



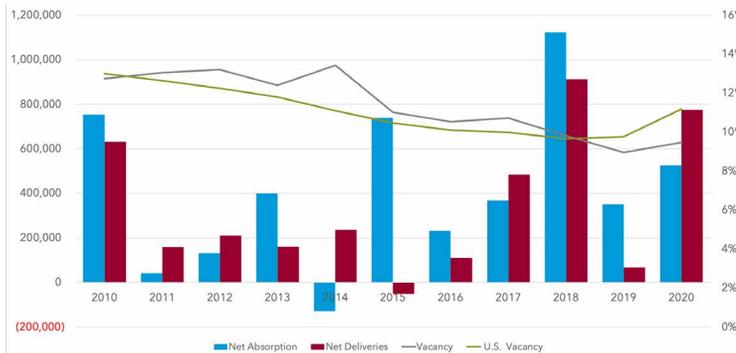
OFFICE MARKET OVERVIEW

BRIAN FARMER, *Managing Director, Vice President*

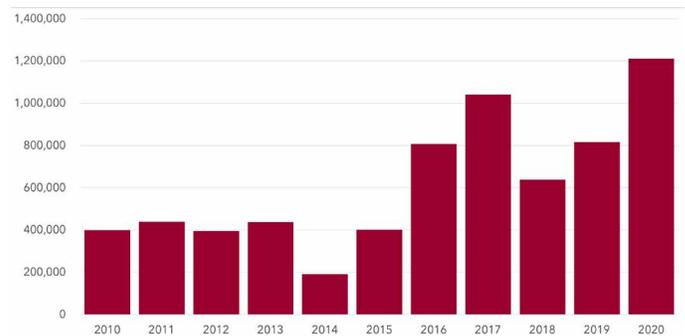
The Raleigh-Durham office market has cooled due to the global pandemic. Construction remains steady with several high-end Class A projects in 2021 totaling ~3.6 million RSF and new buildings currently 40% pre-leased. Office rates are holding, but Landlords are starting to do more concessions to win quality new tenants. Vacancy has risen slightly in both Raleigh and Durham office. Sublease listings rose through the 4th quarter, but new sublets began to slow down. Investments remain red hot with record prices per SF. Hot spots in office are medical spaces, subleasing of discounted/shorter-term suites and growing biotech, pharma companies. Raleigh-Durham was recently named the 5th hottest market for biotech/pharma in the U.S.

MARKET INDICATORS	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
▲ Net Absorption	526,155 SF	525,169 SF	399,460 SF	367,020 SF	351,475 SF
▼ Vacancy Rate	9.5%	9.6%	9.3%	8.8%	9.0%
▼ Avg NNN Asking Rate	\$24.81 PSF	\$24.88 PSF	\$24.85 PSF	\$24.53 PSF	\$24.26 PSF
▼ Under Construction	1,210,951 SF	1,360,951 SF	1,712,083 SF	1,079,074 SF	815,988 SF
▲ Inventory	34,735,660 SF	34,585,660 SF	34,217,728 SF	33,963,639 SF	33,956,308 SF

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
4820 Emperor Blvd. Durham, NC	259,531 SF	\$89,700,000 \$345.62 PSF	Drawbridge Realty Franklin Street Properties Corp.	Class A
2635 E. NC Hwy. 54 Durham, NC	152,456 SF	\$53,720,000 \$352.36 PSF	Laulima Families LLC Jerico Dev/Triangle Life Science	Class A
1 Park Drive Durham, NC	73,751 SF	\$10,500,000 \$142.37 PSF	Research Triangle Foundation Cadwallader & Associates, LLC	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
700 Park Offices Drive Durham, NC	19,537 SF	Research Triangle Park Foundation	Undisclosed	Undisclosed
2700 Meridian Parkway Durham, NC	18,411 SF	Accesso Partners & Torchlight Investors	Professional Recovery Consultants, Inc.	Administrative & Support
4018 Patriot Drive Durham, NC	14,420 SF	Prudential & Investors Title Exchange Corp.	Whitlock	Computer & Software

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