Q4 2022 Raleigh Office

Market Report

Total Vacancy Rate

9.6%

Direct Gross Rental Rate

$32.11/SF

Direct Net Absorption

-99,744 SF

*Includes Class A & B, across all Raleigh submarkets

Market Overview

As companies to continue to mandate their employees return to the office, the desire to create an environment to attract and retain talent continues to be of the utmost importance. This flight to quality trend is highlighted by Class A office having seen higher absorption rates compared to Class B.

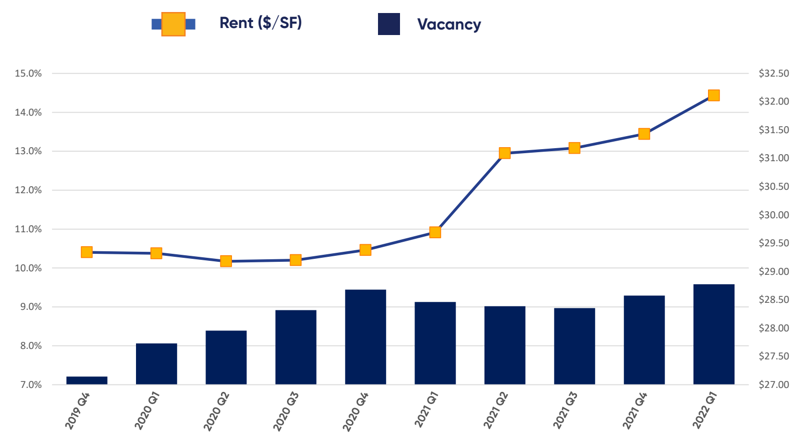
Class B suburban assets in the Raleigh-Durham office market struggled to retain clients as average rental rates dropped quarter over quarter. Conversely, Class A office rates continue to climb to all-time highs.

Construction

2.5M SF
Under Construction

152k SF
Gross Delivered

Historical Rent & Vacancy



Market Trends

Construction & New Deliveries continue as planned, showing strong beliefs in the market-place. The completion of Raleigh Ironworks and the Hub RTP in its final stages of completion highlight the multi-use development in the region creating live, work, and play environments.

Capital Markets saw an increase in Q3 2022 with a total volume of $450 million. Park Point was the largest sale of the quarter achieving a sale price of $288 million.

Sublease Availabilities continues to see a substantial rise in total of available sublease space at nearly 3.2 million square feet. This is an increase of over 60% from time a year ago.

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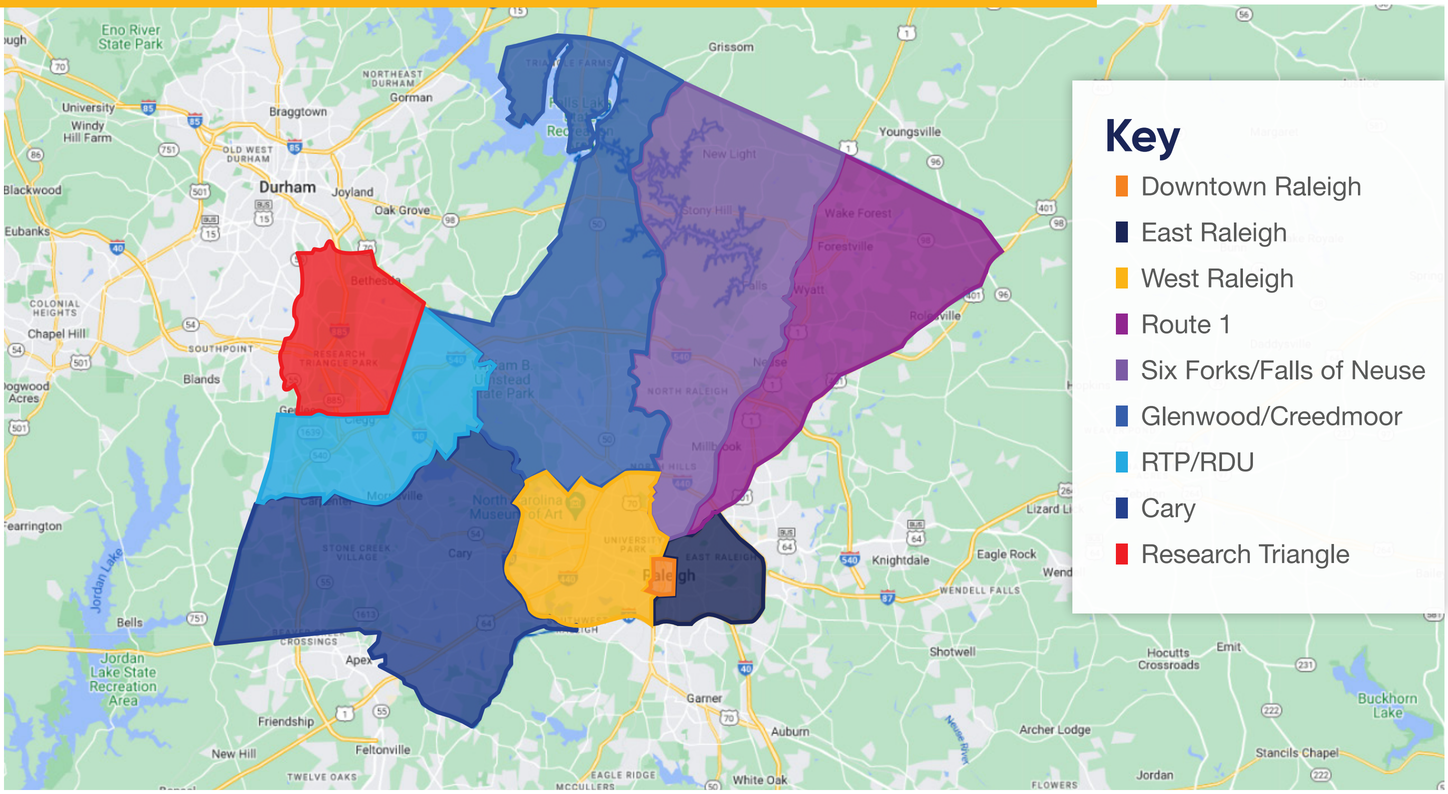
Submarket Fundamentals



Total Class A & B

Submarket	Total Inventory (SF)	Total Available (SF)	Total Vacancy Rate	Direct Gross Rental Rate ($/SF)	Direct Net Absorption (SF)	Sublet Gross Rental Rate ($/SF)	Sublet Net Absorption (SF)
Downtown Raleigh	8.8M	1.8M	12.7%	$37.35	24,778	$25.65	-27,837
East Raleigh	1.9M	56k	2.9%	$33.00	23,375	-	-
West Raleigh	10.2M	1.8M	12.7%	$30.78	-80,686	$21.47	13,875
Route 1	3.8M	1.1M	17.1%	$35.14	88,021	$25.00	-2,143
Six Forks / Falls of Neuse	10.1M	1.8M	6.1%	$34.82	-77,337	$23.30	24,378
Glenwood / Creedmoor	4.0M	0.6M	6.6%	$31.73	-51,556	$25.00	-
RTP / RDU	10.2M	1.7M	10.8%	$28.39	-66,735	$22.11	67,898
Cary	12.6M	1.6M	8.9%	$29.57	-17,418	$23.78	-36,100
Research Triangle	12.4M	2.6M	9.9%	$27.20	-46,607	$22.88	-26,617

Notable Transactions

American Freight
40,000 SF
Northeast Wake County

Data443
20,000 SF
Research Triangle

Confidential
20,000 SF
RTP/RDU

GSA
19,986 SF
RTP/RDU