



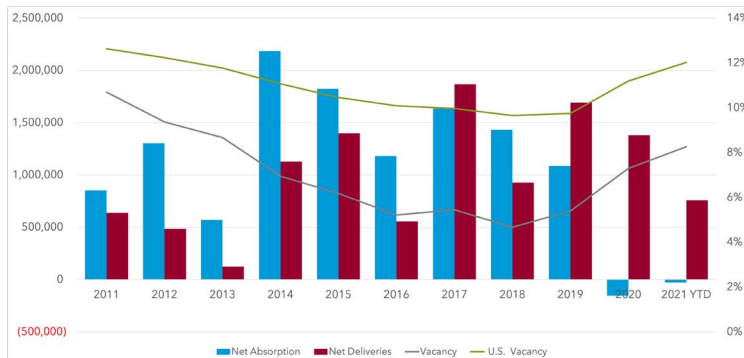
### OFFICE MARKET OVERVIEW

SCOTT HADLEY, *Vice President*

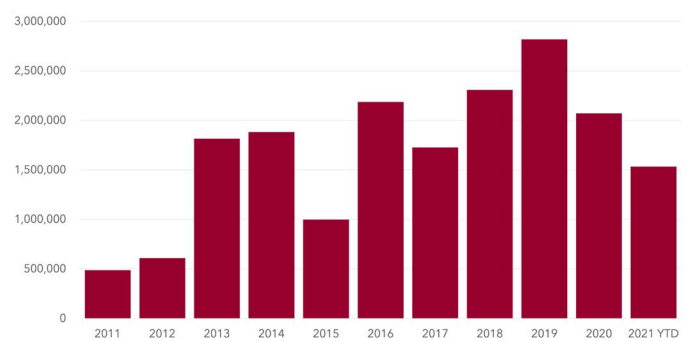
Absorption in Durham was positive while Raleigh showed negative absorption with almost as much space given back in Q1 2021 as in Q3/Q4 2020 combined. Durham tenants tend to be more medical, pharma and life science oriented requiring employees to be onsite for work. Raleigh's market has more traditional 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	(261,110)	(153,629)	(132,818)	341,398	523,912
▲ Vacancy Rate	7.8%	7.3%	6.5%	5.9%	5.2%
▲ Avg NNN Asking Rate	\$27.45 PSF	\$27.39 PSF	\$27.44 PSF	\$27.34 PSF	\$27.10 PSF
▼ SF Under Construction	1,759,394	2,071,316	2,479,238	2,716,832	2,943,941
▲ Inventory SF	75,189,301	74,657,767	74,073,005	73,684,870	73,393,051

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
8529 Six Forks Road Raleigh, NC	182,407 SF	\$37,694,040 \$275.53 PSF	Highwoods Properties Highwoods/Kapital-Consult	4 Star Office
8601 Six Forks Road Raleigh, NC	135,317 SF	\$27,963,400 \$275.53 PSF	Highwoods Properties Highwoods/Kapital-Consult	4 Star Office
8537 Six Forks Road Raleigh, NC	127,747 SF	\$26,398,660 \$275.53 PSF	Highwoods Properties Highwoods/Kapital-Consult	4 Star Office

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1101 Shiloh Glenn Drive Morrisville, NC	65,000 SF	DRA Advisors LLC	Schneider Electric USA	Services
170 Southport Drive Morrisville, NC	36,344 SF	Trinity Capital Advisors LLC	Charles & Colvard	Manufacturing
301 Fayetteville Street Raleigh, NC	22,121 SF	Highwoods Properties	Acute Investments	Real Estate

*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*