



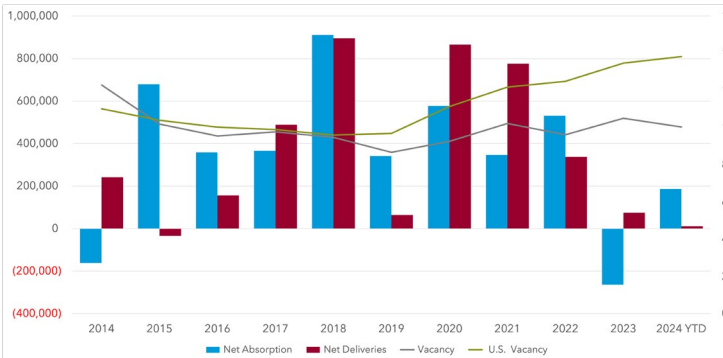
OFFICE MARKET OVERVIEW

MARLENE SPRITZER, SIOR, CCIM, JD, *Vice President*

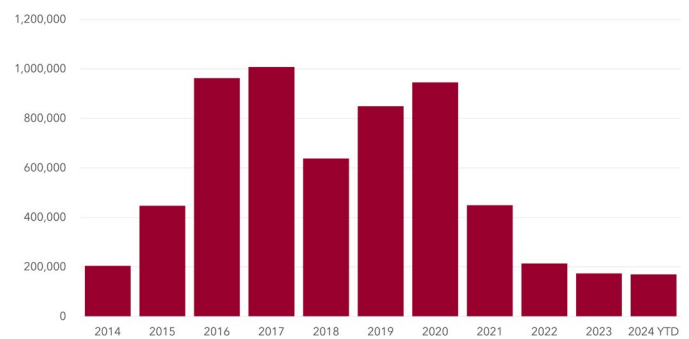
Durham market vacancies are 10%, below the national vacancy rate of 13.8%. First quarter market results include positive net absorption, slowing asking rent growth, increasing concessions, and available sublease space more than ten times the amount available before the pandemic. On the demand side, employees want work-from-home flexibility and offices with fitness centers, health clubs, coffee shops, rooftop bars, restaurants, retail, event areas and outdoor spaces. Notwithstanding these challenges, the Research Triangle area is strong, home to more than 375 companies, with 21 companies recently expanding and relocating to Chatham, Orange, and Durham counties.

MARKET INDICATORS	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
▲ 12 Mo. Net Absorption SF	182,291	(263,604)	(233,786)	42,841	113,213
▼ Vacancy Rate	9.9%	10.5%	10.2%	10.0%	10.2%
▲ Avg NNN Asking Rate PSF	\$27.84	\$27.81	\$27.71	\$27.56	\$27.33
▼ SF Under Construction	169,959	174,180	198,180	198,180	238,040
▲ Inventory SF	37,446,460	37,435,039	37,411,039	37,411,039	37,359,758

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
4825, 4752, 4751 Creekstone Durham, NC	97,074 SF + Land	\$9,400,000 \$97.00 PSF	APG Capital Highwoods Properties	Class B
120 W. Franklin Street Chapel Hill, NC	8,000 SF	\$5,000,000 \$625.00 PSF	Investors Title EAP Walker Properties	Class B
4003 N. Roxboro Street Durham, NC	6,807 SF	\$2,400,000 \$353.00 PSF	Bank OZK Lakewood Pediatrics & Family Medicine	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
Meridian Bus Park 2635 Meridian Pky Durham, NC	11,604 SF	Dominion Realty Partners	ICF International, Inc	Professional, Scientific & Technical Services
424 Gallimore Dairy Road Greensboro, NC	5,075 SF	SPI TCM Airpark LLC	WithersRavenel	Professional, Scientific & Technical Services
3710 University Drive Durham, NC	4,065 SF	Hem + Spire	Guess & Co	Undisclosed

