2Q 2026

Triangle Market Report

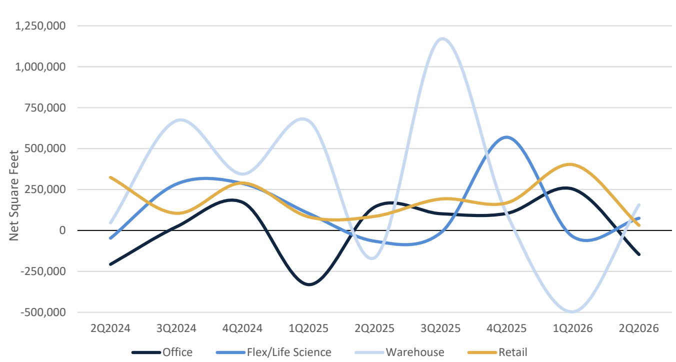
NAI Tri Properties

Triangle

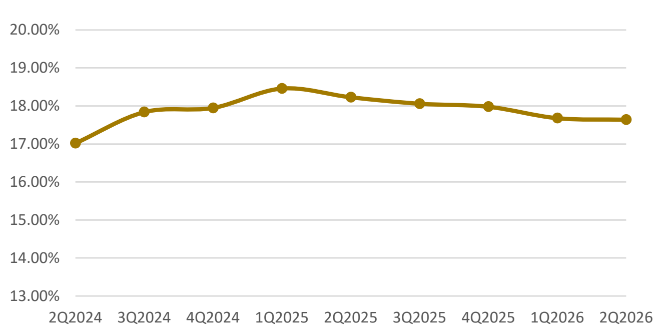
MARKET REVIEW

Past 12 Mo. Change	2Q2025	2Q2026	FORECAST
OFFICE			
Overall Vacancy	17.07%	16.04%	▼
Class A Vacancy	18.23%	17.64%	▼
Class B Vacancy	13.70%	12.10%	▼
Class C Vacancy	17.32%	11.97%	▬
Net Absorption 2Q	143,559	-146,742	▲
WAREHOUSE			
Overall Vacancy	8.04%	12.77%	▲
Net Absorption 2Q	-165,815	156,726	▲
FLEX/LIFE SCIENCE			
Overall Vacancy	15.52%	15.19%	▲
Net Absorption 2Q	-66,388	74,079	▼
RETAIL			
Overall Vacancy	6.29%	5.20%	▼
Net Absorption 2Q	85,832	30,655	▲

QUARTER-OVER-QUARTER NET ABSORPTION



CLASS A OFFICE VACANCY



Research data and forecasts throughout this publication have been compiled in part from the most recent editions of SPACE: The Triangle's Commercial Real Estate Quarterly, Real Capital Analytics, and CoStar Market Analytics.

MARKET OVERVIEW

From the first quarter of 2026 to the second quarter of 2026, office vacancy increased by 0.06% to 16.04%, warehouse vacancy increased by 1.75% to 12.77%, flex/life science vacancy increased by 0.37% to 15.19%, and retail vacancy increased by 0.26% to 5.20%. Warehouse, flex/life science, and retail reported quarterly net positive absorption and office reported net negative absorption.

Within the Triangle Metropolitan Statistical Area (MSA), comprising Raleigh, Cary, Durham, Chapel Hill, and surrounding counties, the unemployment rate in May was reported at 3.09%, down from 3.18% a year earlier. The Triangle MSA's unemployment rate outpaces the statewide unemployment rate of 3.70% and the national unemployment rate of 4.30%.

On the development front, only the warehouse pipeline remains vigorous. There are no office projects under construction or expected to begin soon. Under construction, there is 3,436,587 square feet of warehouse, 207,727 square feet of flex/life science space, and 280,523 square feet of retail.

The largest transaction in the Triangle was the sale of Capital Marketplace, a 383,000 square foot regional shopping center sold from Finmarc Management to Principal Financial Group for $80,625,000 ($211/SF). The retail center was 97.5 percent occupied and sold for more than $15 million above assessed value.

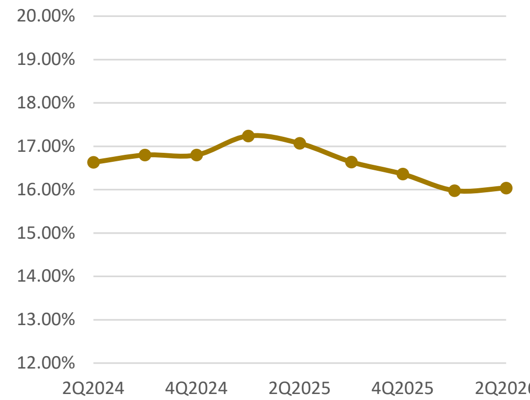
Triangle capital markets this quarter showed investors remain cautiously optimistic, and transaction activity continues to be constrained by tighter capital markets and economic uncertainty. Overall, the Raleigh-Durham metro area continues to benefit from strong demographic and economic fundamentals, and capital deployment remains disciplined and quality-driven.

