net Absorption, SF	▲	▲
$5.81 Asking Rent, PSF	▼	▲

(Overall, Net Asking Rent)

ECONOMIC INDICATORS

	YOY Chg	Outlook
169.1K Roanoke MSA Employment*	▲	▲
3.7% Roanoke MSA Unemployment Rate*	▲	▼
4.2% U.S. Unemployment Rate	—	▲

Source: BLS

ECONOMY: REGIONAL INVESTMENT & INNOVATION

The Roanoke region continues to build on its economic momentum through a diverse mix of investments, business expansion, and quality-of-life achievements. Recent developments underscore the region's growing appeal. Roanoke was named one of the Top 100 Best Places to Live by Livability for the second consecutive year, highlighting its strong quality of life. Lynchburg-based BWX Technologies secured more than $1.4 billion in U.S. Naval Nuclear Propulsion Program contracts, while Austrian life sciences company RINGANA announced plans to establish its first U.S. production facility in Roanoke, investing $85 million and creating 435 new jobs. The region's biotechnology sector also continues to expand, with RoVa Labs at Carilion Clinic opening a $26 million incubator expected to generate 250 jobs over the next five years. In addition, STACK Infrastructure announced a $73.5 billion investment in its planned data center campus in Pittsylvania County, representing one of the largest digital infrastructure investments announced nationwide to date.

SUPPLY AND DEMAND: VACANCY DECREASING

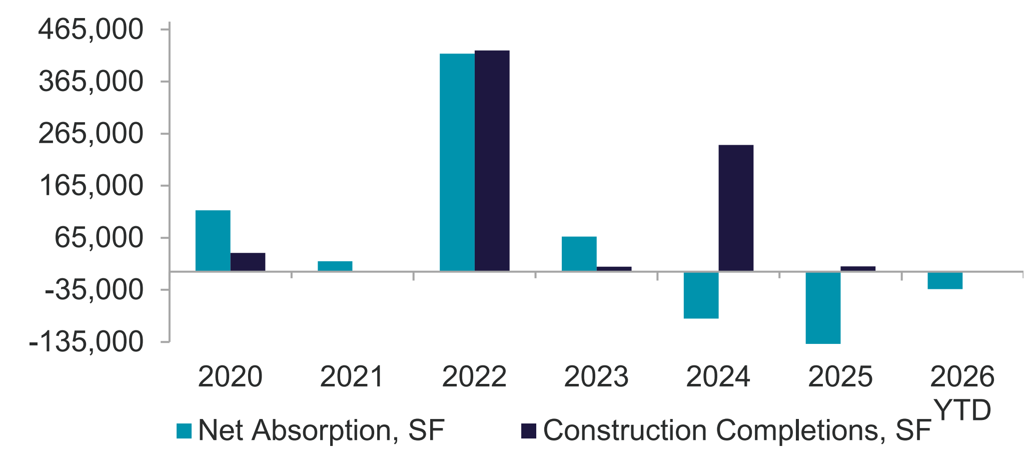
The overall vacancy rate decreased 10 basis points (bps) quarter-over-quarter (QOQ) and 40 bps year-over-year (YOY) to end the quarter at 3.3%. Manufacturing properties saw the largest increase in vacancy, closing the quarter at 5.9% and increasing 40 bps QOQ.

Leasing activity has topped 124,932 sf for the quarter and over 285,811 sf year-to-date (YTD). Notable lease transactions for the quarter include 728 Wertz Rd, where an undisclosed tenant lease 44,000 sf of warehouse speak in Northeast Roanoke.

