



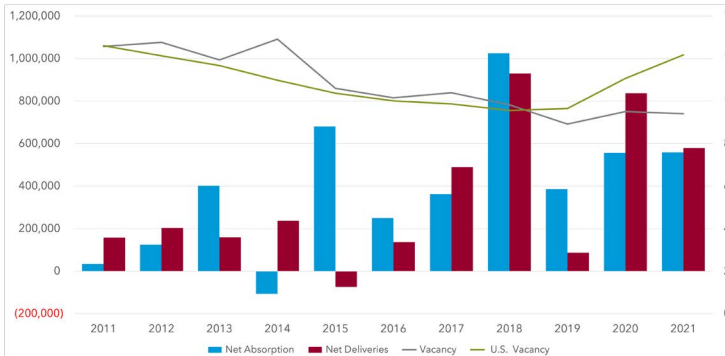
OFFICE MARKET OVERVIEW

SCOTT HADLEY, *Vice President*

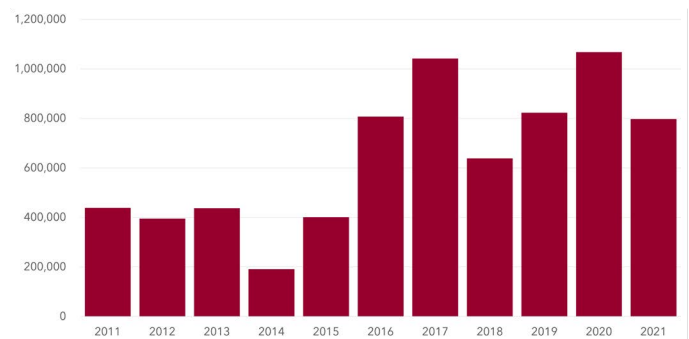
The office market in the Triangle saw little change in vacancy from Q3 due in part to the resurgence of COVID. The market had been experiencing positive absorption, which ultimately stalled back to neutral levels. While vacancies remained the same, 2.4 million SF of sublease space translates to another 1-2% in our vacancy rates. Forecasts predicted a drop in vacancy rates and greater absorption in the latter part of 2021, but that did not materialize. Office purchases remain strong and the sales price per SF continues to escalate. Investors are purchasing buildings with varying degrees of occupancy indicating that the Triangle Market continues to be viewed as a solid investment for the future.

MARKET INDICATORS	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
▼ 12 Mo. Net Absorption SF	558,799	769,768	852,622	855,032	556,791
▲ Vacancy Rate	9.4%	9.3%	9.4%	8.7%	9.5%
▼ Avg NNN Asking Rate PSF	\$25.42	\$25.44	\$25.26	\$25.30	\$25.21
▲ SF Under Construction	797,642	789,732	924,039	1,256,983	1,084,129
◀▶ Inventory SF	35,375,002	35,375,002	35,240,695	34,868,246	34,795,614

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2400 Ellis Road Durham, NC	322,384 SF	\$126,400,000 \$392.08 PSF	ARE-NC Region No. 22 Holdings Parmer RTP, LLC	Class B
42 Moore Drive Durham, NC	298,106 SF	\$85,468,268 \$286.70 PSF	ARE-NC Region No. 22 Holdings Parmer RTP, LLC	Class B
14 TW Alexander Drive RTP, NC	276,726 SF	\$28,662,000 \$103.58 PSF	ARE-NC Region No. 22 Holdings Parmer RTP, LLC	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
31 Alexandria Way Durham, NC	60,929 SF	Alexandria Real Estate Equities, Inc.	Undisclosed	Undisclosed
5003 S Miami Boulevard Durham, NC	25,883 SF	Lincoln Property Company	Undisclosed	Undisclosed
3819 S Columbia Street Chapel Hill, NC	8,095 SF	AKS Development LLC	Undisclosed	Undisclosed

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