Office

MARKET REVIEW

Q2 OFFICE SNAPSHOT	
Total SF	63,211,413
Total SF Vacant	10,141,068
Vacancy Rate	16.04%
Net Absorption	-146,742
Avg. Asking Rent	$31.49
Avg. Class A Asking Rent	$37.28
SF Under Construction	0

OFFICE VACANCY



NOTABLE MOVES AND TRANSACTIONS

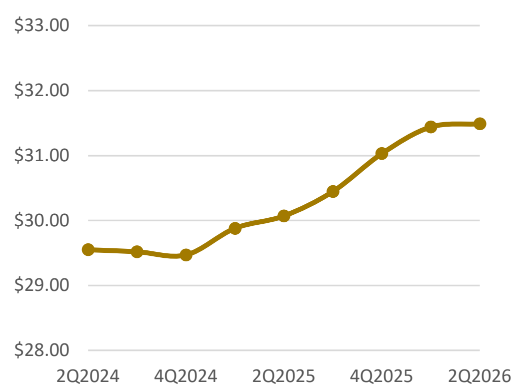
-92,000 SF Parexel lease expiration at 2520 Meridian Pkwy in the RTP/I-40 Corridor submarket

-126,225 SF Duke Health lease expiration at 5213 S. Alston Ave in the RTP/I-40 Corridor submarket

-14,678 SF American Underground vacated 201 W. Main St in Central Durham

29,171 SF Progress Software lease at 421 N. Harrington St in Downtown Raleigh

OFFICE RENTAL RATES



FORECAST

Triangle office direct vacancy rate increased by 0.06% to 16.04% in the second quarter. Sublease vacancy decreased 0.24% to 4.11%. Combined, the total effective office vacancy rate is 20.15%.

Class A vacancy rate decreased 0.04% to 17.64% from the first quarter to the second quarter. The overall office rental rate increased by $.05, while Class A office rental rates saw an increase of $.09.

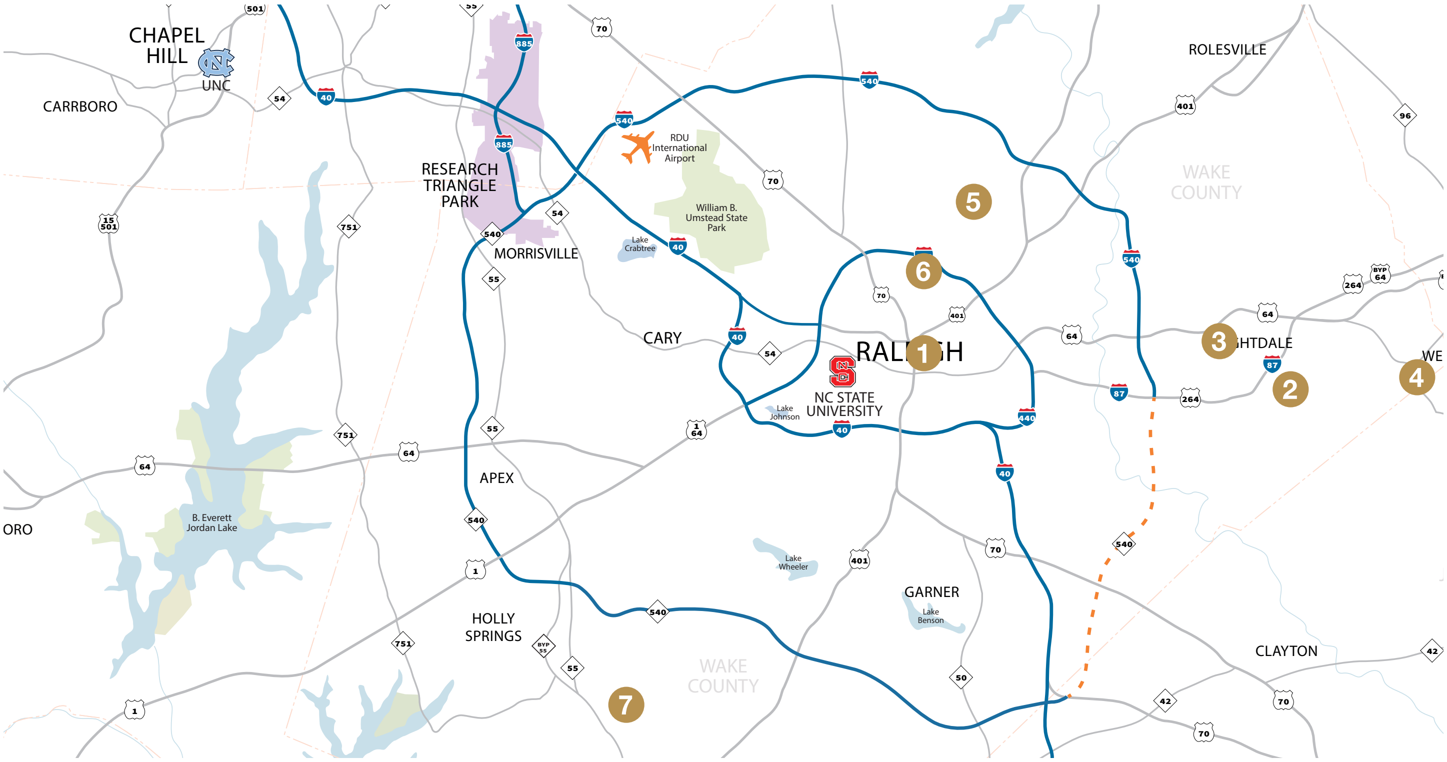
A negative net absorption of 146,742 square feet was reported for the quarter. The RTP/I-40 Corridor submarket reported the highest net negative absorption of 150,070 square feet, followed by the Central Durham submarket with 85,504 square feet of negative absorption. The West Raleigh submarket reported the highest net positive absorption of 48,934 square feet. Two buildings in Concourse Lakeside were removed from inventory after being sold to an end-user, Glidewell Dental Ceramics.

