



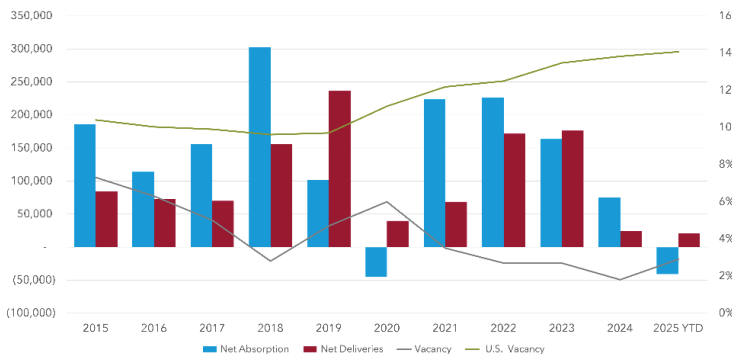
OFFICE MARKET OVERVIEW

SANDY THORPE, *Managing Director*

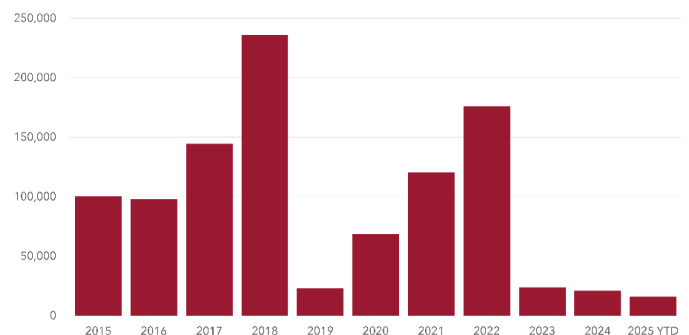
Wilmington's office market softened in Q3 2025, with net absorption falling to -70,687 SF and vacancy rising to 3.3%. Average asking rents ticked up to \$26.11 PSF, showing resilience despite weaker demand. Sale prices held at \$177 PSF, while cap rates remained elevated at 10.1%, signaling investor caution. Construction activity stayed modest at 16,000 SF, with total inventory at 7.24 million SF. Notably, smaller executive suites continue to outperform traditional large-format offices, reflecting shifting tenant preferences and supporting leasing activity in select segments.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▼ 12 Mo. Net Absorption SF	(70,687)	19,025	(16,908)	75,383	102,970
▲ Vacancy Rate	3.28%	2.60%	2.60%	2.20%	2.00%
▲ Avg NNN Asking Rent PSF	\$26.11	\$25.56	\$24.85	\$25.20	\$25.95
▲ Sale Price PSF	\$177.00	\$176.00	\$172.00	\$172.00	\$172.00
▲ Cap Rate	10.07%	10.06%	10.13%	10.10%	10.08%
◀ ▶ Under Construction	16,000	16,000	16,000	21,000	-
▼ Inventory	7,238,937	7,255,329	7,255,329	7,234,329	7,234,329

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
75 Emerson Bay Road SW* Calabash, NC	23,119 SF	\$7,100,000 \$307.11 PSF	Heitman Big Sky Asset Management LLC	Class B
1508 Military Cutoff Road* Wilmington, NC	3,233 SF	\$881,250 \$379.20 PSF	Private Buyer Barker, C. William and Company	Class B
1508 Military Cutoff Road* Wilmington, NC	2,324 SF	\$881,250 \$272.58 PSF	Private Buyer Barker, C. William and Company	Class B

*Part of a Portfolio Sale

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
4536 Technology Drive Wilmington, NC	2,900 SF	Private Owner	Undisclosed	Undisclosed
2725 Iron Gate Drive Wilmington, NC	2,390 SF	Samm-Midtown LLC	Undisclosed	Undisclosed
5041 New Centre Drive Wilmington, NC	1,800 SF	Private Owner	Undisclosed	Undisclosed