



MARKET FUNDAMENTALS

|                                                                         | YOY Chg | Outlook |
|-------------------------------------------------------------------------|---------|---------|
| 3.4%<br>Vacancy Rate                                                    | ▲       | ▼       |
| -8.6K<br>YTD Net Absorption, SF                                         | ▼       | ▲       |
| \$5.95<br>Asking Rent, PSF<br><small>(Overall, Net Asking Rent)</small> | ▼       | ▲       |

ECONOMIC INDICATORS

|                                                                 | YOY Chg | Outlook |
|-----------------------------------------------------------------|---------|---------|
| 169.6K<br>Roanoke MSA<br>Employment*                            | ▲       | ▲       |
| 3.7%<br>Roanoke MSA<br>Unemployment Rate*                       | ▲       | ▲       |
| 4.2%<br>U.S. Unemployment<br>Rate<br><small>Source: BLS</small> | ▼       | ▲       |

ECONOMY: MARKET MOMENTUM CONTINUES

The Roanoke Region continued to gain momentum during the quarter, highlighted by Rural King’s planned \$40 million (M) distribution center in Henry County and Carilion Clinic’s \$112M inpatient rehabilitation hospital in Southeast Roanoke. Construction is also underway on the region’s first Publix in Roanoke County, a 50,000-square-foot (sf) grocery store expected to create 130 new jobs. The Conference Center at Hotel Roanoke is also set to be acquired for \$14M by a subsidiary of the Virginia Tech Foundation, reinforcing long-term investment in one of the region’s premier hospitality assets. Further boosting the region’s profile, CNN recently named Roanoke one of America’s Best Towns to Visit in 2026, underscoring the area's growing appeal to businesses, residents, and visitors alike.

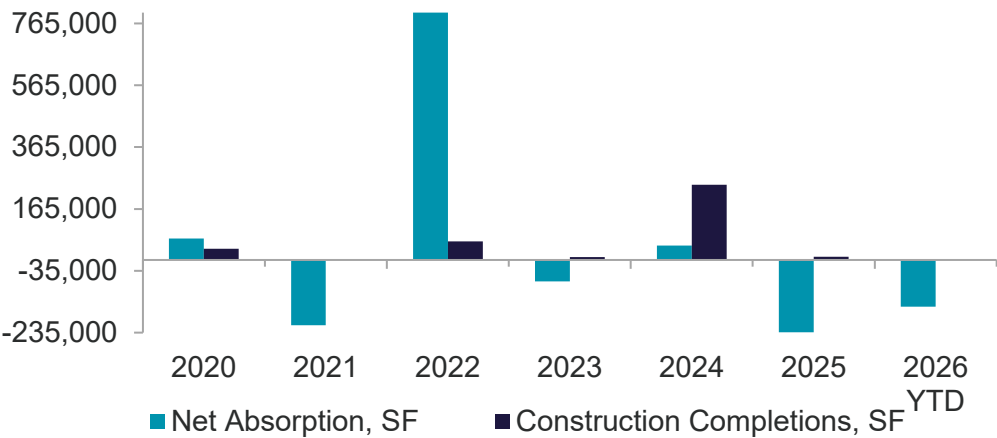
SUPPLY AND DEMAND: VACANCY REMAINS CONSTRICTED

The overall vacancy rate increased 40 basis points (bps) quarter-over-quarter (QOQ) and 50 bps year-over-year (YOY) to end the quarter at 3.4%. While absorption for the quarter ended at -143,144 sf, leasing activity remained robust, with over 492,300 sf lease year-to-date (YTD). Notable lease transactions for the quarter include 1521 Cleveland Ave, where International Filtration Services leased 18,100 sf of warehouse space in Southwest Roanoke.

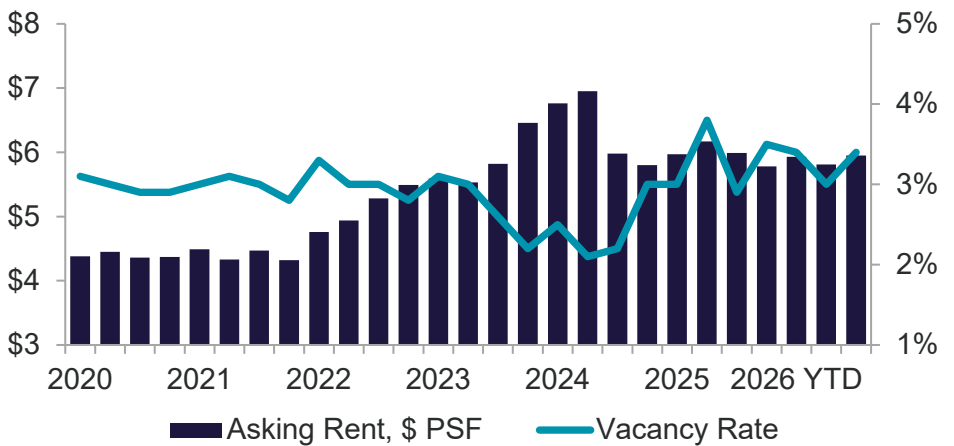
PRICING: GROWTH FUELED BY MAJOR INVESTMENTS