On the development front, there is no office space under construction. Due to increased construction costs and high vacancy rates, developers have been on hold from starting new projects. With no new inventory on the horizon, landlords are working to fill their remaining vacancies. (See Office Development Activity Map for notable projects).

SUBMARKET	INVENTORY	VACANCY	ABSORPTION
West Raleigh	7,578,862	15.96%	48,934
US 70 /Glenwood	4,598,145	15.23%	-14,047
Six Forks Road	4,791,110	11.78%	42,731
Falls of Neuse	3,428,994	15.22%	12,320
US 1/Capital Blvd.	2,552,426	13.02%	-3,688
Downtown Raleigh	6,416,281	14.77%	32,709
Village District	523,498	6.61%	-4,990
Eastern Wake Co.	1,034,462	11.97%	14,811
Southern Wake Co.	737,617	4.12%	-3,972
Cary	7,692,096	18.49%	-19,887
RTP/I-40 Corridor	13,631,987	18.49%	-150,070
Central Durham	4,766,959	15.84%	-85,504
North Durham	808,651	16.99%	-19,098
South Durham	1,873,124	19.76%	15,437
Orange County	2,597,201	17.31%	-12,428

Office

NOTABLE DEVELOPMENT



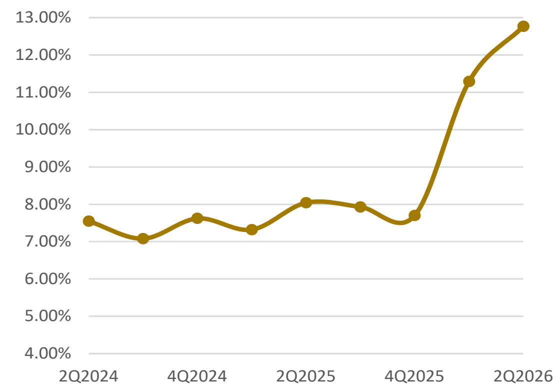
	PROJECT	SUBMARKET	TOTAL SF	DELIVERY	% PRELEASED	RATE
1	Boylan Pearce	Downtown Raleigh	26,040	2Q 2025	0%	$34.00/SF
2	Treelight Square at Wendell Falls - Phase IV	Eastern Wake	12,000	2Q 2026	79%	$33.00/SF
3	Knightdale Station	Eastern Wake	12,600	4Q 2025	77%	$28.00/SF
4	Timber Drive Professional Park (610 Timber Dr)	Eastern Wake	10,500	4Q 2025	0%	DNR
4	Timber Drive Professional Park (620 Timber Dr)	Eastern Wake	10,500	4Q 2025	0%	$28.00/SF
5	Quail Corners II Office	Falls of Neuse	36,108	1Q 2026	82%	DNR
6	3803 B Computer Drive	Six Forks Road	30,150	3Q 2025	81%	$35.00/SF
6	3521 Haworth Drive	Six Forks Road	17,554	3Q 2025	0%	$39.50/SF
7	Lane Professional Park	Southern Wake	67,350	1Q 2026	72%	$29.50/SF

Warehouse

MARKET REVIEW

Q2 WAREHOUSE SNAPSHOT	
Total SF	49,607,611
Total SF Vacant	6,335,664
Vacancy Rate	12.77%
Net Absorption	156,726
Avg. Asking Rent	$10.44
SF Under Construction	3,436,587

WAREHOUSE VACANCY



NOTABLE MOVES & TRANSACTIONS

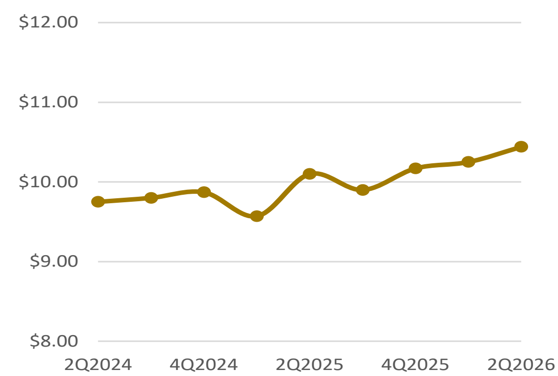
101,010 SF — Siemens lease of full building at Wendell Commerce Center, in the Southern Wake County submarket

131,000 SF — Siemens expanded into new building in April within the US 1/Capital Blvd. submarket

-165,800 SF — Carrier Enterprises vacated 1711 Corporation Parkway in the Eastern Wake County submarket

330,000 SF — Millennium Print Group leased 6370 Buckhorn building in the Buckhorn II Industrial Park in the Orange County submarket

WAREHOUSE RENTAL RATES



FORECAST

Triangle warehouse vacancy increased by 1.75% to 12.77% in the second quarter. This is the highest vacancy rate warehouse has seen since 2017. Asking rents increased by $.19 to $10.44 per square foot in the second quarter.

