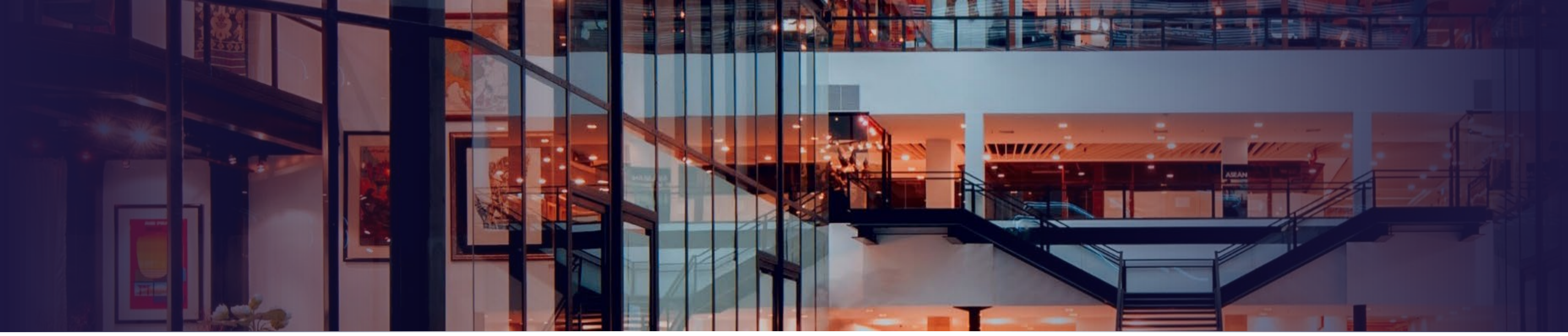
# MARKETBEAT
# ROANOKE, VA
## RETAIL Q2 2026



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### MARKET FUNDAMENTALS

| | YOY Chg | Outlook |
|---|---|---|
| **$78,700** Median HH Income | ▲ | ▲ |
| **0.1%** Population Growth | — | ▲ |
| **3.8%** Unemployment Rate | ▲ | ▼ |

*Source: BLS*

### ECONOMIC INDICATORS

| | YOY Chg | Outlook |
|---|---|---|
| **2.2%** GDP Growth | ▲ | ▲ |
| **2.1%** Consumer Spending Growth | ▼ | ▲ |
| **1.5%** Retail Sales Growth | ▼ | ▲ |

*Source: BEA, Census Bureau*

### 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 (M) 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.

### INVENTORY: STEADY LEASING ACTIVITY

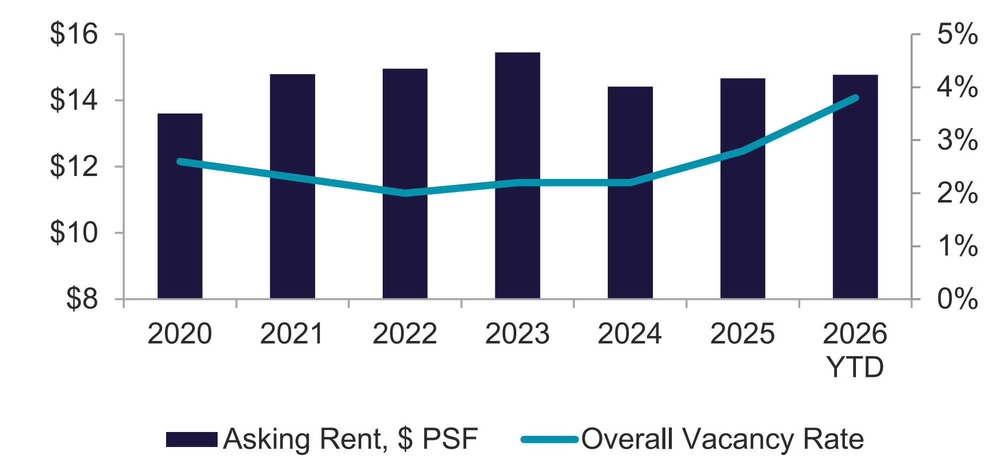
Overall vacancy ended the quarter at 4.1%, increasing 70 basis points (bps) quarter-over-quarter (QOQ). Leasing activity topped 15,454 sf during the quarter, and over 47,522 sf year-to-date (YTD). The top lease transaction was Wine Gourmet & Medmont Mercantile. They agreed to occupy 4,500 sf of space at 4335 Starkey Rd in Southwest Roanoke.

While deliveries for the first quarter were limited, Tract D at Orchard Marketplace remains underway in Botetourt County. This building will total 7,500 sf and is being built by Thomas Builders of Virginia, Inc. In Southeast Roanoke, the new Wawa is underway. This store will be 6,000 sf and located at 2843 Orange Ave.