Overall quoted industrial rates ended the quarter at \$5.95 per-square-foot (psf), however actual rates are in the range of 17.0% higher than average quoted rates as a result of large blocks of unpriced space. Sales volume topped \$75.3M for the quarter. Notable transactions include the pending purchase between Delaware-based Clearview Dynamics and the Western Virginia Regional Industrial Facility Authority for 94 acres at Wood Haven Technology Park, where the developer is evaluating a potential data center facility. The project will enter a due diligence phase through March 2027, including environmental, engineering, and utility capacity studies, with the developer committing to fund any required water, power, and infrastructure improvements. If completed, the development would represent a major investment at one of the Roanoke Valley's premier industrial sites, where more than \$10 million has already been invested in site development and infrastructure.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

| SUBMARKET             | INVENTORY<br>(SF) | OVERALL<br>VACANT<br>(SF) | OVERALL<br>VACANCY<br>RATE | CURRENT QTR<br>OVERALL NET<br>ABSORPTION (SF) | YTD OVERALL<br>NET ABSORPTION<br>(SF) | UNDER<br>CNSTR<br>(SF) | YTD CNSTR<br>COMPLETIONS<br>(SF) | OVERALL<br>WEIGHTED AVG<br>NET RENT (MF) | OVERALL<br>WEIGHTED AVG<br>NET RENT (OS) | OVERALL<br>WEIGHTED AVG<br>NET RENT (W/D) |
|-----------------------|-------------------|---------------------------|----------------------------|-----------------------------------------------|---------------------------------------|------------------------|----------------------------------|------------------------------------------|------------------------------------------|-------------------------------------------|
| Botetourt County      | 4,406,606         | 3,768                     | 0.1%                       | 0                                             | 71,312                                | 0                      | 0                                | -                                        | -                                        | -                                         |
| Craig County          | 58,400            | 0                         | 0.0%                       | 0                                             | 0                                     | 0                      | 0                                | -                                        | -                                        | -                                         |
| Downtown Roanoke      | 877,533           | 0                         | 0.9%                       | -7,500                                        | -7,500                                | 0                      | 0                                | -                                        | -                                        | \$9.00                                    |
| North Franklin County | 3,456,610         | 78,330                    | 2.3%                       | 0                                             | -19,136                               | 0                      | 0                                | -                                        | -                                        | \$3.82                                    |
| Northeast Roanoke     | 10,220,221        | 580,954                   | 6.7%                       | -104,268                                      | -114,559                              | 0                      | 0                                | \$6.50                                   | -                                        | \$6.06                                    |
| Northwest Roanoke     | 2,616,877         | 205,864                   | 2.3%                       | 0                                             | 127,340                               | 0                      | 0                                | \$6.00                                   | -                                        | \$4.21                                    |
| South Franklin County | 883,276           | 0                         | 0.0%                       | 0                                             | 0                                     | 0                      | 0                                | -                                        | -                                        | -                                         |
| Southeast Roanoke     | 3,540,209         | 0                         | 0.0%                       | 0                                             | 31,116                                | 0                      | 0                                | -                                        | -                                        | \$8.72                                    |
| Southwest Roanoke     | 14,647,271        | 490,481                   | 3.8%                       | -31,376                                       | -97,521                               | 0                      | 0                                | \$5.87                                   | \$7.28                                   | \$6.40                                    |
| ROANOKE TOTALS        | 40,707,003        | 1,359,397                 | 3.4%                       | -143,144                                      | -8,624                                | 0                      | 0                                | \$6.01                                   | \$7.88                                   | \$5.68                                    |

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

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

KEY LEASE TRANSACTIONS Q3 2026

| PROPERTY           | SUBMARKET         | TENANT                            | SF     | TYPE |
|--------------------|-------------------|-----------------------------------|--------|------|
| 1521 Cleveland Ave | Southwest Roanoke | International Filtration Services | 18,100 | New  |