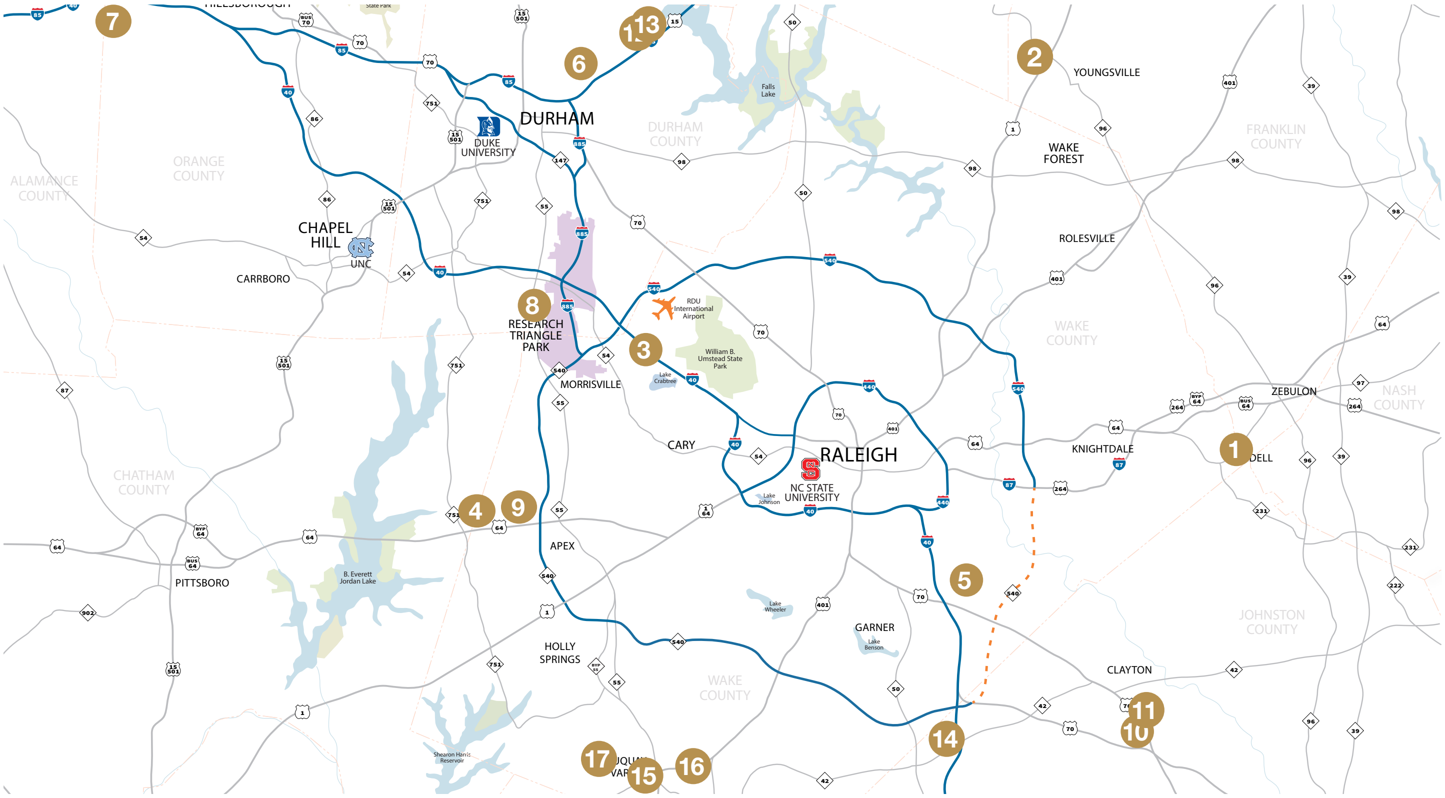
A net positive absorption of 156,726 square feet was reported for the quarter. The Southern Wake submarket reported the highest net negative absorption of 397,049 square feet. The RTP/I-40 Corridor reported the highest positive absorption of 374,440 square feet with the Orange County submarket following close behind with 367,200 square feet.

On the development front, 1,460,278 square feet of inventory was added to the market. 15 buildings totaling 2,313,844 square feet are expected to deliver by the end of the year, with 7 additional buildings totaling 855,983 square feet projected to deliver by 2Q 2027. Industrial inventory across the Triangle is steadily increasing as tenant activity and capital investment remain robust. (See Warehouse Development Activity Map for notable projects).

