LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q4 2022
DURHAM, NC

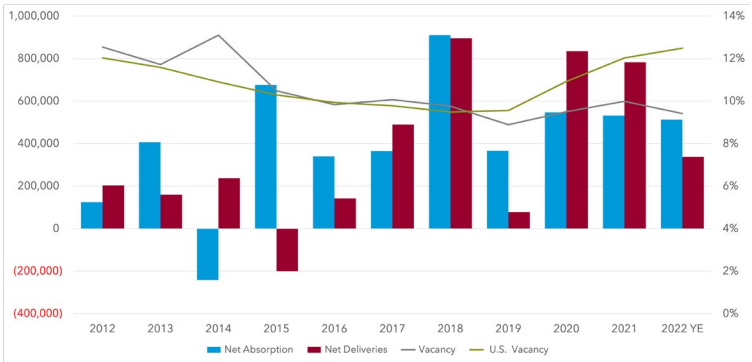
OFFICE MARKET OVERVIEW

SCOTT HADLEY, *Vice President*

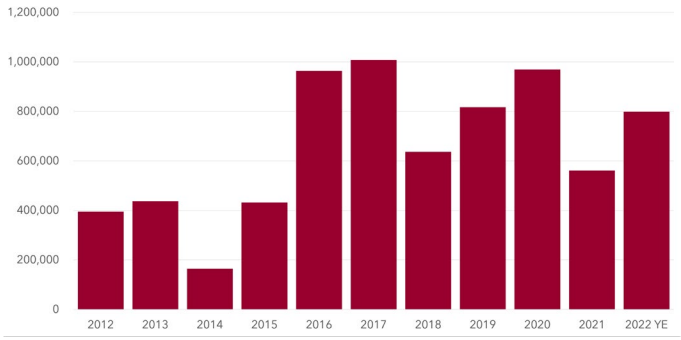
The office market in Raleigh shows vacancies of 8.54%, which is barely up over the 3rd Quarter. Absorption in the Raleigh area is predominantly occurring in the suburban markets for both leasing activity and building sales activity. Durham's office space is showing a 9.42% vacancy rate and absorption is stronger in the suburban areas of the market as well. Sublease space is a major factor with strong office deals being made favorably for tenants in the sublease arena. While hurting existing and new space absorption, the overall office vacancy rate of the area is lower than the national average, which is above 12%.

MARKET INDICATORS	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
▲ 12 Mo. Net Absorption SF	512,785	483,450	431,978	383,741	532,124
▲ Vacancy Rate	9.42%	9.29%	9.83%	9.76%	9.99%
▲ Avg NNN Asking Rate PSF	$26.94	$26.87	$26.72	$26.50	$26.16
▲ SF Under Construction	798,625	605,225	583,625	380,369	561,256
◄ ► Inventory SF	36,121,026	36,121,026	36,121,026	35,916,309	35,783,171

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
5920 S Miami Boulevard Morrisville, NC	20,000 SF	Undisclosed	Sain Technologies LLC Maddineni Naresh	Class B
4506 S Miami Boulevard Durham, NC	18,380 SF	$377,000 $20.51 PSF	Amie Hodges KB Home Raleigh-Durham, Inc.	Class B
6116 Fayetteville Road Durham, NC	13,000 SF	$330,000 $25.38 PSF	DKM Agency LLC Willoughby Paul	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
300 Market Street Chapel Hill, NC	14,260 SF	SV Center, LLC	Undisclosed	Undisclosed
5704 Fayetteville Road Durham, NC	11,924 SF	Healthcare Realty Trust Incorporated	Undisclosed	Undisclosed
79 TW Alexander Drive Durham, NC	9,489 SF	Oxford Properties Group	Undisclosed	Undisclosed

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