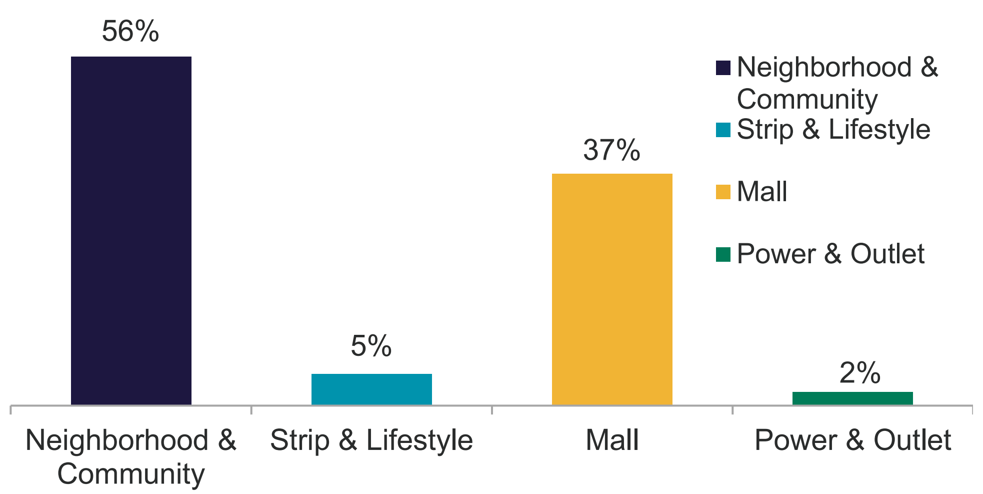
### PRICING: STRONG RENTS & ACTIVE INVESTMENTS

Rental rates have increased just over 7.7% QOQ and just under 1.0% year-over-year (YOY). Neighborhood and community centers have seen the largest rental rate increase, up 18.1% QOQ. Sales volume for the second quarter topped $18.2M, and over $81.4M YTD. Topping the second quarter transactions was 925 N Electric Rd. This 30,297-sf auto dealership transacted for $5.5M, or $181.54 per-square-foot (psf) to Hash Investments, LLC. Following behind was 2203 Franklin Rd SW. This 25,000-sf supermarket occupied by Earth Fare sold to Harbour Retail Partners in a portfolio sale consisting of one other property for $4.3M, or $171.43 psf.

### 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 | 1,461,312 | 65,997 | 0 | 4.5% | -32,749 | -28,842 | 7,500 | $16.19 |
| Craig County | 74,325 | 0 | 0 | 0.0% | 0 | 0 | 0 | - |
| Downtown Roanoke | 1,338,712 | 31,837 | 0 | 2.4% | -1,116 | -9,862 | 0 | $14.83 |
| North Franklin County | 1,019,252 | 25,886 | 29,000 | 5.4% | -26,550 | -26,550 | 0 | $12.88 |
| Northeast Roanoke | 5,990,581 | 92,412 | 156,331 | 4.2% | -34,207 | -44,138 | 0 | $12.87 |
| Northwest Roanoke | 2,914,840 | 173,292 | 0 | 5.9% | -40,274 | -22,108 | 0 | $14.58 |
| South Franklin County | 759,167 | 13,020 | 14,550 | 3.6% | -3,520 | -3,520 | 0 | $17.97 |
| Southeast Roanoke | 1,370,876 | 37,842 | 0 | 2.8% | -993 | -13,641 | 6,000 | $11.84 |
| Southwest Roanoke | 6,619,117 | 237,045 | 2,287 | 3.6% | 275 | -3,475 | 0 | $18.71 |
| **ROANOKE TOTALS** | **21,548,182** | **584,785** | **173,168** | **4.1%** | **-136,902** | **-153,404** | **13,500** | **$15.32** |

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

## KEY LEASE TRANSACTIONS Q2 2026

| PROPERTY | SUBMARKET | TENANT | SF | TYPE |
|---|---|---|---|---|
| 4335 Starkey Rd | Southwest Roanoke | Wine Gourmet & Medmont Mercantile | 4,500 | New |
| 2105-2121 Apperson Dr | Southwest Roanoke | Undisclosed | 2,250 | New |
| 1400-1421 W Main St | Northwest Roanoke | Wingstop | 2,150 | New |
| 4750 Valley View Blvd NW | Northeast Roanoke | Glo Fiber | 1,608 | New |
| 3555 Electric Rd | Southwest Roanoke | Undisclosed | 1,450 | New |