SUBMARKET	INVENTORY	VACANCY	ABSORPTION
West Raleigh	283,131	23.30%	-21,519
US 70 /Glenwood	788,815	0.00%	20,000
Six Forks Road	110,000	0.00%	0
Falls of Neuse	1,152,792	2.39%	0
US 1/Capital Blvd.	3,863,952	14.73%	-44,169
Downtown Raleigh	325,814	8.79%	-12,622
Village District	0	0.00%	0
Eastern Wake Co.	16,397,488	7.77%	-175,105
Southern Wake Co.	3,751,372	39.23%	-397,049
Cary	153,277	0.00%	0
RTP/I-40 Corridor	15,761,576	8.63%	374,440
Central Durham	599,434	2.07%	25,640
North Durham	2,211,406	30.85%	19,900
South Durham	768,382	58.74%	0
Orange County	3,440,172	11.40%	367,200

Warehouse

NOTABLE DEVELOPMENT



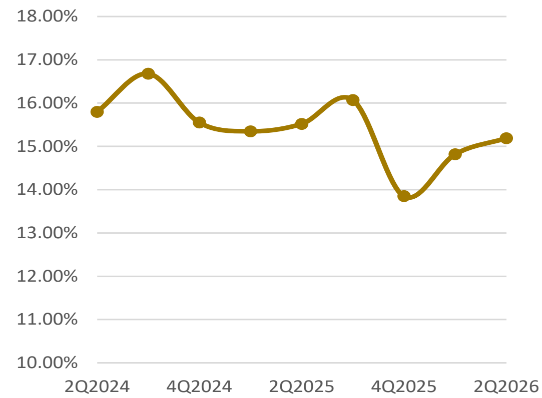
	PROJECT	SUBMARKET	TOTAL SF	DELIVERY	% PRELEASED	RATE
1	Wendell Commerce Center Building 1A, 1B, & 1C	Southern Wake	493,730	2Q 2026	21%	DNR
2	US-1 North Commerce Center Building 500	Franklin County	505,440	2Q 2026	100%	DNR
3	1050 Northgate Court	RTP/I-40 Corridor	64,059	2Q 2026	0%	DNR
4	Apex Gateway - Building 6 & 7	Southern Wake	397,049	2Q 2026	0%	DNR
5	White Oak Industrial Park Building 1 & 2	Eastern Wake Co.	386,264	3Q 2026	0%	DNR
6	Welcome Venture Park - Building C & H	North Durham	200,550	3Q 2026	0%	DNR
7	Oakwood Commerce Center	Orange County	244,400	3Q 2026	0%	DNR
8	Triangle 55 - Building 5 & 6	RTP/I-40 Corridor	533,520	3Q 2026	50%	DNR
9	Apex Ridge Industrial Park - Building 1 & 2	Southern Wake	305,470	3Q 2026	0%	DNR
10	Steel 70 - Building 1	Johnston County	91,520	3Q 2026	0%	DNR
11	Steel 70 - Building 2	Johnston County	188,160	4Q 2026	0%	DNR
12	Falls Lake Industrial Park: 300 Tradecrest Road	Granville County	262,080	4Q 2026	0%	DNR
13	Falls Lake Industrial Park: 200 Turnrow Road	Granville County	102,060	4Q 2026	0%	DNR
14	I-40 Overlook Building 1 & 2	Johnston County	266,580	4Q 2026	0%	DNR
15	Stotan Crossings 55 - Building 1, 2, & 3	Southern Wake	486,383	1Q 2027	0%	DNR
16	Fuquay Commerce Center - 1175 & 1201 NC 42	Southern Wake	209,600	2Q 2027	0%	DNR
17	Fuquay Commerce Center - 1255 & 1275 NC 42	Southern Wake	160,000	2Q 2027	0%	DNR

Flex/Life Science

MARKET REVIEW

Q2 FLEX/LIFE SCIENCE SNAPSHOT	
Total SF	29,283,280
Total SF Vacant	4,446,737
Vacancy Rate	15.19%
Net Absorption	74,079
Avg. Asking Rent	$20.41
SF Under Construction	201,600

FLEX/LIFE SCIENCE VACANCY



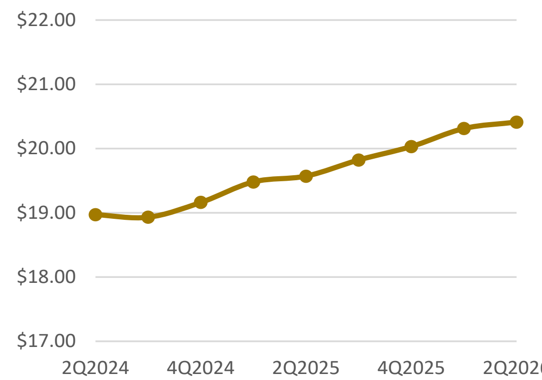
NOTABLE MOVES AND TRANSACTIONS

70,479 SF — Portal Warehousing lease at 3200 Gateway Centre Blvd in the RTP/I-40 Corridor submarket

28,079 SF — New Life Medicals lease at 3641 Forrest Ave in the Orange County submarket

-21,057 SF — MDN Cabinets vacated at 3411 Integrity Drive in Southern Wake submarket

FLEX/LIFE SCIENCE RENTAL RATES



FORECAST

Triangle flex/life science vacancy increased by 0.37% to 15.19% in the second quarter. Of this vacancy, true flex vacancy increased by 1.43% to 10.23%. The true life science vacancy decreased by 0.36% to 22.58% in the market. Rental rates increased by $0.10 per square foot to $20.41 per square foot.

