



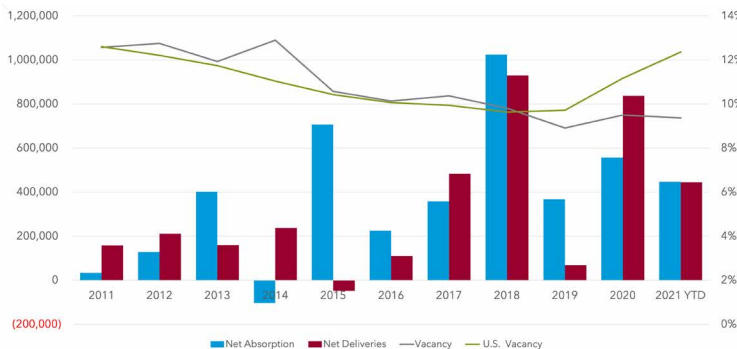
### OFFICE MARKET OVERVIEW

BRIAN FARMER, *Managing Director, Vice President*

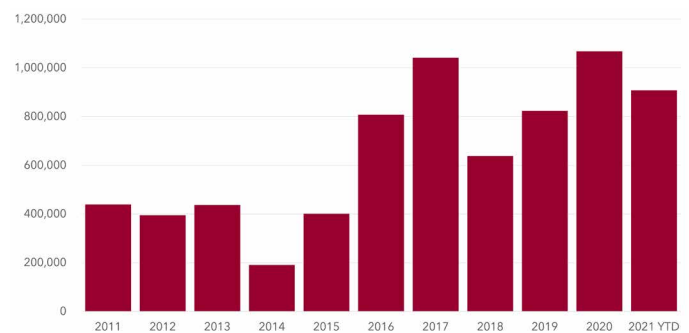
The Durham market continues to perform quite well. While vacancy rates increased in Q2, several large deals were signed. Construction tapered slightly to 900,000 SF and the 2021 year to date absorption is positive 447,000 SF. Rental rates continue to hold, but we are hearing of more concessions offered, dependent on the property and submarket. With a plethora of new activity in market, we are projecting a stronger third quarter for office in Downtown Durham and the Research Triangle. Q2 office investments yielded a \$38M sale on 831 Slater Road, a 2020 delivered. Class A building in the Imperial Center development.

MARKET INDICATORS	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
▼ 12 Mo. Net Absorption SF	836,738	843,032	556,791	549,096	423,387
▲ Vacancy Rate	9.4%	8.7%	9.5%	9.5%	9.2%
▼ Avg NNN Asking Rate PSF	\$25.21	\$25.25	\$25.17	\$25.22	\$25.04
▼ SF Under Construction	907,587	1,240,531	1,067,677	1,272,779	1,623,911
▲ Inventory SF	35,270,409	34,897,960	34,825,328	34,620,226	34,252,294

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



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
831 Slater Road Durham, NC	139,163 SF	\$36,790,000 \$264.39 PSF	Northridge Capital LLC SP Shiloh Innovation, LLC	Class A
1181 Weaver Dairy Road Chapel Hill, NC	25,738 SF	\$14,910,000 \$579.38 PSF	FSH UNCHCS Chapel Hill, DST Independence Park, LLC	Class A
1921 North Pointe Drive Durham, NC	21,838 SF	\$1,920,000 \$87.84 PSF	AC North Pointe LLC North Pointe Properties, LLC	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1050 Swabia Court Durham, NC	79,000 SF	Bert Kuthe	Zoetis	Manufacturing
1040 Swabia Court Durham, NC	49,951 SF	Bert Kuthe	Zoetis	Manufacturing
120 Mosaic Blvd Pittsboro, NC	30,563 SF	MOSAIC	Innovate Carolina	Professional, Scientific, and Technical Services

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