



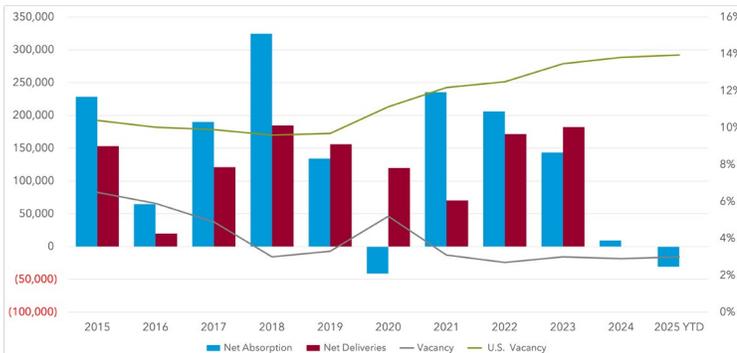
OFFICE MARKET OVERVIEW

SANDY THORPE, *Managing Director*

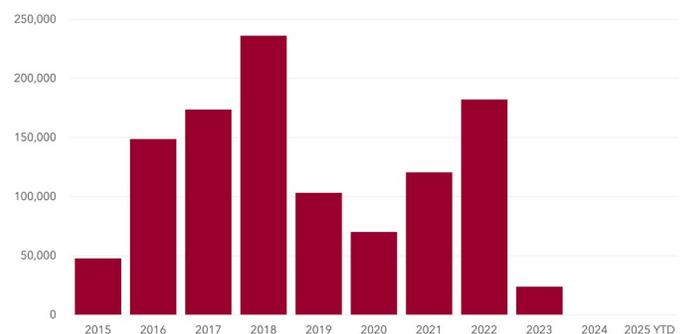
Wilmington's office market saw a dip in Q1 2025, with net absorption at -78,555 SF compared to 9,420 SF in Q4. Still, the vacancy rate held at just 3.0%, underscoring a fundamentally healthy market with limited available space. Asking rents rose to \$25.08 PSF-up from \$22.21-driven by strong demand for high-quality space. Sale prices remained elevated at \$280 PSF. No new construction was underway, and inventory stayed near 8.6 million SF. Despite recent leasing headwinds, tight vacancy conditions point to a resilient office landscape as tenants seek flexible, efficient footprints.

| MARKET INDICATORS | Q1 2025 | Q4 2024 | Q3 2024 | Q2 2024 | Q1 2024 |
|----------------------------|-----------|-----------|-----------|-----------|-----------|
| ▼ 12 Mo. Net Absorption SF | (78,555) | 9,420 | (59,661) | (19,649) | 78,727 |
| ▲ Vacancy Rate | 3.0% | 2.9% | 2.5% | 2.9% | 2.1% |
| ▲ Avg NNN Asking Rent PSF | \$25.08 | \$22.21 | \$22.97 | \$23.97 | \$23.10 |
| ▼ Sale Price PSF | \$173 | \$280 | \$148 | \$131 | \$266 |
| ◀▶ Cap Rate | 9.6% | 9.6% | 9.6% | 9.5% | 9.4% |
| ◀▶ Under Construction | - | - | - | - | - |
| ▲ Inventory | 8,603,395 | 8,601,898 | 8,601,898 | 8,601,898 | 8,601,898 |

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|--|----------|-----------------------------|--|----------------|
| 6336 Oleander Drive Wilmington, NC | 7,000 SF | \$1,081,500 \$154.50 PSF | Accumera Harbourside LLC | Class C |
| 5023 Wrightsville Avenue Wilmington, NC | 3,000 SF | \$735,000 \$245.00 PSF | Nathan H Holdings LLC Chashollana LLC | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---------------------------------------|----------|-----------------------------|-------------|-----------------|
| 2505 Delaney Avenue Wilmington, NC | 7,000 SF | Morris Commercial, Inc. | Undisclosed | Undisclosed |
| 106 Market Street Wilmington, NC | 5,721 SF | Track Two Properties LLC | Undisclosed | Undisclosed |
| 2116 Capital Drive Wilmington, NC | 4,527 SF | Private Owner | Undisclosed | Undisclosed |

The information and details contained herein have been obtained from third-party sources believed to be reliable, however, Lee & Associates has not independently verified its accuracy. Lee & Associates makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to, the implied warranty of suitability and fitness for a particular purpose. Interested parties should perform their own due diligence regarding the accuracy of the information.

The information provided herein, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. Third-party data sources: CoStar Group, Inc., The Economist, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Congressional Budget Office, European Central Bank, GlobeSt.com, CoStar Property, and Lee & Associates Proprietary Data. ©

© Copyright 2023 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com