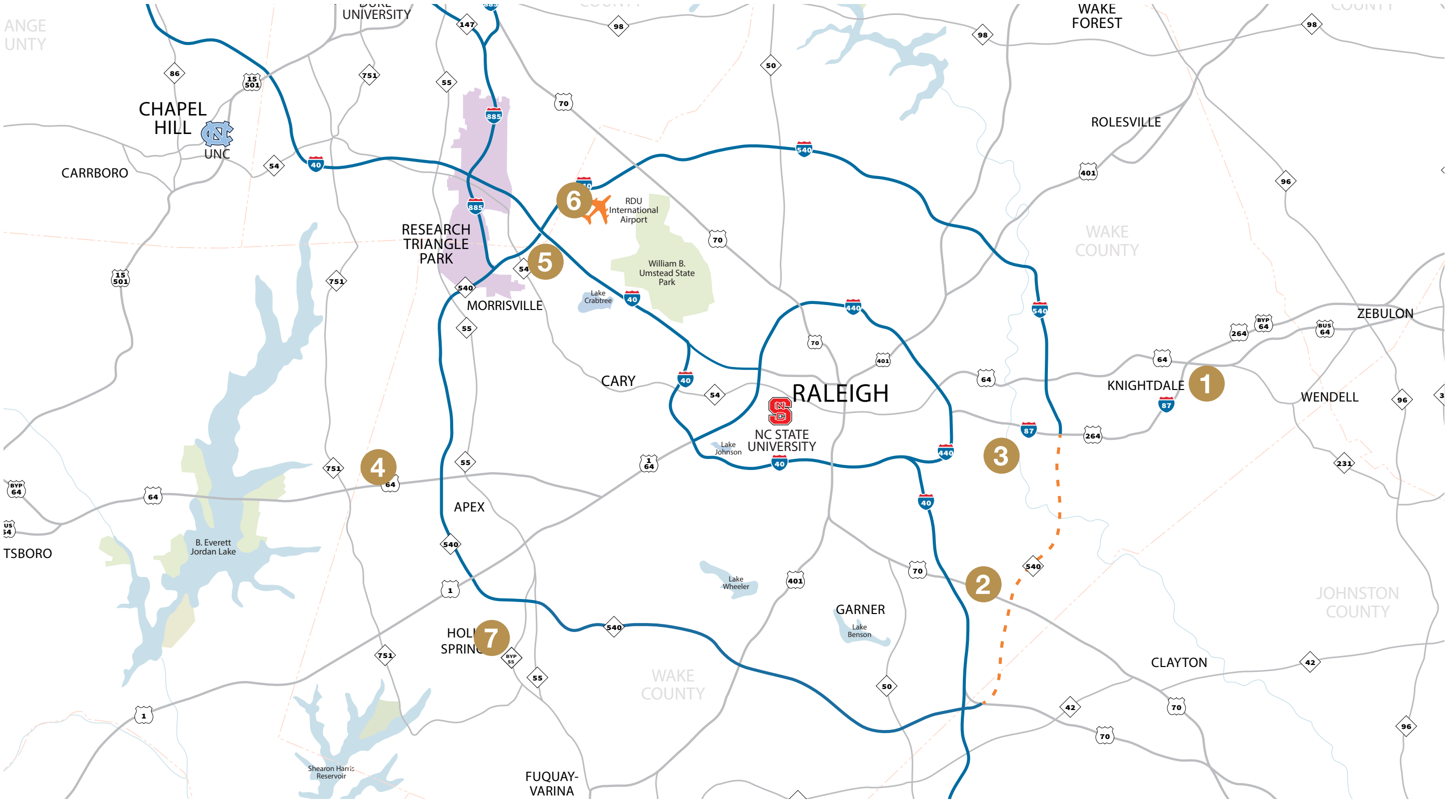
A positive net absorption of 74,079 square feet was reported in the second quarter. US 1/Capital Blvd. submarket reported the most positive absorption of 52,796 square feet while the Southern Wake County submarket reported the most negative absorption of 42,828 square feet.

On the development front, the second quarter added 195,379 square feet of new inventory to the market. An additional 78,727 square feet of space is projected to deliver by the fourth quarter 2026 in the RTP/I-40 and Eastern Wake submarkets plus an additional 129,000 square feet by the 4th quarter of 2027 in the RTP/I-40 and Southern Wake submarkets. (See Flex/Lab Development Activity map for notable projects).

