



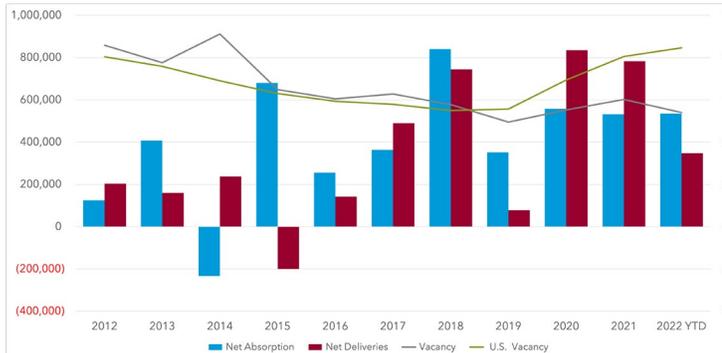
OFFICE MARKET OVERVIEW

JAMES BAILEY, JD, *Broker*

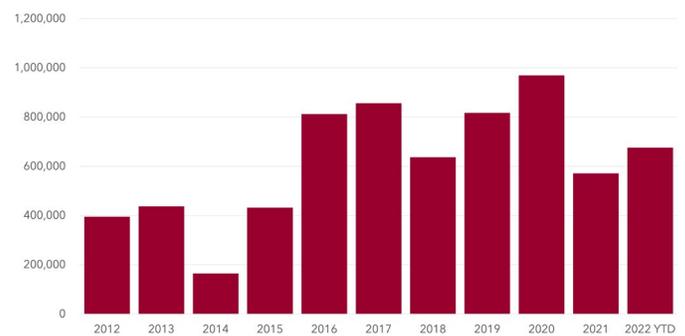
The office market was showing signs of recovery from the COVID-19 pandemic heading into the second half of 2022, but corporations are still trying to strike the right balance between working from home and coming to the office, leaving the office sector in limbo. Raleigh currently has over 2.239 million SF of office product under construction, up from 1.9 million SF year-over-year. Vacancy rates are at 8.43% which is over 4% better than the national average of 12.46%. Supply chain issues, rising construction costs and inflation, however, are creating more issues for an already struggling office sector looking to recover.

MARKET INDICATORS	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
▲ 12 Mo. Net Absorption SF	494,456	440,994	383,262	532,030	792,348
▼ Vacancy Rate	9.3%	9.8%	9.8%	10.0%	9.3%
▲ Avg NNN Asking Rate PSF	\$26.70	\$26.62	\$26.47	\$26.15	\$26.12
▲ SF Under Construction	675,625	583,625	390,369	571,256	645,034
◀▶ Inventory SF	36,086,937	36,086,937	35,872,220	35,739,082	35,535,833

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
4001 E Hwy 54 Durham, NC	187,117 SF	\$82,080,000 \$438.66 PSF	CBRE Investment Management Starwood Capital Group	Class A
4001 E Hwy 54 Durham, NC	143,395 SF	\$62,900,000 \$438.66 PSF	CBRE Investment Management Starwood Capital Group	Class A
2222 Highway 54 Durham, NC	75,732 SF	\$5,770,000 \$76.22 PSF	JPB Holdings Eli Global	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
4601 Creekstone Drive Durham, NC	24,811 SF	Highwoods	Cintas	Industrial Supplies
Davis Drive Research Triangle Park, NC	20,000 SF	Research Triangle Park Foundation	Data443	Professional and Scientific Services
4000 Park Drive Durham, NC	12,686 SF	Research Triangle Park Foundation	Undisclosed	Undisclosed

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