



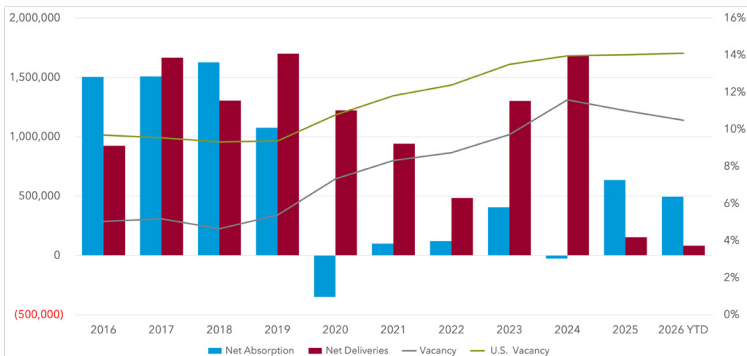
OFFICE MARKET OVERVIEW

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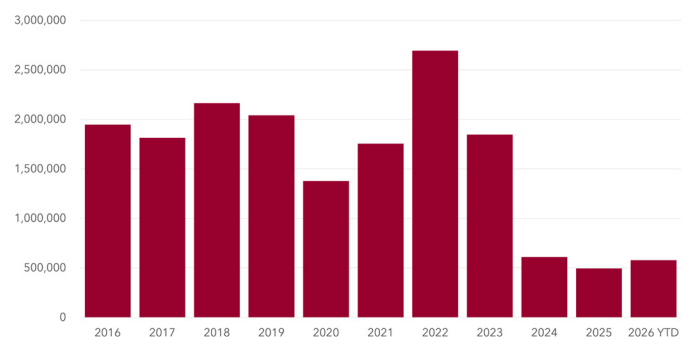
Raleigh's office recovery picked up speed in Q3 2026, with a fourth straight quarter of positive absorption pushing 12-month demand to 1.25 million SF, nearly double the 635,000 SF recorded in 2025. Vacancy fell to 10.0%, more than a point lower than a year ago, and asking rents rose 2.8% to \$32.51/SF. Little new space is coming to compete: 579,000 SF is under construction, less than 1% of inventory, anchored by the city's 362,000 SF City Hall due in 2027. Investors have noticed. Sale prices rose 6% over the year and cap rates tightened to 8.5%, even as the Fed raised rates in September.

MARKET INDICATORS	Q3 2026	Q2 2026	Q1 2026	Q4 2025	Q3 2025
▼ 12 Mo. Net Absorption SF	1,248,091	1,490,592	542,412	635,477	318,525
▼ Vacancy Rate	10.0%	10.5%	10.9%	11.0%	11.3%
▲ Avg NNN Asking Rent PSF	\$32.51	\$32.32	\$32.32	\$31.83	\$31.62
▲ Sale Price PSF	\$225	\$221	\$216	\$210	\$212
▼ Cap Rate	8.5%	8.6%	8.8%	8.9%	8.9%
▲ Under Construction	578,555	556,925	588,645	495,135	683,044
▲ Inventory	81,477,433	81,466,763	81,453,736	81,394,096	81,181,187

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
100 Regency Forest Dr Cary, NC	103,597 SF	\$7,792,703 \$75.22 PSF	Manoj & Shelley Bhatia Adler Real Estate Partners	3 Star Office
200 Regency Forest Dr Cary, NC	102,991 SF	\$7,707,297 \$74.83 PSF	Manoj & Shelley Bhatia Adler Real Estate Partners	3 Star Office
11125 Forest Pines Dr Raleigh, NC	65,653 SF	\$10,950,000 \$166.79 PSF	Celebration Church Shengjing Li	3 Star Office

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
4101 Capital Blvd Raleigh, NC	66,000 SF	PMT Capital	NC Division of Employment Security	Public Administration
500 Gregson Dr Cary, NC	50,000 SF	Serac Capital Partners	American Airlines Credit Union	Finance
3005 Carrington Mill Blvd Morrisville, NC	36,705 SF	CapitaLand Ltd	General Atomics	Manufacturing

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