SUBMARKET	INVENTORY	VACANCY	ABSORPTION
West Raleigh	762,115	1.57%	7,647
US 70 /Glenwood	1,296,275	1.26%	8,292
Six Forks Road	91,178	0%	0
Falls of Neuse	322,792	10.50%	0
US 1/Capital Blvd.	5,110,802	11.60%	52,796
Downtown Raleigh	174,859	39.09%	-3,158
Village District	0	0%	0
Eastern Wake Co.	2,523,362	9.18%	-24,670
Southern Wake Co.	2,294,172	38.77%	-42,828
Cary	1,473,049	11.08%	9,153
RTP/I-40 Corridor	13,107,846	15.17%	-158
Central Durham	536,152	18.25%	1,842
North Durham	701,042	46.29%	7,398
South Durham	235,076	0.32%	2,000
Orange County	654,560	4.28%	29,515

Flex/Life Science

NOTABLE DEVELOPMENT



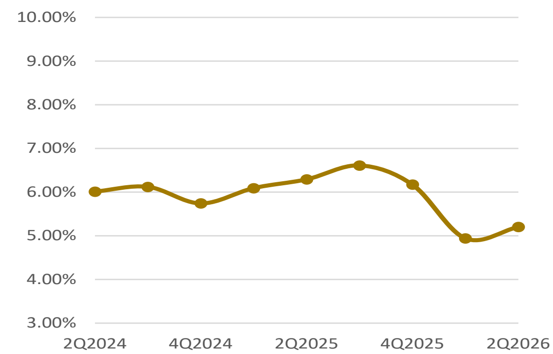
	PROJECT	SUBMARKET	TOTAL SF	DELIVERY	% PRELEASED	RATE
1	Battle Bridge Business Park East Bldg	Eastern Wake	45,000	1Q 2026	0%	DNR
1	Battle Bridge Business Park West Bldg	Eastern Wake	37,000	1Q 2026	0%	DNR
2	Greenfield Business Park 3201 Waterfield Drive	Southern Wake	26,000	2Q 2026	0%	DNR
3	5080 Trademark Drive	Eastern Wake	15,029	2Q 2026	0%	$18.95/SF
4	Apex 64 Building 1	Southern Wake	78,750	2Q 2026	0%	DNR
4	Apex 64 Building 2	Southern Wake	75,600	2Q 2026	0%	DNR
5	Merritt Midway Business Park Building 4	Eastern Wake	72,600	3Q 2026	39%	DNR
6	Hanger One Fifty: 150 Kitty Hawk Drive	RTP/I-40 Corridor	30,000	3Q 2027	0%	DNR
7	The Yield Bldg J: 11301 Holly Springs New Hill Road	Southern Wake	99,000	4Q 2027	0%	DNR

Retail

MARKET REVIEW

Q2 RETAIL SNAPSHOT	
Total SF	49,189,229
Total SF Vacant	2,557,836
Vacancy Rate	5.20%
Net Absorption	30,655
Avg. Asking Rent	$27.65
SF Under Construction	280,523

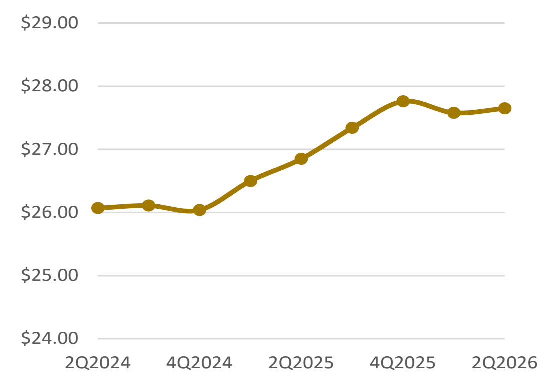
RETAIL VACANCY



NOTABLE MOVES AND TRANSACTIONS

105,394 SF	Alston Town Center Phase II opened anchored by Lifetime Fitness in the Cary submarket
40,000 SF	Crunch Fitness lease at Cary Commons in the Cary submarket
-81,308 SF	Saks Fifth Avenue vacated at Triangle Town Center Mall in the US 1/Capital Blvd. submarket
-32,879 SF	Painted Tree Boutiques vacated Stonehenge Market in US 70/Glenwood submarket

RETAIL RENTAL RATES



FORECAST

The Triangle's retail vacancy increased by 0.26% to 5.20% in the second quarter. Rental rates increased by $0.07 per square foot to $27.65 per square foot.

A net positive absorption of 30,655 square feet was reported for the quarter. The Cary submarket reported the most positive absorption of 92,087 square feet, and the US 1/Capital Blvd. submarket reported the greatest negative net absorption of 140,518 square feet.

