


SIGNIFICANT LEASE DEALS

Address	Submarket/City	Square Feet	Tenant
8041 Arco Corporate Dr	Raleigh	82,830	AmeriHealth Caritas N.C.
4601 Six Forks Rd	Raleigh	35,655	Prometheus Grp Ent LLC
2001 Carrington Mill Bl	Morrisville	24,000	UNC Healthcare

SIGNIFICANT BUILDING SALES

Address	Sale Value	PPSF	SF	Buyer
City	Type of Sale	Cap Rate	Class	Seller
Forty540-3030 Slater Rd	\$58,100,000	\$283.00	205,000	Align Technology Inc.
Morrisville	Owner/User	-	Class A	Slater Road I, LLC
2610 Wycliff Rd	\$28,500,000	\$164.00	174,214	A&M 2610 Wycliff Owner
West Raleigh	Investment	7.8%	Class B	Albany Road-Wycliff LLC
1210 William Penn Plaza	\$14,094,903	\$223.00	\$223.00	Welltower, Inc.
Durham	Invest Portfolio	5.5%	Class A	CNL Healthcare Prop

LARGEST DELIVERIES

Address	Submarket/City	SF	Developer
2635 E NC Highway 54	Durham	152,456	Triangle Life Science
242 S. Main St	Holly Springs	43,000	Town of Holly Springs
907 Gateway Commons Cir	Wake Forest	31,932	Radeas


LARGEST UNDER CONSTRUCTION

Address	Submarket/City	SF	Delivery Date
Tower IV @ North Hills	Raleigh	328,600	Oct. 2020
555 S. Mangum St	Durham	252,905	Oct. 2019
Wade V-5438 Wade Park Blvd	Raleigh	209,784	Dec. 2019

TOTAL OFFICE MARKET STATISTICS


	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q2 2019	6.6%	\$24.99	180,420	105,144,196	2,613,047
Q1 2019	6.6%	\$24.60	733,900	104,951,454	2,387,314
Q4 2018	6.4%	\$24.25	1,225,836	103,931,200	3,247,325
Q3 2018	6.5%	\$23.51	727,324	102,717,234	3,643,968
Q2 2018	6.9%	\$23.17	683,345	102,367,811	3,473,873


180,420 NET ABSORPTION
SF


6.6% VACANCY
32,181,753 SF


\$24.99 AVG. ASKING RATE
PSF GROSS


213,618 DELIVERIES
4 Buildings


2,613,047 UNDER
CONSTRUCTION
33 Buildings

BRIAN FAMER, Senior Director

The Raleigh-Durham Office Market is hot and has sustained increasing rental rates every quarter for the past three years. This is especially prevalent in Class A assets. Vacancy rates remain very low at under 7%. Within the next 2 years, we see lease rates rising up to \$40/SF full service for urban new developments. The strongest submarkets are Downtown Raleigh and Downtown Durham with vacancy rates of 2.3% and 6.5% respectively. As far as TI, we are seeing \$50/SF being offered in new Class A office. Concessions have been decreasing year to year in the Raleigh-Durham market and currently average one month per three years of lease term.