## KEY SALE TRANSACTIONS Q1 2026

| PROPERTY | SUBMARKET | SELLER/BUYER | SF | PRICE / $ PSF |
|---|---|---|---|---|
| 925 N Electric Rd | Northwest Roanoke | Pinkerton Chevrolet, Inc / Hash Investments, LLC | 30,927 | $5.5M / $181.54 |
| 2203 Franklin Rd SW (Part of a Portfolio) | Southwest Roanoke | BC Wood Properties / Hourbour Retail Partners | 25,000 | $4.3M / $171.43 |
| 2243 Franklin Rd SW (Part of a Portfolio) | Southwest Roanoke | BC Wood Properties / Harbour Retail Partners | 6,949 | $3.2M / $462.56 |

## KEY CONSTRUCTION PROJECTS Q2 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 |
| 2843 Orange Ave | Southeast Roanoke | Wawa | 6,000 | TPB Properties / N/A |

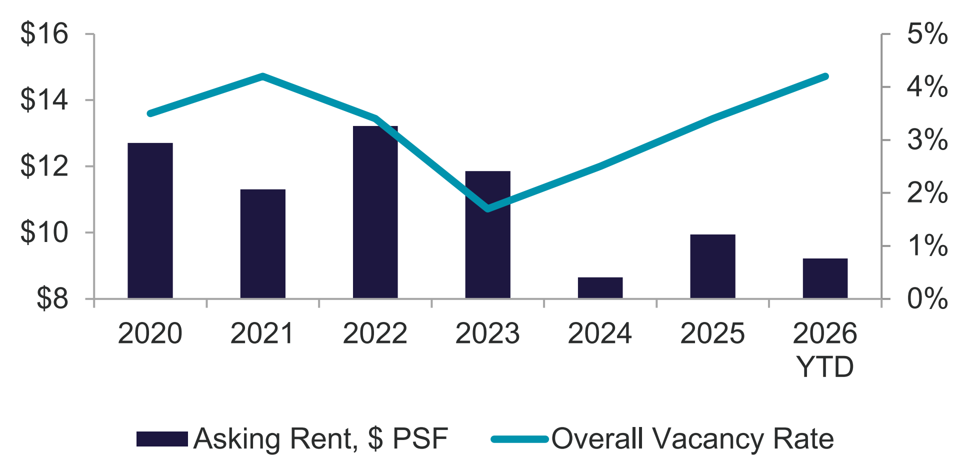
The statistics provided below are for the **Blacksburg** and **Lynchburg** areas, located immediately adjacent to the Roanoke market. These market areas are **not** included in the Roanoke market statistics included on the prior pages of this report but are presented separately due to notable market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

## BLACKSBURG & LYNCHBURG MARKET STATISTICS

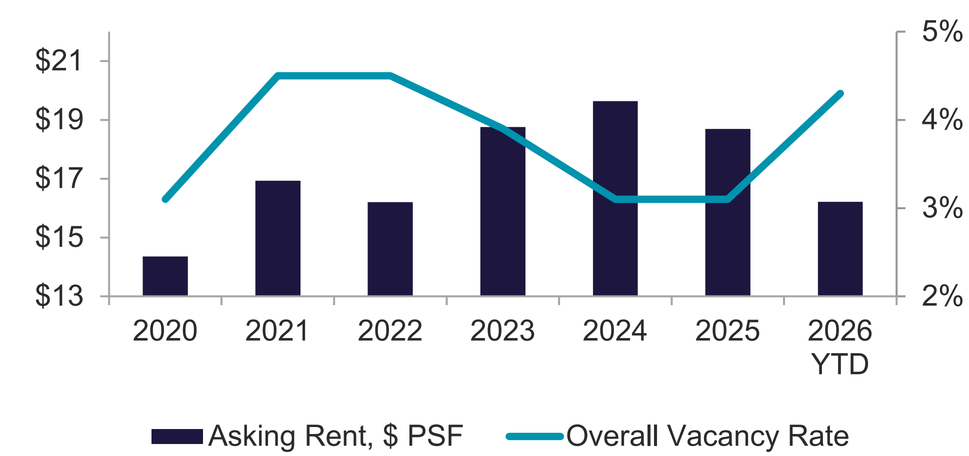
| SUBMARKET | INVENTORY (SF) | DIRECT VACANT (SF) | SUBLET VACANT (SF) | OVERALL VACANCY RATE | CURRENT QTR OVERALL NET ABSORPTION (SF) | YTD OVERALL NET ABSORPTION (SF) | UNDER CNSTR (SF) | OVERALL AVG ASKING RENT (NNN)* |
|---|---|---|---|---|---|---|---|---|
| Blacksburg | 8,536,039 | 344,540 | 0 | 4.0% | 19,135 | -7,908 | - | $10.02 |
| Lynchburg | 11,600,584 | 496,298 | 8,250 | 4.3% | -8,848 | 19,201 | 0 | $16.21 |
| **BLACKSBURG & LYNCHBURG TOTALS** | **20,136,623** | **840,838** | **8,250** | **4.2%** | **10,287** | **11,293** | **0** | **$13.12** |