KEY SALE TRANSACTIONS Q3 2026

| PROPERTY                                         | SUBMARKET         | SELLER/BUYER                             | SF      | PRICE / \$ PSF     |
|--------------------------------------------------|-------------------|------------------------------------------|---------|--------------------|
| 158 Shooting Star Way (Part of a Portfolio Sale) | Botetourt County  | Graham & Co. / North Haven Net REIT      | 365,000 | \$36.5M / \$100.07 |
| 121 Shooting Star Way (Part of a Portfolio Sale) | Botetourt County  | Graham & Co. / North Haven Net REIT      | 200,000 | \$32.2M / \$161.20 |
| 3631 Aerial Way Dr                               | Southwest Roanoke | Better Sofas / IronHorn Enterprises      | 74,500  | \$4.0M / \$53.69   |
| 1016 Delaware St                                 | Southwest Roanoke | Undisclosed / Brown & Son Towing-Hauling | 20,897  | \$1.3M / \$62.21   |
| 1405 Mill Race Dr                                | Southwest Roanoke | Oualichem Inc / Undisclosed              | 5,280   | \$620K / \$117.42  |

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

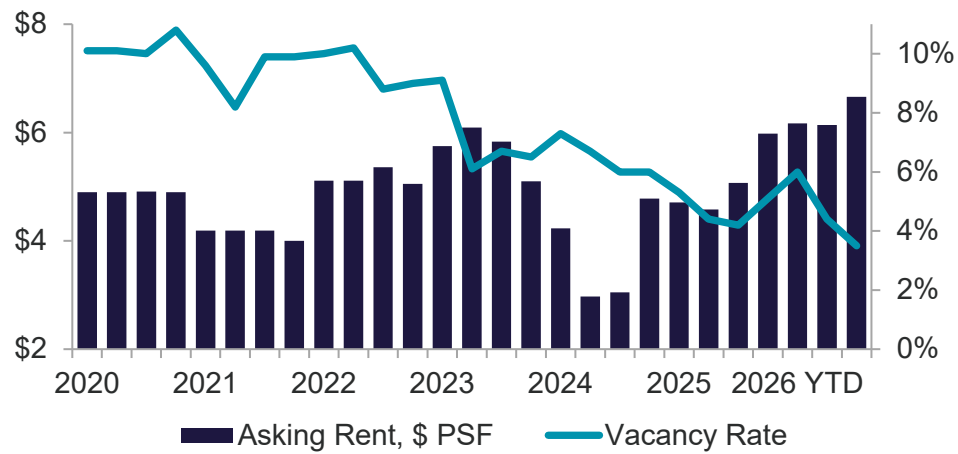
| SUBMARKET                     | INVENTORY (SF) | OVERALL VACANT (SF) | OVERALL VACANCY RATE | CURRENT QTR OVERALL NET ABSORPTION (SF) | YTD OVERALL NET ABSORPTION (SF) | UNDER CNSTR (SF) | YTD CNSTR COMPLETIONS (SF) | YTD LEASING ACTIVITY SUBLET (SF) | YTD LEASING ACTIVITY TOTAL (SF) | OVERALL WEIGHTED AVERAGE NET RENT (W/D) |
|-------------------------------|----------------|---------------------|----------------------|-----------------------------------------|---------------------------------|------------------|----------------------------|----------------------------------|---------------------------------|-----------------------------------------|
| Blacksburg                    | 12,178,154     | 465,704             | 3.8%                 | 32,481                                  | -24,354                         | 0                | 0                          | 0                                | 91,183                          | \$4.84                                  |
| Lynchburg                     | 20,670,291     | 733,286             | 3.5%                 | 148,250                                 | 97,310                          | 184,440          | 0                          | 0                                | 1,107,722                       | \$4.47                                  |
| BLACKSBURG & LYNCHBURG TOTALS | 32,848,445     | 1,198,990           | 3.7                  | 180,731                                 | 72,956                          | 184,440          | 0                          | 0                                | 1,198,905                       | \$4.66                                  |