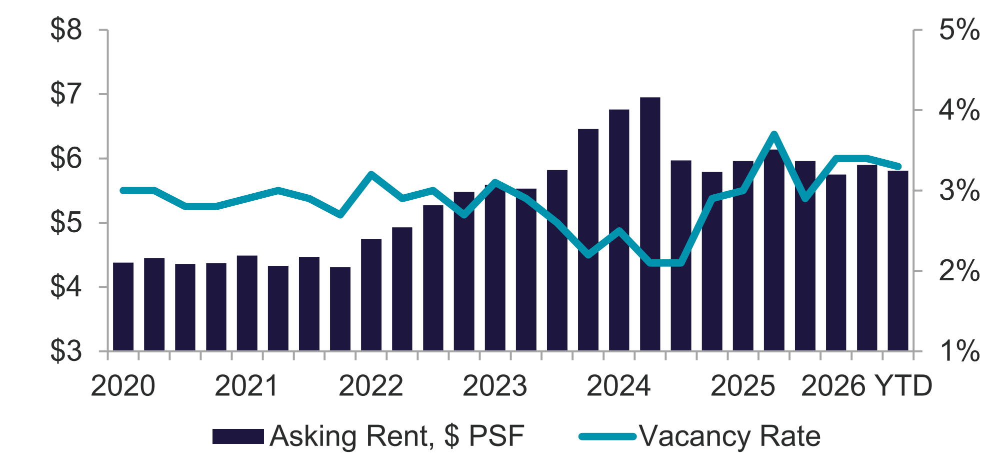
PRICING: RENTAL RATES STABILIZE

Overall quoted industrial rates ended the quarter at $5.81 per square foot (psf), reflecting just over a 1.5% increase since the end of 2025. Actual rates are in the range of 17.0% higher than average quoted rates as a result of large blocks of unpriced space. Sales activity reached $1.1M for the quarter, led by the transaction of 240 Industry Blvd in North Franklin County. The 9,880-sf warehouse sold for $570K, or $57.69 psf. Following behind was the sale of 515 Electric Rd. This 5,185-sf warehouse sold for $538K, or $103.92 psf in Southwest Roanoke. This property was part of a portfolio consisting of 2 properties, which sold to Carter Machinery for a total of $3.0M, or $197.57 psf.

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%	0	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	3,456,610	78,330	2.3%	0	-19,136	0	0	-	-	$3.82
Northeast Roanoke	10,997,991	580,954	5.3%	-17,993	-30,469	0	0	-	$12.00	$6.74
Northwest Roanoke	2,616,877	205,864	7.9%	8,488	-19,188	0	0	$6.00	-	$3.60
South Franklin County	883,276	0	0.0%	0	0	0	0	-	-	-
Southeast Roanoke	3,495,851	0	0.0%	26,850	31,116	0	0	-	-	$8.72
Southwest Roanoke	14,578,233	490,481	3.4%	-50,120	-67,045	0	0	$6.06	$13.50	$5.83
ROANOKE TOTALS	**41,393,877**	**1,359,397**	**3.3%**	**-32,775**	**-33,410**	**0**	**0**	**$6.07**	**$12.36**	**$5.52**

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

MF = Manufacturing OS = Office Service/Flex W/D = Warehouse/Distribution

KEY LEASE TRANSACTIONS Q2 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
728 Wertz Rd	Northeast Roanoke	Undisclosed	44,000	New
1910 Loudon Ave NW	Southwest Roanoke	Undisclosed	25,000	New
3941 W Main St	Northwest Roanoke	Undisclosed	23,392	New
7500 Shadwell Dr	Northeast Roanoke	Kissito Healthcare	13,100	Renewal
3125 Salem Tpke NW	Northwest Roanoke	T&S Installations LLC	8,400	New

KEY SALE TRANSACTIONS Q2 2026

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
240 Industry Blvd	North Franklin County	Undisclosed / 240 Industry Blvd LLC	9,880	$570K / $57.69
515 Electric Rd	Southwest Roanoke	Brown & Son Towing-Hauling / Carter Machinery	5,185	$539k / $103.92

