



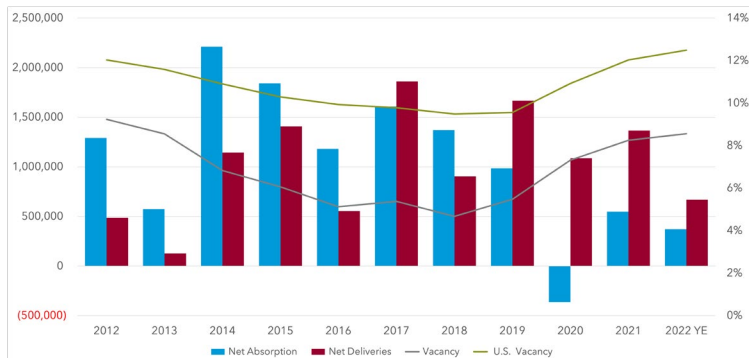
OFFICE MARKET OVERVIEW

SCOTT HADLEY, *Vice President*

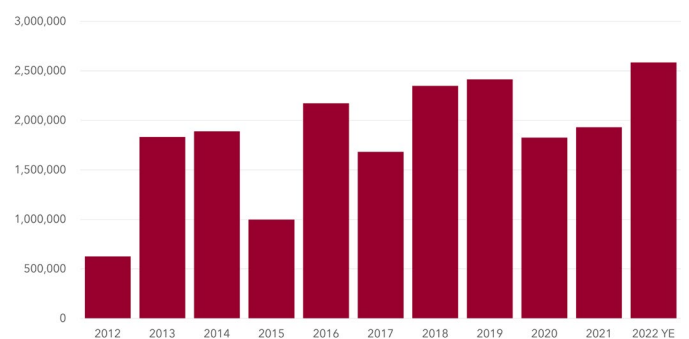
The office market in Raleigh shows vacancies of 8.54%, which is barely up over the 3rd Quarter. Absorption in the Raleigh area is predominantly occurring in the suburban markets for both leasing activity and building sales activity. Durham's office space is showing a 9.42% vacancy rate and absorption 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	371,756	1,098,107	580,941	372,164	549,547
▲ Vacancy Rate	8.56%	8.34%	8.15%	8.19%	8.25%
▲ Avg NNN Asking Rate PSF	\$28.62	\$28.52	\$28.36	\$28.01	\$27.69
▲ SF Under Construction	2,586,205	2,128,391	2,070,859	2,042,385	1,930,876
▲ Inventory SF	77,666,022	77,521,185	77,258,326	77,011,115	76,996,577

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
6601 Six Forks Road Raleigh, NC	119,023 SF	\$30,930,626 \$259.87 PSF	Dean Debnam JPB Holdings, LLC	Class A
900 Ridgefield Drive Raleigh, NC	72,218 SF	\$17,250,000 \$238.86 PSF	55 Thomson Street Investments, L.P. TriGate Capital	Class B
6501 Six Forks Road Raleigh, NC	57,578 SF	\$17,069,374 \$296.46 PSF	Dean Debnam JPB Holdings, LLC	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1 Fenton Main Street City, NC	42,050 SF	Hines	Undisclosed	Undisclosed
301 Hillsborough Street Raleigh, NC	26,617 SF	The Fallon Company, LLC	Undisclosed	Undisclosed
4130 Parklake Avenue Raleigh, NC	25,813 SF	Highwoods	Undisclosed	Undisclosed

