



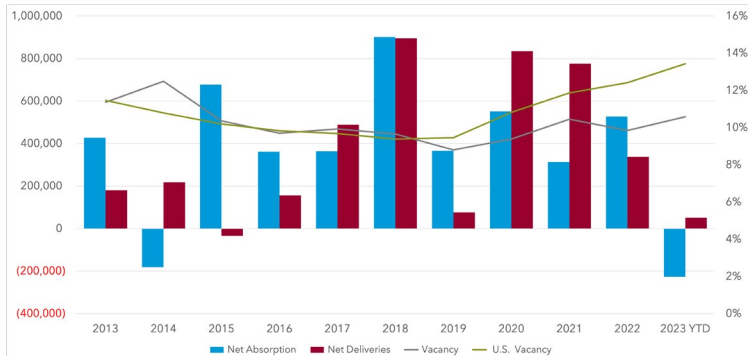
### OFFICE MARKET OVERVIEW

STONE ALEXANDER, CPA, *Broker*

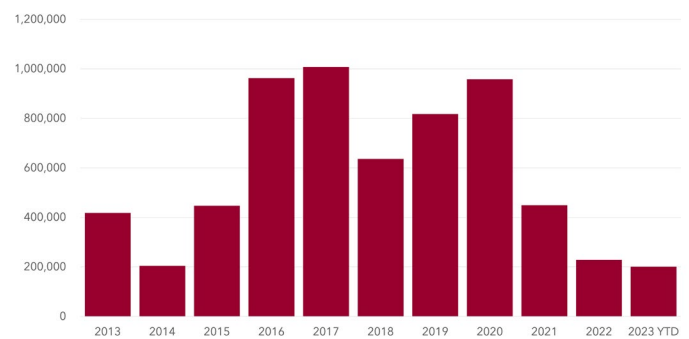
In Q3 2023, the Durham office market experienced a net absorption of -211,632 square feet, indicating a decrease in occupied space from the previous quarter, which saw a net absorption of 38,551 square feet. The vacancy rate in Q3 rose slightly to 10.44%, up from 10.28% in the previous quarter, pointing to a slightly greater availability of office properties. The average NNN asking rate per square foot per annum in Durham reached \$27.29, showing a minor increase from the previous quarter's rate of \$27.26. With 201,159 square feet of office space under construction, the Durham market is in a phase of ongoing development. The total office inventory remains consistent at 36,865,224 square feet.

MARKET INDICATORS	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
▼ 12 Mo. Net Absorption SF	(211,632)	38,551	120,564	527,280	493,397
▲ Vacancy Rate	10.44%	10.28%	10.40%	9.85%	9.74%
▲ Avg NNN Asking Rate PSF	\$27.29	\$27.26	\$27.20	\$27.20	\$26.88
◀ ▶ SF Under Construction	201,159	201,159	252,440	228,440	78,181
◀ ▶ Inventory SF	36,865,224	36,865,224	36,813,943	36,813,943	36,813,943

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
4020 N. Roxboro Street Durham, NC	42,080 SF	\$6,207,000 \$147.50 PSF	Beacon Development Company Moonbeam Leasing & Mgmt LLC	Class B
930 Martin Luther King Jr Boulevard Chapel Hill, NC	18,000 SF	\$2,840,000 \$157.78 PSF	Dapo Afolabi Lucy Carol Davis	Class B
2222 Sedwick Road Durham, NC	17,074 SF	\$2,500,000 \$146.42 PSF	Undisclosed Eli Global	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
6 Moore Drive Durham, NC	61,873 SF	Alexandria Real Estate Equities, Inc	Undisclosed	Undisclosed
240 Leigh Farm Road Durham, NC	25,626 SF	Innovatus Capital Partners LLC	Undisclosed	Undisclosed
3414 N. Duke Street Durham, NC	25,017 SF	Beacon Development Company	Durham Tech	Professional, Scientific, and Technical Services



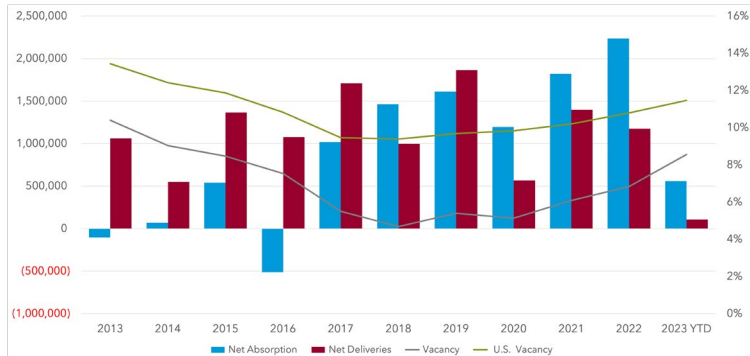
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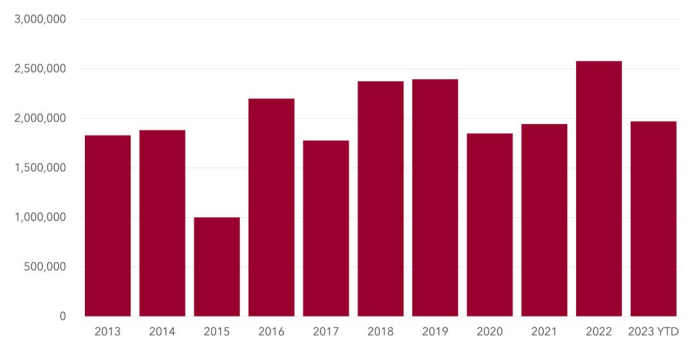
In Q3 2023, Raleigh's office market saw a slight increase in vacancy to 10.15%, indicating a small rise in available office properties. Net absorption amounted to approximately -138,840 square feet, reflecting a marginal reduction in occupied space. The average NNN lease asking rate held steady at \$29.41 per square foot. With almost 1,990,242 square feet of office space under construction, the market continues to grow. The total office inventory now stands at 78,469,282 square feet, emphasizing the significant availability of office spaces in the area.

MARKET INDICATORS	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
▲ 12 Mo. Net Absorption SF	(138,840)	(619,749)	(582,253)	69,724	979,551
▲ Vacancy Rate	10.15%	9.71%	9.90%	9.03%	8.61%
▲ Avg NNN Asking Rate PSF	\$29.41	\$29.26	\$29.18	\$28.99	\$28.86
▼ SF Under Construction	1,990,242	2,784,786	2,729,156	2,578,440	2,190,247
▲ Inventory SF	78,469,382	77,562,290	77,502,920	77,427,000	77,298,368

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
500 Holly Springs Road Holly Springs, NC	14,734 SF	\$2,900,000 \$196.82 PSF	APA Ventures, Inc. Cape Fear Otolaryngology	Class B
3319 Heritage Trade Drive Wake Forest, NC	10,944 SF	\$2,830,000 \$258.59 PSF	Juan A. Ortiz Terry & Grace Register	Class B
10920 Cleveland Road Garner, NC	6,588 SF	\$1,600,000 \$242.87 PSF	Crescent Properties & Dev. LLC J. Wade Corbett	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
8529 Six Forks Road Raleigh, NC	31,845 SF	Highwoods Properties	Verona Pharma, Inc.	Professional, Scientific, and Technical Services
1501 Nowell Road Raleigh, NC	29,521 SF	Alidade Capital	Undisclosed	Undisclosed
223 S. West Street Raleigh, NC	26,817 SF	FCP	Undisclosed	Undisclosed