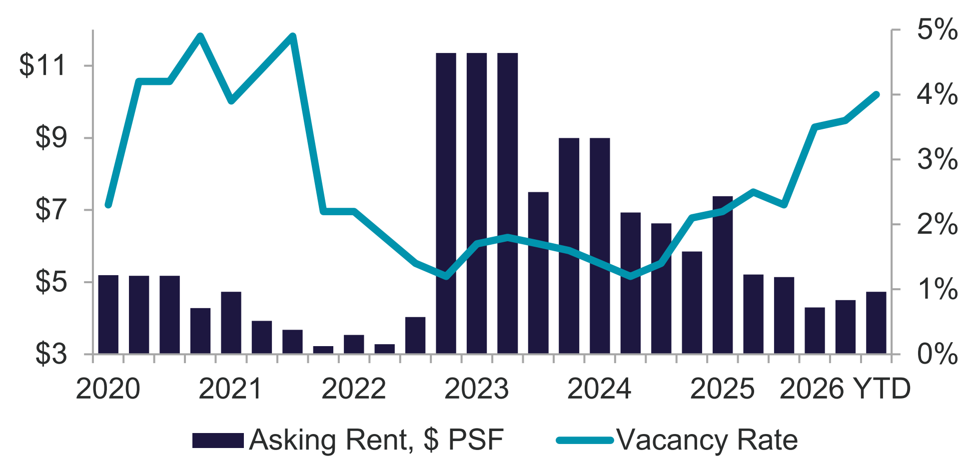
The statistics provided below are for the **Blacksburg** and **Lynchburg** areas, located immediately adjacent to the Roanoke market. These market areas are **not** included in the Roanoke market statistics included on the prior pages of this report but are presented separately due to notable market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

BLACKSBURG & LYNCHBURG MARKET STATISTICS

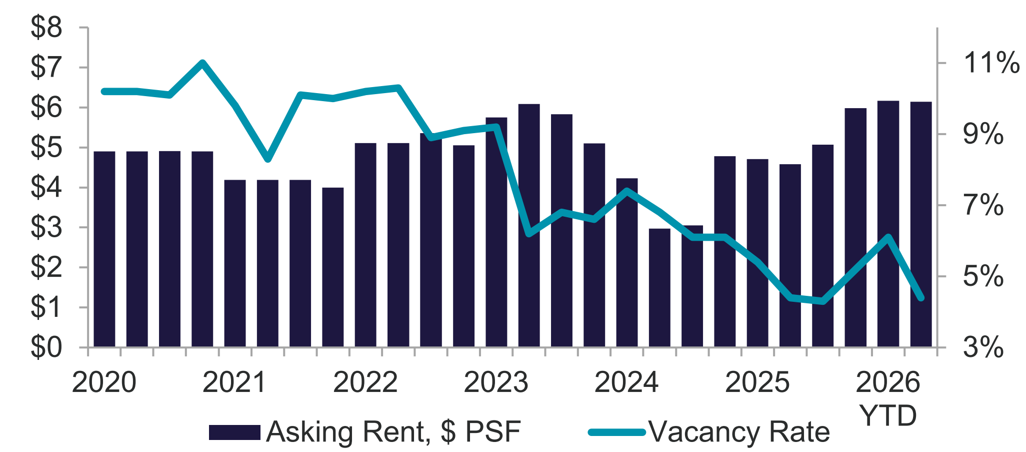
SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	YTD LEASING ACTIVITY SUBLET (SF)	YTD LEASING ACTIVITY TOTAL (SF)	OVERALL WEIGHTED AVERAGE NET RENT (W/D)
Blacksburg	12,132,179	490,685	4.0%	-66,105	-56,835	0	0	0	7,500	$4.73
Lynchburg	20,422,831	907,678	4.4%	127,489	-50,931	184,440	52,500	0	974,410	$6.14
BLACKSBURG & LYNCHBURG TOTALS	**32,555,010**	**1,398,363**	**4.2%**	**61,384**	**-107,766**	**184,440**	**52,500**	**0**	**981,910**	**$5.44**