**Rental rates reflect full service asking*

## BLACKSBURG OVERALL VACANCY & ASKING RENT




## LYNCHBURG OVERALL VACANCY & ASKING RENT



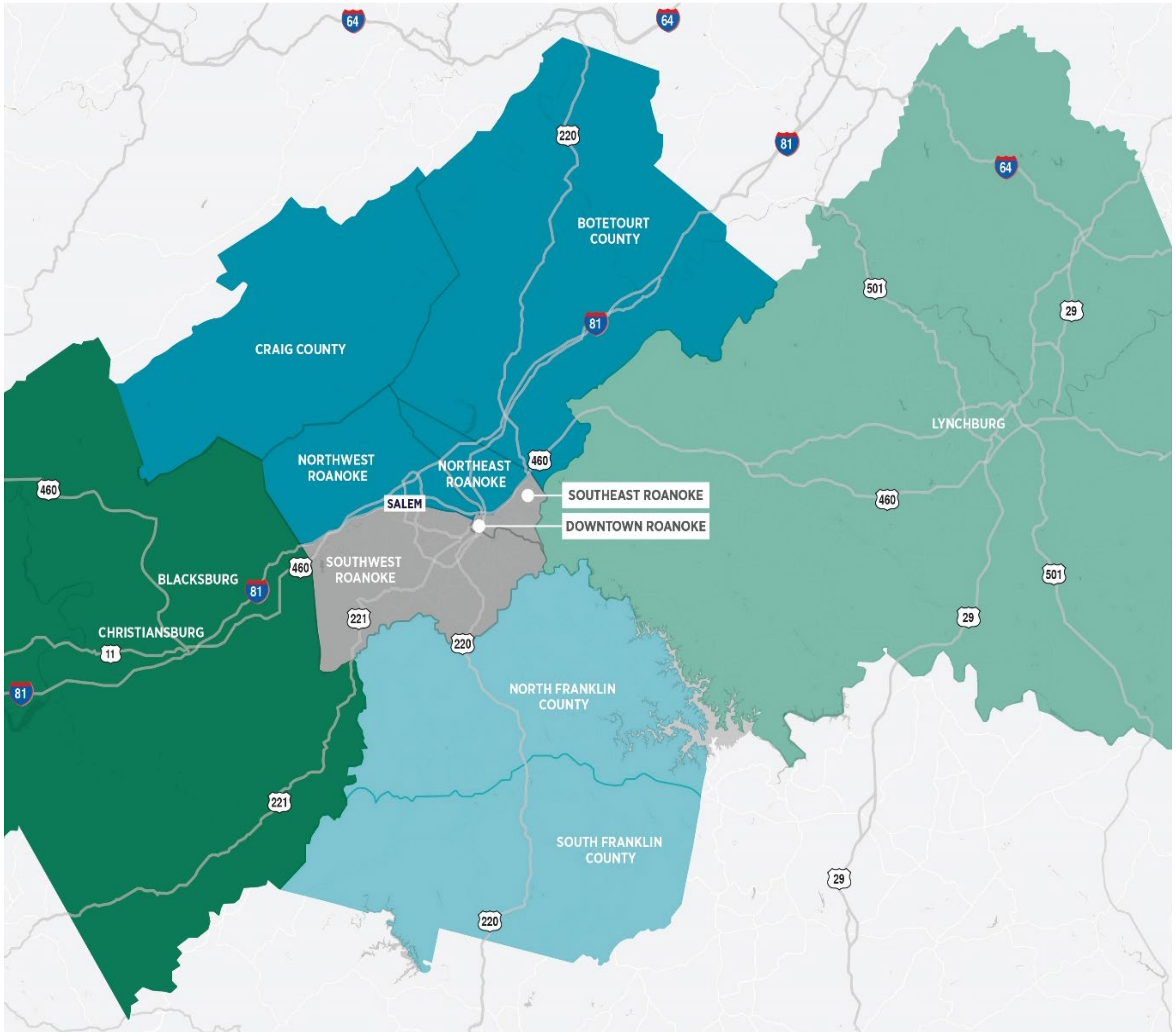

## KEY LEASE TRANSACTIONS Q2 2026

| PROPERTY | SUBMARKET | TENANT | SF | TYPE |
|---|---|---|---|---|
| 501 E Main St | Blacksburg | Undisclosed | 3,800 | New |
| 3956 S Main St | Blacksburg | Undisclosed | 3,000 | New |
| 1000-1088 Memorial Dr | Blacksburg | Undisclosed | 2,000 | New |
| 14339 Wards Rd | Lynchburg | Undisclosed | 1,865 | New |

## KEY DELIVERIES Q2 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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