



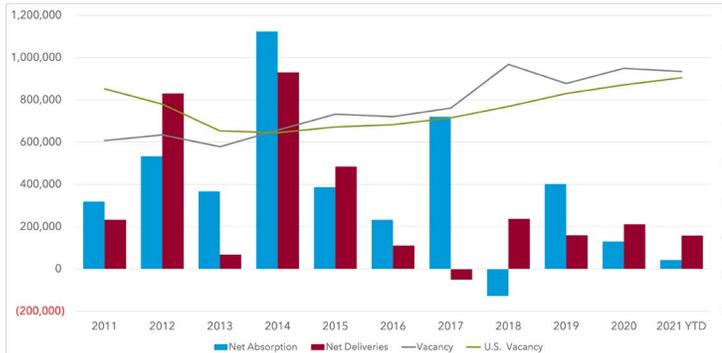
OFFICE MARKET OVERVIEW

SCOTT HADLEY, *Vice President*

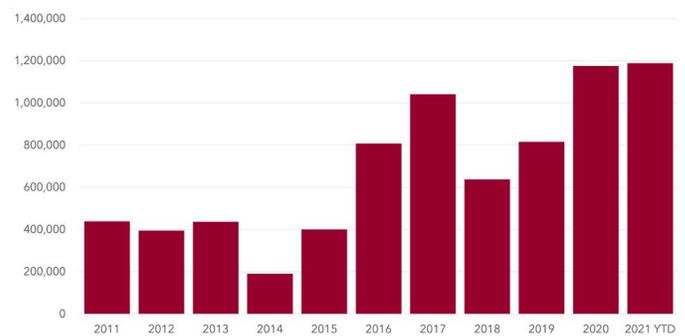
Absorption in Durham was positive while Raleigh showed negative absorption, with almost as much space given back in Q1 2021 as in Q3/Q4 2020 combined. Durham tenants tend to be more medical, pharma and life science oriented which require employees to be onsite for work. Raleigh's market has more traditional businesses, and is better suited to workers being able to work remotely. Expect more negative absorption in Raleigh as businesses continue to renegotiate leases that relinquish space back to the landlord, pushing vacancy up. Durham announced Google taking 200,000 SF of office space, which should have a positive absorption for their space and ancillary space with companies serving Google.

MARKET INDICATORS	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
▲ Net Absorption SF	798,940	532,864	525,169	399,460	364,878
▼ Vacancy Rate	9.20%	9.50%	9.50%	9.20%	8.70%
▲ Avg NNN Asking Rate	\$24.97 PSF	\$24.94 PSF	\$25.02 PSF	\$24.92 PSF	\$24.49 PSF
▲ SF Under Construction	1,188,704	1,175,849	1,380,951	1,732,083	1,099,074
▲ Inventory SF	35,115,161	34,882,530	34,677,428	34,309,496	34,055,407

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
324 Blackwell Street Durham, NC	176,364 SF	Undisclosed	Undisclosed Undisclosed	4 Star Office
3116 N Duke Street Durham, NC	71,036 SF	\$16,300,000.00 \$397.21 PSF	Healthcare Trust of America Dovini, Ltd	3 Star Office
1912 E Hwy 54 Durham, NC	9,471 SF	\$1,100,000.00 \$116.14 PSF	Duke David M Vernetta Alston	3 Star Office

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
14 TW Alexander Drive RTP, NC	262,667 SF	Alexandria Real Estate Equities, Inc.	Undisclosed	Undisclosed
2800 Meridian Pky Durham, NC	15,703 SF	Accesso Partners	Undisclosed	Undisclosed
5201 International Drive Durham, NC	11,700 SF	Coffey Estates LLC	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 2021 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com