**Rental rates reflect full service asking*

BLACKSBURG OVERALL VACANCY & ASKING RENT



LYNCHBURG OVERALL VACANCY & ASKING RENT



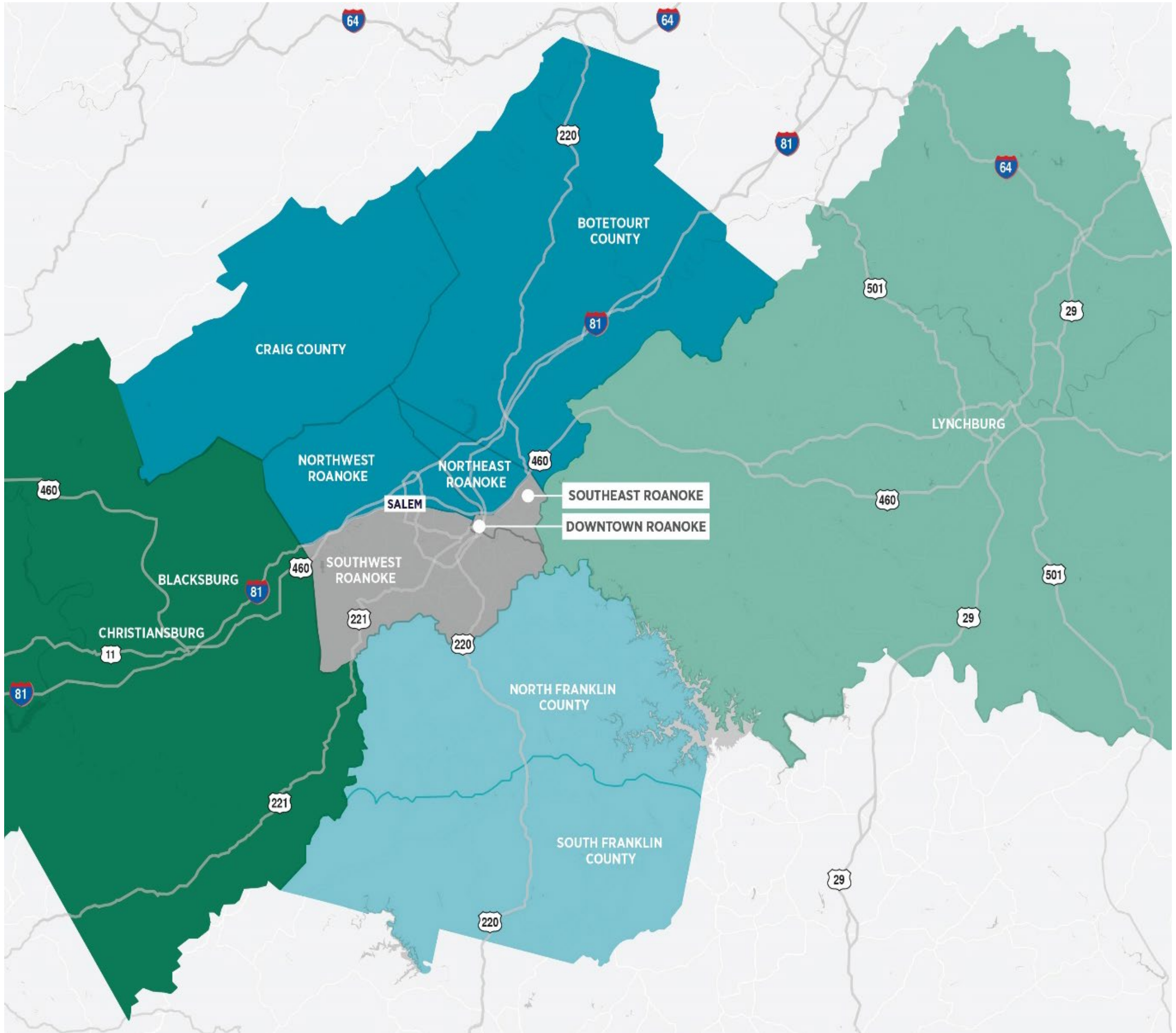
KEY LEASE TRANSACTIONS PROJECTS Q2 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
310 Founders Ln	Lynchburg	Undisclosed	349,622	New
310 Founders Ln	Lynchburg	Dominion Energy	349,000	New
314 Jefferson Ridge Pky	Lynchburg	Undisclosed	231,708	New
201 Perrow St	Lynchburg	Thomas Road Baptist Church	30,000	New
77 Scattergood Dr NW	Blacksburg	Undisclosed	7,500	New

KEY SALE TRANSACTIONS Q2 2026

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
350 Technology Dr SE (Part of a Portfolio)	Blacksburg	Miramar Capital / SMBC Leasing & Finance Inc.	250,955	$54.2M / $215.94
680 Scattergood Dr	Blacksburg	Prince-Williams Realty, Inc. / The Manakin Companies, LC	134,100	$10.6M / $79.05
326 Bradley Dr	Lynchburg	Handy Distribution / Alliance Industrial Corporation	48,392	$4.4M / $90.92

INDUSTRIAL SUBMARKETS



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