\*Rental rates reflect full service asking

BLACKSBURG OVERALL VACANCY & ASKING RENT



LYNCHBURG OVERALL VACANCY & ASKING RENT



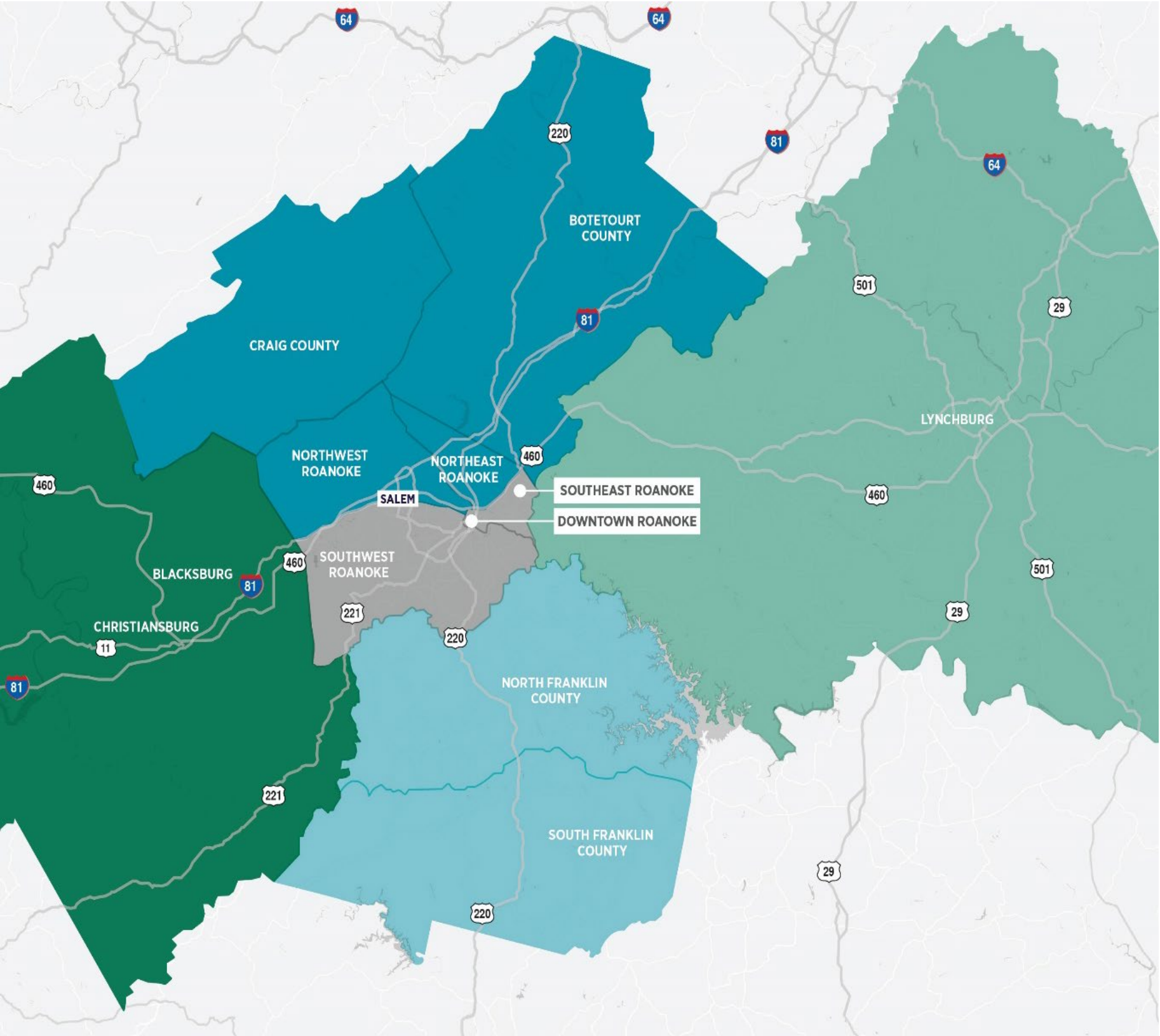
KEY LEASE TRANSACTIONS Q3 2026

| PROPERTY             | SUBMARKET  | TENANT                         | SF     | TYPE    |
|----------------------|------------|--------------------------------|--------|---------|
| 320 Newbern Rd       | Blacksburg | Commercial Vehicle Group, Inc. | 83,683 | Renewal |
| 326 Bradley Dr       | Lynchburg  | Undisclosed                    | 48,392 | New     |
| 277 Pittsylvania Ave | Lynchburg  | Undisclosed                    | 30,000 | New     |

KEY SALE TRANSACTIONS Q3 2026

| PROPERTY            | SUBMARKET  | SELLER/BUYER                                               | SF      | PRICE / \$ PSF    |
|---------------------|------------|------------------------------------------------------------|---------|-------------------|
| 2121 Gardner St     | Blacksburg | Brennan Investment Group / The Manakin Companies           | 378,720 | \$32.0M / \$84.50 |
| 320 Newbern Rd      | Blacksburg | Commercial Vehicle Group, Inc. / DWG Capital Group         | 83,683  | \$4.1M / \$49.12  |
| 3301 Odd Fellows Rd | Lynchburg  | Gary Case & Company Inc. / Alliance Industrial Corporation | 17,172  | \$1.8M / \$106.28 |

INDUSTRIAL SUBMARKETS



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