



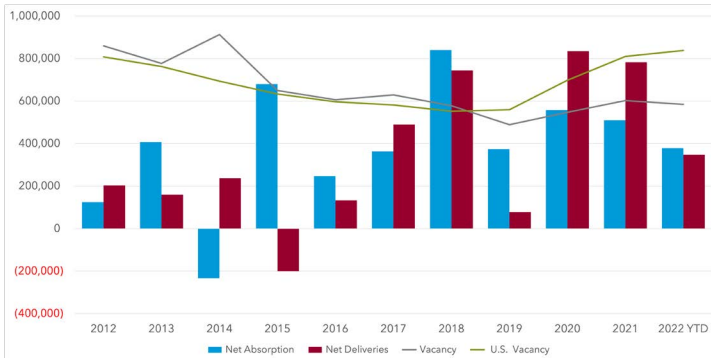
OFFICE MARKET OVERVIEW

BRIAN FARMER, SIOR, *Managing Director, Vice President*

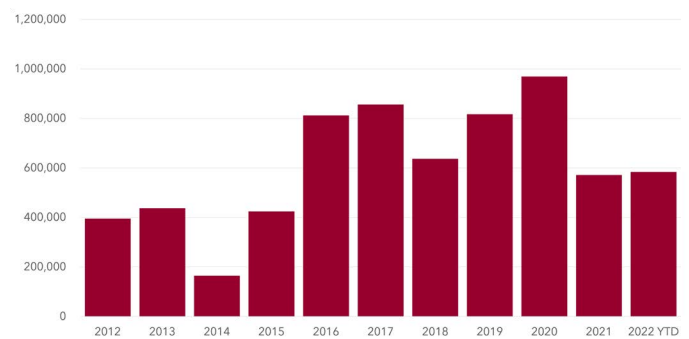
The Triangle office market's vacancy rose slightly from the previous quarter to 9.85%. Absorption remains strong as tech companies such as Apple, Meta, and Bandwith shift to leasing high-quality, amenity-rich spaces to compete for and retain employees. Amenities and walkability remain demand drivers for tenants and are more important than rental rates and core factors. Some landlords are offering concierge services to stand out against the competition. The largest office investment sale was 150 Fayetteville Street in Raleigh which traded for \$148M at \$264 per square foot to Highwoods Properties.

MARKET INDICATORS	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
▲ 12 Mo. Net Absorption SF	440,994	361,262	510,030	770,348	853,157
▲ Vacancy Rate	9.86%	9.80%	10.03%	9.30%	9.36%
▲ Avg NNN Asking Rate PSF	\$26.45	\$26.38	\$26.15	\$26.16	\$26.01
▲ SF Under Construction	583,625	390,369	571,256	645,034	769,341
▲ Inventory SF	36,046,058	35,831,341	35,698,203	35,494,954	35,360,647

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
4321 Medical Park Drive Durham, NC	79,202 SF	\$11,500,000 \$145.20 PSF	Greenleaf Capital, LLC Allbridge	Class B
77 Vilcom Center Drive Chapel Hill, NC	72,364 SF	\$4,125,000 \$57.00 PSF	Undisclosed CityPlat	Class A
1525 E Franklin Street Chapel Hill, NC	13,120 SF	\$1,150,000 \$87.65 PSF	Jeremy Fry Hershey & Heymann Orthodontics	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
40 Moore Drive Durham, NC	147,876 SF	Alexandria Real Estate Equities, Inc.	Undisclosed	Undisclosed
831 Slater Road Durham, NC	103,037 SF	Northridge Capital, LLC	Undisclosed	Undisclosed
710 Slater Road Morrisville, NC	89,999 SF	Strategic Capital Partners	Renesas Electronics America, Inc.	Manufacturing



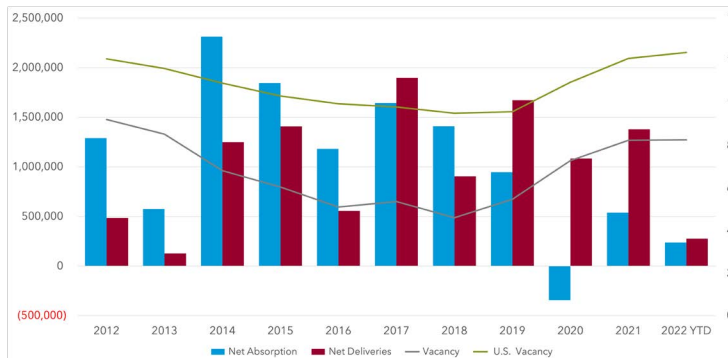
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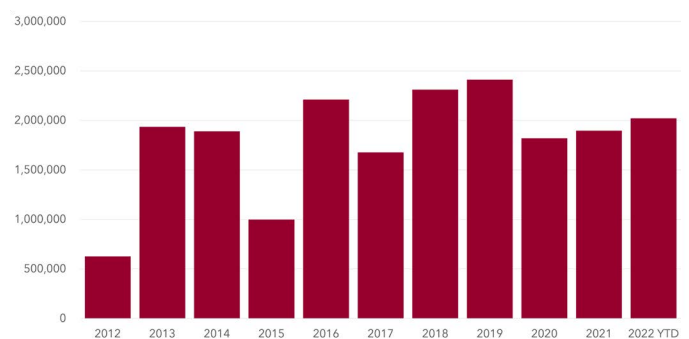
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MARKET INDICATORS	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
▲ 12 Mo. Net Absorption SF	617,030	379,877	538,777	(201,687)	150,143
▼ Vacancy Rate	8.11%	8.17%	8.25%	8.53%	8.07%
▲ Avg NNN Asking Rate PSF	\$27.99	\$27.86	\$27.65	\$27.44	\$27.08
▲ SF Under Construction	2,021,697	1,973,280	1,896,755	1,677,130	979,150
▲ Inventory SF	77,262,629	77,000,569	76,986,031	76,468,895	76,558,759

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
8300 Health Park Raleigh, NC	185,637 SF	\$35,000,000 \$188.54 PSF	Welltower Inc. Williams Property Group, Inc.	Class A
500 Gregson Drive Cary, NC	106,047 SF	\$19,250,000 \$181.52 PSF	Serac Capital Partners Albany Road Real Estate Partners	Class B
14101 Capital Boulevard Youngsville, NC	72,000 SF	\$8,010,000 \$111.22 PSF	N Software, Inc. Kleiman Clemmons & Berenthal L	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
223 S West Street Raleigh, NC	51,362 SF	FCP	Undisclosed	Undisclosed
1000 CentreGreen Way Cary, NC	34,115 SF	Highwoods Properties, Inc.	SASR Workforce Solutions	Undisclosed
4200 Six Forks Road Raleigh, NC	31,338 SF	Kane Realty Corporation	Undisclosed	Undisclosed