MARKETBEAT
ROANOKE, VA
OFFICE Q2 2026

CUSHMAN & WAKEFIELD
THALHIMER

MARKET FUNDAMENTALS

	YOY Chg	Outlook
6.4% Vacancy Rate	▲	▼
-131.5K YTD Net Absorption, SF	▼	▲
$19.96 Asking Rent, PSF	▼	▲

(Overall, All Property Classes)

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: EXPANDING OPPORTUNITIES IN THE REGION

The Roanoke region maintained strong economic momentum throughout the second quarter, driven by a mix of major investment, industrial growth, and entrepreneurial activity that continues to strengthen its position as a hub for business and innovation. One of the quarter's biggest developments was the announcement that Austrian life sciences company RINGANA will establish its first U.S. headquarters in Roanoke, bringing an approximately $85 million investment and an estimated 435 new jobs, making it one of the largest foreign direct investment projects in the region's history. The opening of RoVa Labs, a $26 million biotechnology incubator is expected to create 250 new jobs while supporting the region's growing life sciences sector. Economic activity across the broader region also contributed to Roanoke's continued growth, including major federal contract awards to BWX Technologies totaling more than $1.4 billion and continued progress on large-scale digital infrastructure projects across Southern Virginia.

SUPPLY AND DEMAND: VACANCY REMAINS STABLE

Vacancy increased 80 basis points (bps) quarter-over-quarter (QOQ) and 20 bps year-over-year (YOY). While net absorption was negative at -57,107 sf, leasing activity remained strong with 22,849 sf leased during the quarter, and 72,803 sf year-to-date (YTD). Since the start of 2024, over 455,945 sf of space has been leased throughout the region. Southwest Roanoke led the market in terms of activity, accounting for over 56.6% 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.

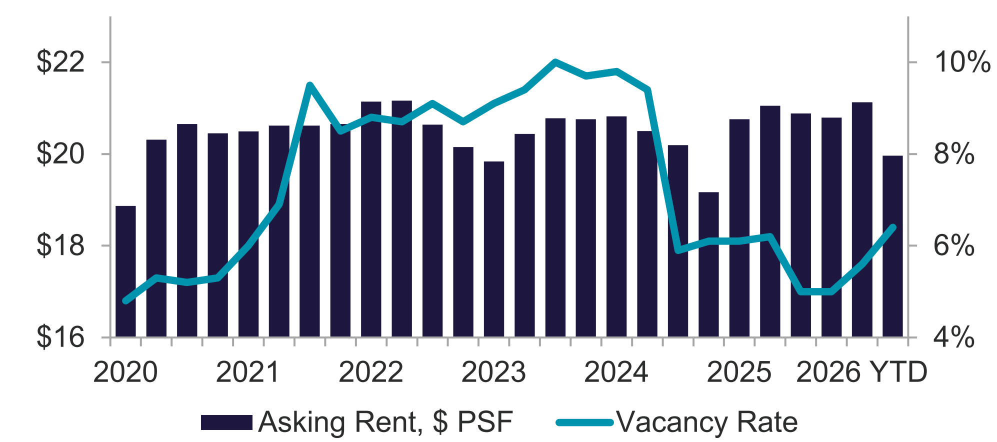
PRICING: RENT GROWTH STABLE

Overall asking rents saw a slight decrease of 5.9% QOQ yet have seen a 4.1% increase since the start of 2024. Significant lease transactions include an undisclosed tenant leasing 8,255 sf of space at 5251 Concourse Dr in Northeast Roanoke.

While sales activity remained limited for the quarter, sales volume has topped $11.6 million (M) YTD. The largest transaction YTD was 3433 Brambleton Ave in Southwest Roanoke. This property was purchased by STORE Capital Corporation for $3.8M, or $132.54 per-square-foot (psf) and 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	388,125	20,589	0	5.3%	0	0	572	0	$28.00	-
Downtown Roanoke	3,210,891	270,881	0	8.4%	25,820	-18,747	36,036	0	$20.94	$25.70
North Franklin County	117,384	2,377	0	2.0%	-2,377	-2,377	0	0	-	-
Northeast Roanoke	1,244,412	115,829	0	9.3%	-74,000	-89,401	8,255	0	$19.58	-
Northwest Roanoke	279,563	35,325	0	12.6%	-3,400	-7,025	2,000	0	$19.69	-
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	3,362,524	96,123	5,700	3.0%	-3,150	-13,930	26,640	0	$18.02	$16.80
ROANOKE TOTALS	**8,811,987**	**565,014**	**5,700**	**6.4%**	**-57,107**	**-131,480**	**72,803**	**0**	**$19.96**	**$25.29**

