



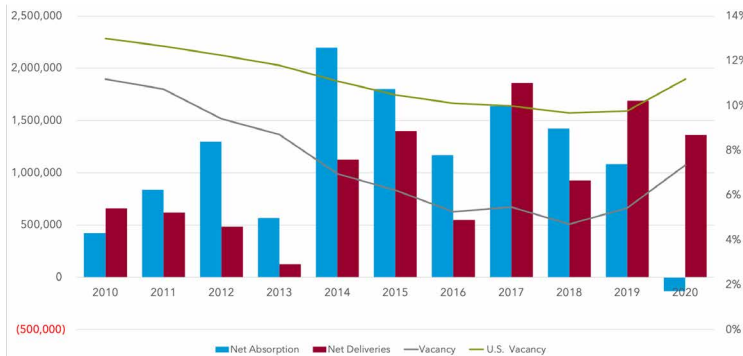
OFFICE MARKET OVERVIEW

BRIAN FARMER, *Managing Director, Vice President*

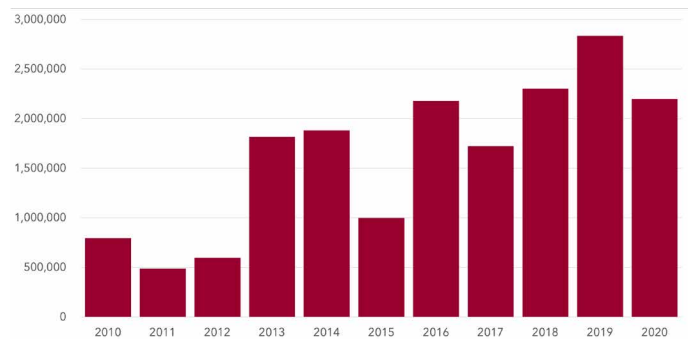
The Raleigh-Durham office market has cooled due to the global pandemic. Construction remains steady with several high-end Class A projects in 2021 totaling ~3.6 million RSF and new buildings currently 40% pre-leased. Office rates are holding, but Landlords are starting to do more concessions to win quality 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	(133,088) SF	(109,656) SF	365,443 SF	524,117 SF	1,082,265 SF
▲ Vacancy Rate	7.3%	6.6%	5.9%	5.2%	5.4%
▼ Avg NNN Asking Rate	\$27.66 PSF	\$27.71 PSF	\$27.63 PSF	\$27.39 PSF	\$26.82 PSF
▼ Under Construction	2,198,292 SF	2,522,814 SF	2,599,098 SF	3,000,233 SF	2,835,166 SF
▲ Inventory	74,228,687 SF	73,643,925 SF	73,433,673 SF	72,984,007 SF	72,868,441 SF

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
223 S. West Street Raleigh, NC	273,937 SF	\$145,551,824 \$531.33 PSF	MetLife Investment Management Kane Realty Corp & Federal Cap Pt	Class A
4401 Creedmoor Rd. Raleigh, NC	159,040 SF	\$22,000,000 \$138.33 PSF	State Employees' Credit Union Nationwide Mutual Insurance Co	Class B
3800 Paramount Parkway Morrisville, NC	120,000 SF	\$26,781,500 \$223.18 PSF	Mapletree Investments Pte Ltd Goldman Sachs-Merchant Banking RE	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
5438 Wade Park Blvd. Raleigh, NC	30,540 SF	Dominion Realty Ptnrs & PGIM Real Estate	Undisclosed	Undisclosed
11000 Regency Parkway Cary, NC	20,341 SF	iStar, Inc.	Undisclosed	Undisclosed
4141 Parklake Avenue Raleigh, NC	18,339 SF	Highwoods Properties	Undisclosed	Undisclosed

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