



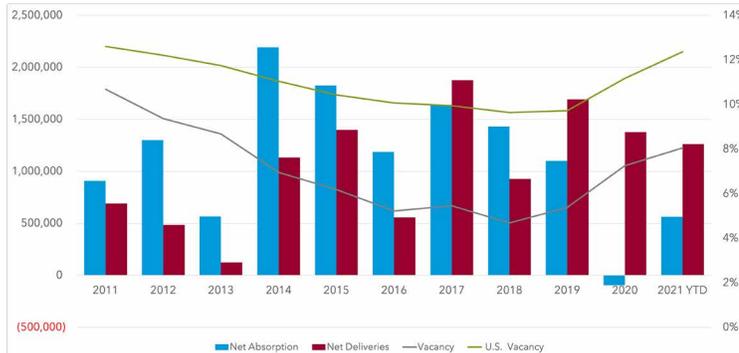
### OFFICE MARKET OVERVIEW

BRIAN FARMER, *Managing Director, Vice President*

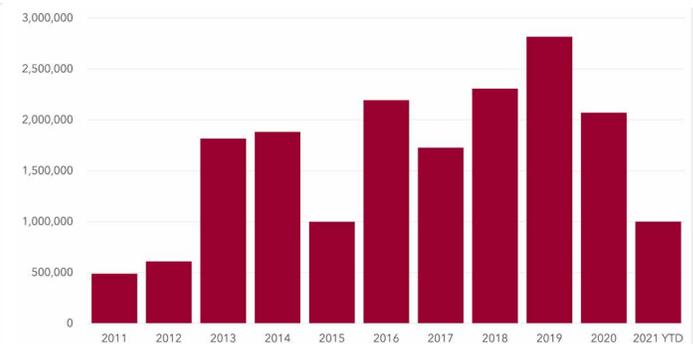
The Raleigh market continues to perform quite well. Rental rates climbed again in Q2 and construction has tapered slightly to just under 1M SF. Sublease listings continue to increase, but the pace has slowed substantially. Our firm is continuing to see tenants renewing current office suites rather than moving to new and larger developments. Though over 600,000 SF of Class-A office was delivered in Q2, there was nearly the same amount of positive absorption, holding vacancy rates constant. The largest lease deal was the life science company Invitae who has taken an entire adaptive re-use project called 'The Stitch' consisting of 250,000 SF.

MARKET INDICATORS	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
▲ 12 Mo. Net Absorption SF	618,751	(216,278)	(95,639)	(45,036)	369,253
◀▶ Vacancy Rate	7.8%	7.8%	7.2%	6.5%	5.9%
▲ Avg NNN Asking Rate PSF	\$27.76	\$27.67	\$27.56	\$27.58	\$27.46
▼ SF Under Construction	999,152	1,694,394	2,070,316	2,478,376	2,715,970
▲ Inventory SF	76,141,963	75,440,721	74,880,187	74,298,365	73,910,230

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1201 Edwards Mill Road Raleigh, NC	114,547 SF	\$27,750,000 \$242.26 PSF	1201 Edwards Mill Road, LLC Orgin-Trinity Holdings, LLC	Class A
2710 Wycliff Road Raleigh, NC	87,980 SF	\$9,130,000 \$130.73 PSF	CPGJRC Wycliff Road LLC Martin Marietta Materials, Inc.	Class C
2700 Wycliff Road Raleigh, NC	87,000 SF	\$8,470,000 \$97.40 PSF	CPGJRC Wycliff Road LLC Martin Marietta Materials, LLC	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1001 Airport Blvd Morrisville, NC	250,000 SF	Equator Capital Management	Invitae Corporation	Health Care and Social Assistance
1200 Crescent Green Drive Cary, NC	75,168 SF	Grupo Haddad US	Undisclosed	Undisclosed
1101 Shiloh Glenn Drive Morrisville, NC	75,015 SF	DRA Advisors LLC	Azzur Cleanrooms On Demand Raleigh	Services

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