**Rental rates reflect full service asking*

KEY LEASE TRANSACTIONS Q2 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
5251 Concourse Dr	Northeast Roanoke	Undisclosed	8,255	New
3070 Electric Rd	Southwest Roanoke	Undisclosed	6,960	New
2727 Electric Rd	Southwest Roanoke	Kingsview LeaseCo LLC	2,549	New
2727 Electric Rd	Southwest Roanoke	Undisclosed	1,194	New
1727 Peters Creek Rd NW	Northwest Roanoke	Carolyn Day	1,100	New
1948 Franklin Rd SW	Southwest Roanoke	Steadfast Security Solutions	1,025	New

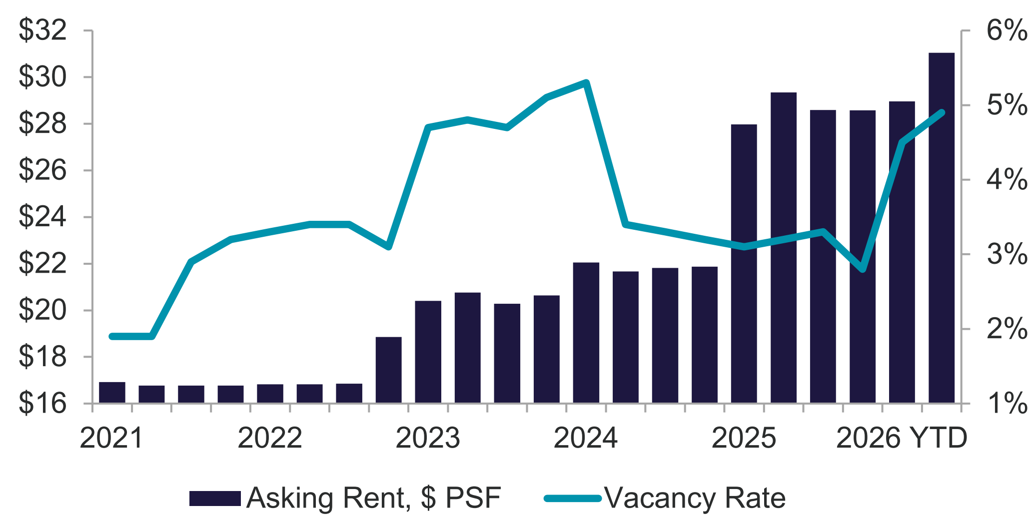
The statistics provided below are for the **Blacksburg** and **Lynchburg** areas, located immediately adjacent to the Roanoke market. These market areas are **not** included in the Roanoke market statistics included on the prior pages of this report but are presented separately due to notable market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

BLACKSBURG & LYNCHBURG MARKET STATISTICS

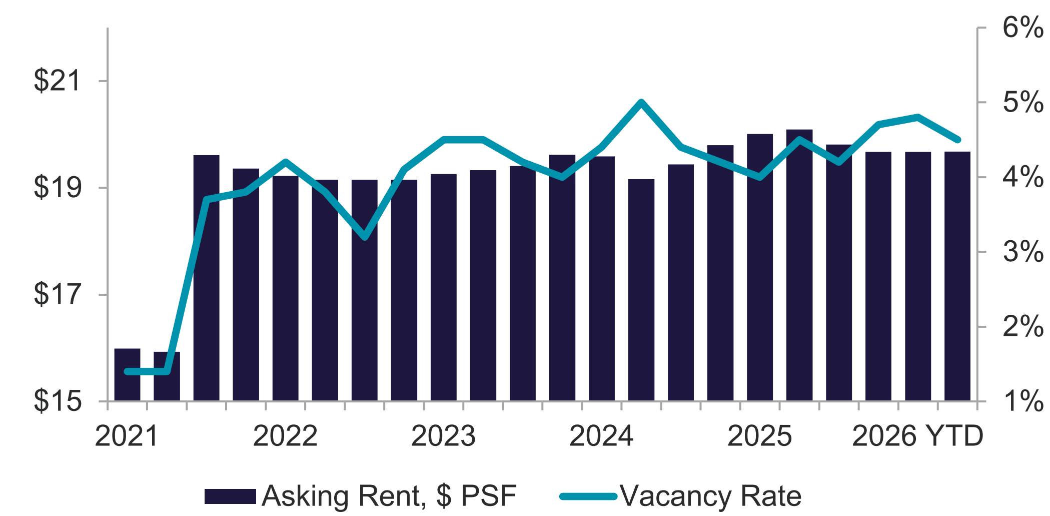
SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Blacksburg	3,191,214	112,478	44,552	4.9%	-12,531	-68,296	3,273	0	$31.04	-
Lynchburg	4,197,598	187,610	1,400	4.5%	-15,210	7,222	24,250	0	$19.68	-
BLACKSBURG & LYNCHBURG TOTALS	**7,388,812**	**300,088**	**45,952**	**4.7%**	**-27,741**	**-61,074**	**27,523**	**0**	**$25.36**	**-**

