



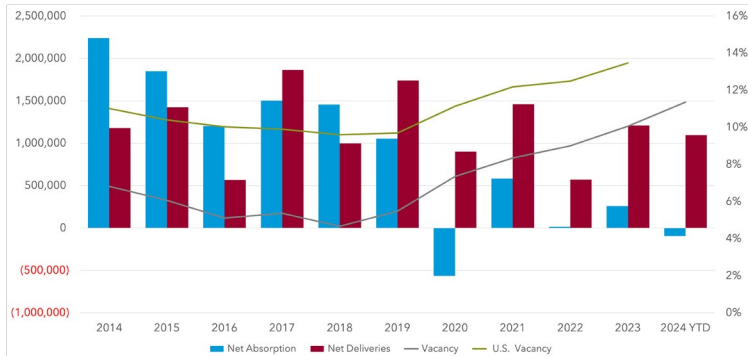
**OFFICE MARKET OVERVIEW**

BRIAN FARMER, SIOR, *Managing Director, Principal*

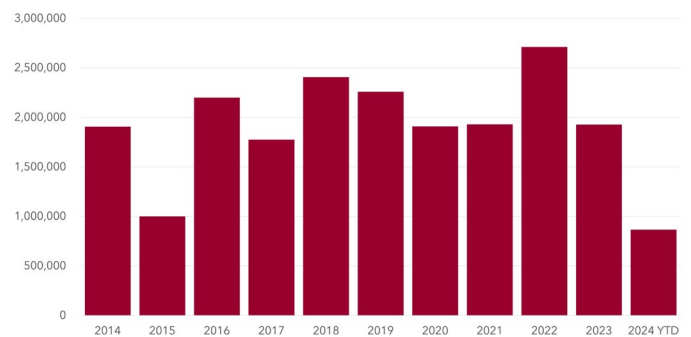
Raleigh's office market in Q3 2024 is seeing signs of cooling, with net absorption at 246,000 SF, down significantly from 833,000 SF in Q2. The vacancy rate increased to 11.4% from 10.9% due to ongoing supply outpacing demand. Average asking rates have softened slightly to \$30.03 per SF. Although demand remains lower than historical levels, Raleigh's office market continues to benefit from its educated workforce and growth in high-value industries. The active construction pipeline suggests that vacancies might rise further in the near term, but the long-term outlook remains stable as the market adjusts to new deliveries.

MARKET INDICATORS	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
▼ 12 Mo. Net Absorption SF	245,802	833,196	862,261	259,791	(204,040)
▲ Vacancy Rate	11.36%	10.90%	10.40%	10.10%	10.00%
▼ Avg NNN Asking Rate PSF	\$30.03	\$30.08	\$29.78	\$29.70	\$29.50
▼ Sale Price PSF	\$162.00	\$164.00	\$231.00	\$317.00	\$217.00
▲ Cap Rate	8.55%	8.53%	8.50%	8.44%	8.39%
▼ Under Construction SF	866,142	1,033,101	1,660,667	1,927,937	2,227,391
▲ Inventory SF	80,043,866	79,982,058	79,183,601	78,916,331	78,574,350

**NET ABSORPTION, NET DELIVERIES, & VACANCY**



**UNDER CONSTRUCTION**



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
4601 Six Forks Road Raleigh, NC	166,653 SF	\$21,300,000 \$127.81 PSF	Edgewater Ventures BGO	Class B
6131 Falls Of Neuse Road Raleigh, NC	56,653 SF	\$11,000,000 \$194.16 PSF	TradeMark Properties APG Advisors	Class B
1070 S. Main Street Holly Springs, NC	48,000 SF	\$900,000 \$18.75 PSF	Dr. Williams R. Meyer Dunn Investments LLC	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3020 Carrington Mill Boulevard Morrisville, NC	42,694 SF	CapitaLand Ltd	Undisclosed	Undisclosed
1010 Sync Street Morrisville, NC	33,115 SF	Menlo Equities	Undisclosed	Undisclosed
1400 Timber Drive E Garner, NC	30,054 SF	Triland Property	Fit For Life	Retailer



