



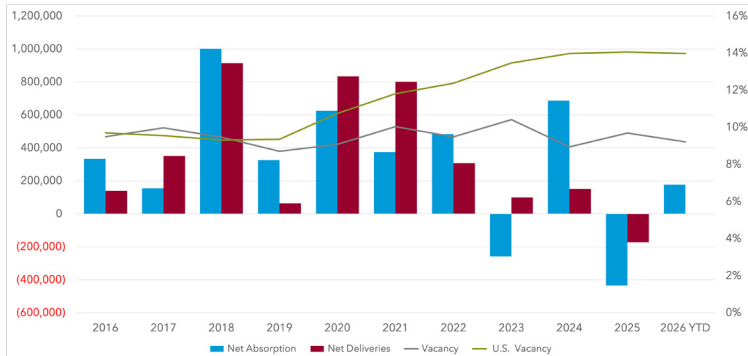
OFFICE MARKET OVERVIEW

JAMES BAILEY, SIOR, *Vice President, Principal*

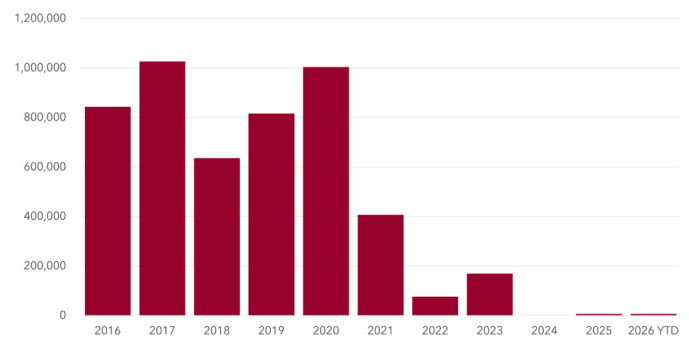
Durham's office market remained volatile in Q1 2026, with 12-month net absorption declining further to (215,234) SF following consecutive quarters of negative absorption. Vacancy edged down to 9.20%, while asking rents increased slightly to \$29.16 PSF, continuing a steady upward trend. Sale prices rose to \$220 PSF, and cap rates held firm at 8.90%, reflecting stable investor sentiment despite leasing challenges. Construction activity remained limited at 6,375 SF, while total inventory held at 37.45 million SF. Ongoing fluctuations in absorption highlight continued leasing uncertainty, though stable pricing and vacancy suggest underlying market stability.

MARKET INDICATORS	Q1 2026	Q4 2025	Q3 2025	Q2 2025	Q1 2025
▲ 12 Mo. Net Absorption SF	(215,234)	(434,530)	(321,775)	(127,793)	398,121
▼ Vacancy Rate	9.20%	9.70%	9.90%	9.70%	9.10%
▲ Avg NNN Asking Rent PSF	\$29.16	\$29.14	\$29.19	\$28.90	\$28.56
▲ Sale Price PSF	\$220.00	\$219.00	\$205.00	\$213.00	\$212.00
◀▶ Cap Rate	8.90%	8.90%	9.10%	8.90%	8.90%
◀▶ Under Construction	6,375	6,375	6,375	6,375	-
◀▶ Inventory	37,451,512	37,451,512	37,623,059	37,623,059	37,623,059

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
710 Slater Road Morrisville, NC	203,500 SF	\$45,450,000 \$223.34 PSF	DRA Advisors FCP	Class A
4364 S. Alston Avenue Durham, NC	57,245 SF	\$2,800,000 \$48.91 PSF	Church of Apostolic Revival Kawa Capital Management	Class B
3201 Yorktown Avenue Durham, NC	20,000 SF	\$275,000 \$13.75 PSF	Undisclosed Undisclosed	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
4820 Emperor Boulevard Durham, NC	30,905 SF	Drawbridge Realty	Robinson Bradshaw	Undisclosed
302 E. Pettigrew Street Durham, NC	26,059 SF	SLI Capital	Undisclosed	Undisclosed
4426 S. Miami Boulevard Durham, NC	18,658 SF	Alvarez & Marsal Capital Real Estate	Undisclosed	Undisclosed

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