**Rental rates reflect full service asking*

BLACKSBURG OVERALL VACANCY & ASKING RENT



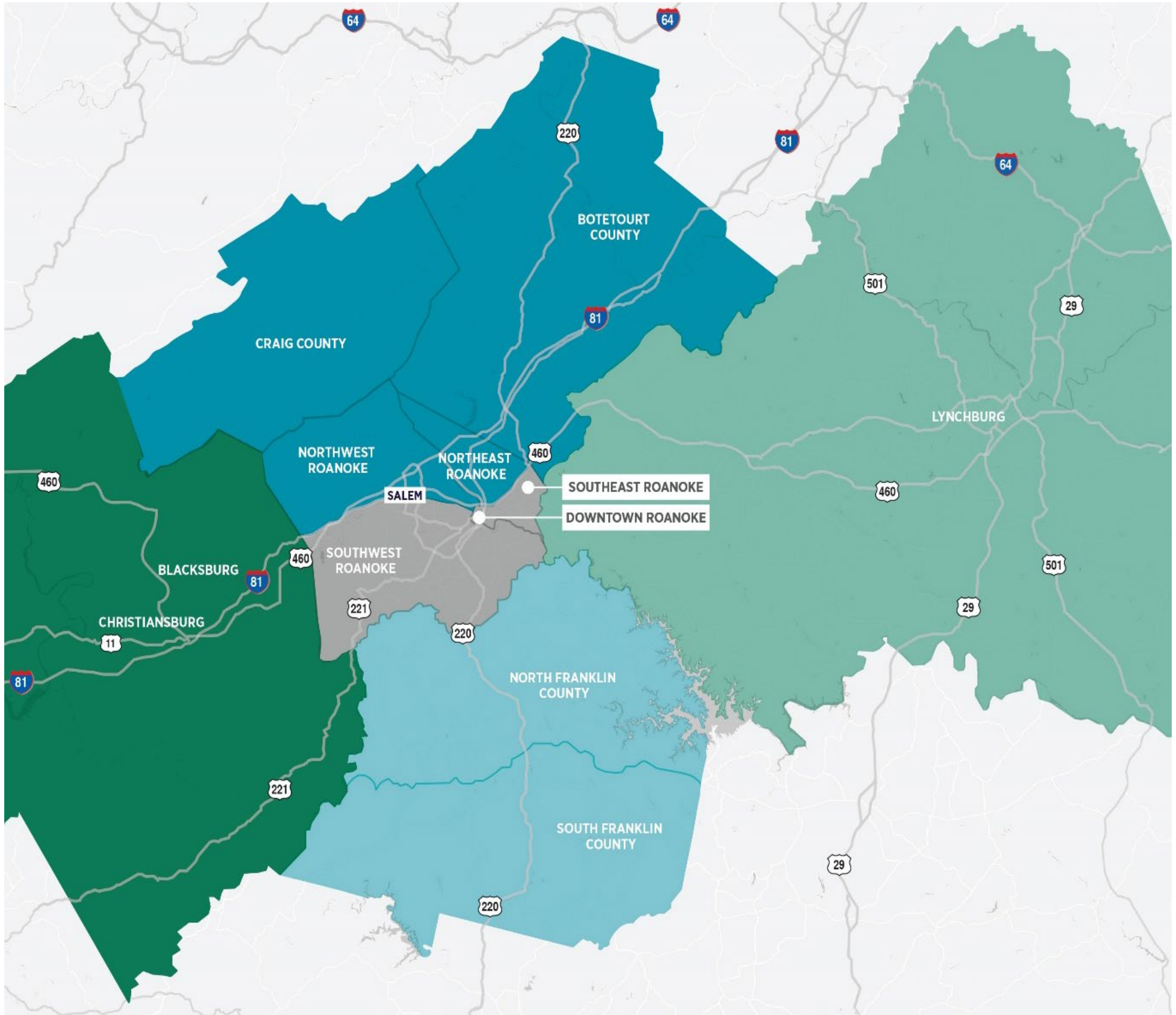
LYNCHBURG OVERALL VACANCY & ASKING RENT



KEY LEASE TRANSACTIONS Q2 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
3024 Forest Hills Cir	Lynchburg	Undisclosed	10,500	New
2015 Tate Springs Rd	Lynchburg	Hanger Clinic	6,600	Renewal
2015 Tate Springs Rd	Lynchburg	Asthma & Allergy Center	3,100	New
100 Arbor Dr	Blacksburg	Undisclosed	1,620	New
2200 Kraft Dr	Blacksburg	Undisclosed	825	New

OFFICE SUBMARKETS



PRICE GUTSHALL
Vice President
Tel: +1 540 767 3011
price.gutshall@thalhimer.com

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