



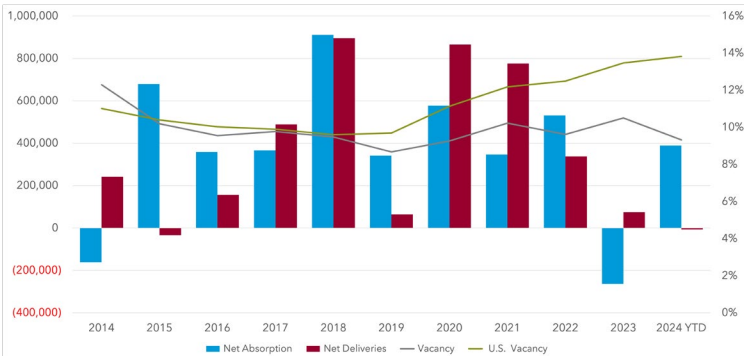
OFFICE MARKET OVERVIEW

JAMES BAILEY, Vice President

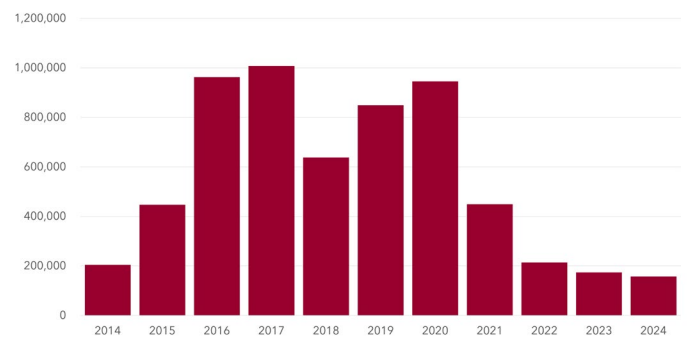
The Durham office market saw notable growth in Q4 2024, with net absorption reaching 389,472 SF, a significant rise from 256,895 SF in Q3. The vacancy rate slightly decreased to 9.32% from 9.38%, reflecting improved demand. Average NNN asking rents climbed to \$28.36 per SF, compared to \$28.06 in the previous quarter. Construction activity remained steady, with 157,537 SF underway, signaling limited new supply. Notable transactions include a 45,065 SF lease at 324 Blackwell St and the \$14 million sale of 118 Knox Way. Market fundamentals continue to show resilience amid cautious economic conditions.

MARKET INDICATORS	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
▲ 12 Mo. Net Absorption SF	389,472	256,895	52,042	182,291	(263,604)
▼ Vacancy Rate	9.32%	9.38%	9.70%	9.90%	10.50%
▲ Avg NNN Asking Rent PSF	\$28.36	\$28.06	\$28.29	\$27.84	\$27.81
▲ Sale Price PSF	\$203	\$71	\$302	\$100	\$91
▲ Cap Rate	8.93%	8.65%	8.66%	8.64%	8.60%
◀ ▶ Under Construction	157,537	157,537	162,759	169,959	174,180
▼ Inventory	37,712,117	37,746,396	37,405,361	37,446,460	37,435,039

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
118 Knox Way Chapel Hill, NC	14,000 SF	\$6,500,000 \$464.29 PSF	Graham Adair Amaon Hobbies	Class B
311-327 Providence Road Chapel Hill, NC	11,847 SF	\$2,450,000 \$206.80 PSF	Jasbir Mahajan Virtual Benefit Solutions	Class B
1130 Weaver Dairy Road Chapel Hill, NC	8,234 SF	\$2,100,000 \$255.04 PSF	Therapy Smarts Coldwell Banker Advantage	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
324 Blackwell Street Durham, NC	45,065 SF	American Campus LLC	Undisclosed	Undisclosed
4819 Emperor Boulevard Durham, NC	22,256 SF	Principal Real Estate Investors	Undisclosed	Undisclosed
3908 Patriot Drive Durham, NC	15,117 SF	Ventas, Inc.	Avazyme	Science & Technology

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