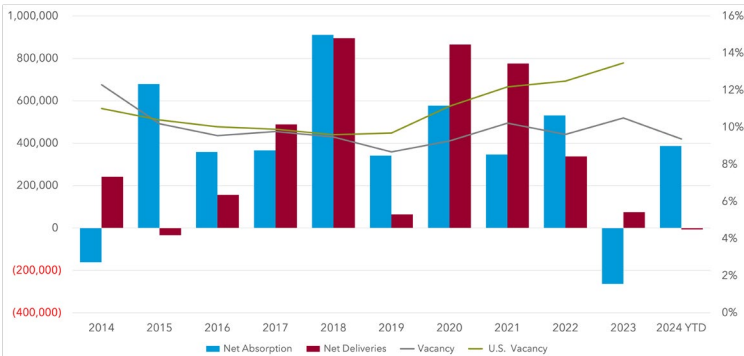
### OFFICE MARKET OVERVIEW

BRIAN FARMER, SIOR, *Managing Director, Principal*

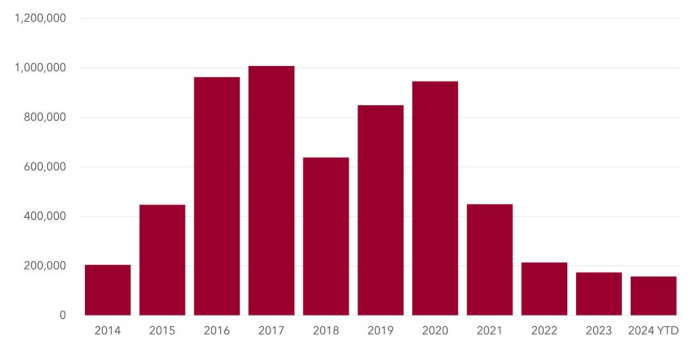
Durham's office market in Q3 2024 shows signs of improvement, with net absorption reaching 257,000 SF, a notable increase from 52,000 SF in Q2. The vacancy rate decreased slightly to 9.4%, down from 9.7%. Average asking rates have softened marginally to \$28.06 per SF. Limited new deliveries and moderate demand have helped stabilize the market despite economic uncertainties. While rent growth has slowed compared to historical averages, the market's fundamentals remain stronger than the national office sector. Looking ahead, the low construction activity suggests that vacancy rates will likely remain stable, and rent growth may see gradual improvement.

MARKET INDICATORS	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
▲ 12 Mo. Net Absorption SF	256,895	52,042	182,291	(263,604)	(233,786)
▼ Vacancy Rate	9.38%	9.70%	9.90%	10.50%	10.20%
▼ Avg NNN Asking Rate PSF	\$28.06	\$28.29	\$27.84	\$27.81	\$27.71
▼ Sale Price PSF	\$71.00	\$302.00	\$100.00	\$91.00	\$81.00
▼ Cap Rate	8.65%	8.66%	8.64%	8.60%	8.50%
▼ Under Construction SF	157,537	162,759	169,959	174,180	198,180
▲ Inventory SF	37,746,396	37,405,361	37,446,460	37,435,039	37,411,039

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
108 W. Parrish Street Durham, NC	2,113 SF	\$1,000,000 \$473.26 PSF	The Bank Law Firm Cion, Inc.	Class B
500 W. Rosemary Street Chapel Hill, NC	2,068 SF	\$970,000 \$469.05 PSF	Self-Help Credit Union Jeffery C. West, DMD	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
79 TW Alexander Drive Durham, NC	30,215 SF	Oxford Properties	Undisclosed	Undisclosed
710 Slater Road Morrisville, NC	20,643 SF	Strategic Capital Partners	Undisclosed	Undisclosed
411 W. Chapel Hill Street Durham, NC	9,728 SF	Turnbridge Equities	Undisclosed	Undisclosed

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