



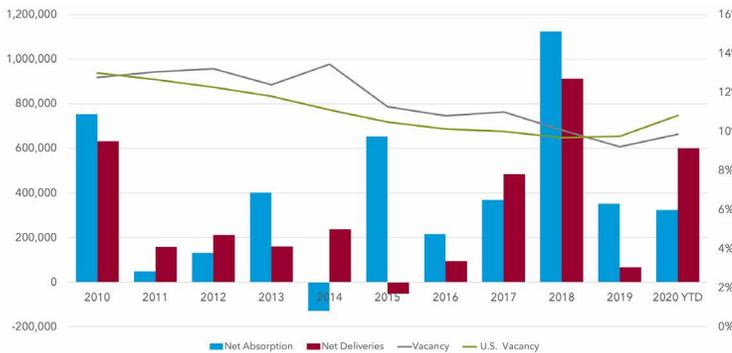
OFFICE MARKET OVERVIEW

BRIAN FARMER, *Managing Director, Vice President*

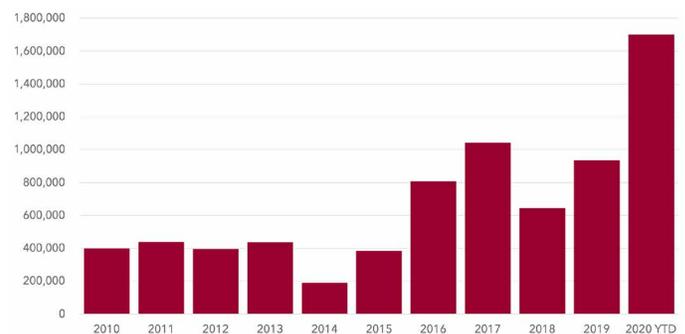
Overall, the Durham office market saw negative absorption again and ended the quarter with a 9.9% vacancy. Despite this, rental rates continued to hold as Durham is one of the most attractive office and life science markets on the East Coast. Oerth Bio signed a 15,000 sf new lease in Downtown Durham. IQVIA renewed their 320,000 SF lease in Research Triangle Park. There is currently 1.7 million SF under construction that is over 30% preleased. For office investments, the Parmer assets traded in August for over \$470 million. Prices ranged per building from \$253 to \$460 per SF depending on vacancy and level of lab vs office.

MARKET INDICATORS	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
▲ Net Absorption	499,516 SF	398,276 SF	367,020 SF	351,475 SF	764,857 SF
▲ Vacancy Rate	9.9%	9.6%	9.1%	9.2%	9.8%
▲ Avg NNN Asking Rate	\$24.92 PSF	\$24.91 PSF	\$24.72 PSF	\$24.46 PSF	\$24.34 PSF
▼ Under Construction	1,701,521 SF	2,028,184 SF	1,393,991 SF	934,804 SF	807,473 SF
▲ Inventory	34,525,329 SF	34,181,866 SF	33,928,961 SF	33,921,630 SF	33,921,630 SF

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2400 Ellis Rd Durham, NC	365,366 SF	\$126,400,000 \$345.95 PSF	Alexandria Real Estate Equities Karlin Real Estate	4-Star Office
42 Moore Dr Durham, NC	298,106 SF	\$75,455,208.00 \$253.12 PSF	Alexandria Real Estate Equities Karlin Real Estate	4-Star Office
14 TW Alexander Dr RTP, NC	262,667 SF	\$28,662,000.00 \$109.12 PSF	Alexandria Real Estate Equities Karlin Real Estate	4-Star Office

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2400 Ellis Rd Durham, NC	322,384 SF	Karlin Real Estate	IQVIA	Health Care and Social Assistance
5001 S Miami Blvd Durham, NC	18,679 SF	LPC Realty Advisors	Undisclosed	Undisclosed
4234 S Alston Ave Durham, NC	17,910 SF	Ticon Commercial	Undisclosed	Undisclosed

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