



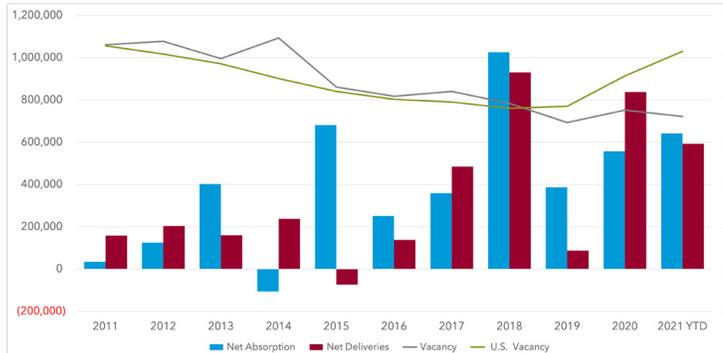
OFFICE MARKET OVERVIEW

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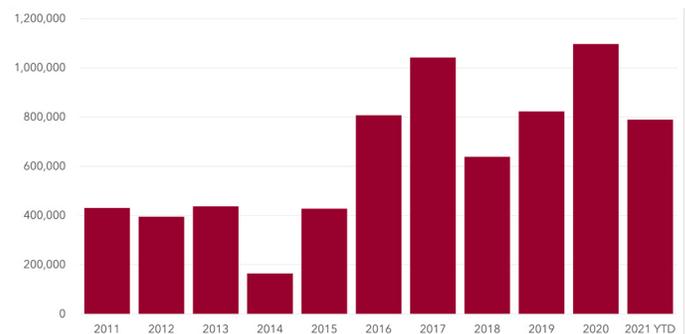
The office market has been sluggish over the last 18 months as companies are still balancing work from home with transitioning back to full time in the office. However, as the effects of Covid-19 seem to be waning, new and existing office sublease space continue to decline. There is approximately 1.6 million SF of product under construction as we head into Q4, with a few large scale projects delivering in downtown Raleigh in the coming months. Average asking rates for leasing have slightly increased from Q2 in both the Raleigh and Durham markets. As vacancy rates remain relatively stable and sublease space is absorbed, we hope to see similar trends moving into the fourth quarter.

MARKET INDICATORS	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
▼ 12 Mo. Net Absorption SF	782,220	852,622	855,032	556,791	549,096
◀▶ Vacancy Rate	9%	9%	9%	10%	10%
▲ Avg NNN Asking Rate PSF	\$25.59	\$25.41	\$25.43	\$25.34	\$25.36
▼ SF Under Construction	789,732	936,491	1,269,435	1,096,581	1,272,779
▲ Inventory SF	35,354,309	35,207,550	34,835,101	34,762,469	34,557,367

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
67 TW Alexander Drive Research Triangle Park, NC	46,800 SF	\$7,750,000 \$165.60 PSF	United Therapeutics Corporation International Society of Automation	Class B
4220 NC Hwy 55 - Forest Creek Durham, NC	30,648 SF	\$4,700,000 \$153.35 PSF	MDK Larimer Benenson Realty Corporation	Class A
4011 University Drive Durham, NC	26,706 SF	\$3,200,000 \$119.66 PSF	Bhigh House Capital Otto J. Kumbar	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
555 S Mangum Street Durham, NC	36,470 SF	Northwood Ravin	Undisclosed	Undisclosed
5003 S Miami Boulevard Durham, NC	33,571 SF	Lincoln Property Company	Weatherby Healthcare	
5927 S Miami Boulevard Durham, NC	31,643 SF	Alidade Capital	Undisclosed	Undisclosed

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