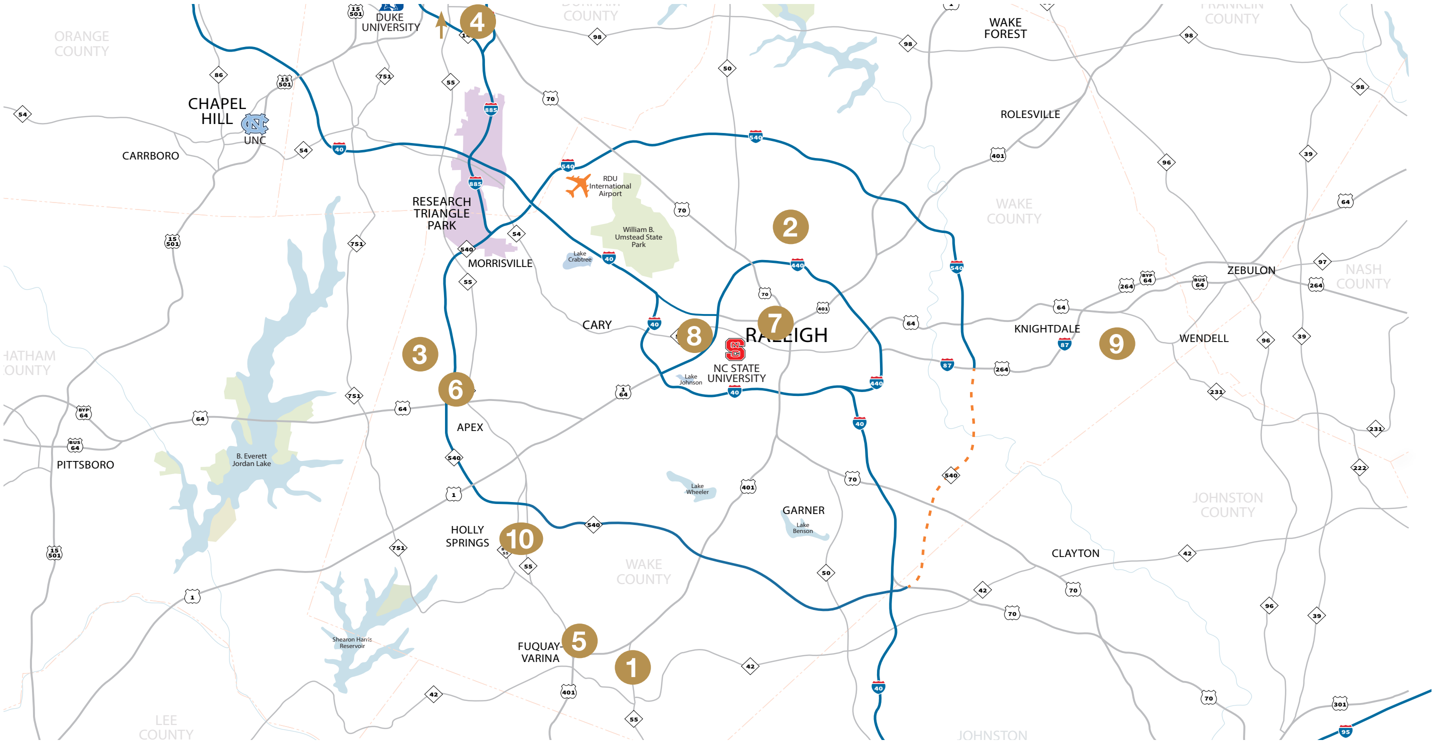
The downtown submarkets continue to be among the highest retail vacancy rates with Downtown Raleigh at 19.98% and Central Durham at 16.34%.

On the development front, 71,000 square feet of retail space was added to the market in the second quarter. 280,523 square feet is expected to deliver by the end of the first quarter 2027, including Wendell Commons and Main Street Vista in Eastern Wake, 4500 Western in West Raleigh, Highline Glenwood in Downtown Raleigh. (See Retail Development Activity Map for notable projects).

SUBMARKET	INVENTORY	VACANCY	ABSORPTION
West Raleigh	834,924	10.74%	0
US 70 /Glenwood	5,055,751	7.62%	-37,076
Six Forks Road	2,132,523	2.76%	18,333
Falls of Neuse	2,738,358	5.18%	-1,861
US 1/Capital Blvd.	7,732,468	7.94%	-140,518
Downtown Raleigh	1,168,086	19.98%	3,594
Village District	651,920	2.62%	-13,356
Eastern Wake Co.	3,821,974	2.58%	-9,067
Southern Wake Co.	4,718,752	2.11%	-7,235
Cary	7,269,040	3.82%	92,087
RTP/I-40 Corridor	1,192,355	2.24%	2,242
Central Durham	1,109,516	16.34%	22,442
North Durham	2,976,204	3.18%	65,856
South Durham	5,286,276	2.97%	35,996
Orange County	2,861,082	3.88%	-782

Retail

NOTABLE DEVELOPMENT



	PROJECT	SUBMARKET	TOTAL SF	DELIVERY	% PRELEASED	RATE
1	Gold Leaf Crossing - Phase I	Southern Wake	223,500	1Q 2026	66%	DNR
2	Quail Corners II Retail	Falls of Neuse	36,108	1Q 2026	77%	DNR
3	Freedom Square III	Southern Wake	10,000	1Q 2026	100%	DNR
3	Freedom Square I & II	Southern Wake	21,647	1Q 2026	0%	DNR
4	Latta Park	North Durham	55,000	2Q 2026	85%	DNR
5	Fuquay Market	Southern Wake	27,000	3Q 2026	84%	$37.00/SF
6	Beaver Creek Crossing - Outparcel	Southern Wake	16,000	2Q 2026	100%	DNR
7	Highline Glenwood: 410 Glenwood Ave	Downtown Raleigh	7,745	3Q 2026	0%	DNR
8	4500 Western Blvd	West Raleigh	117,400	4Q 2026	49%	$24.00/SF
9	Wendell Commons: 1236 Wendell Falls Pkwy	Eastern Wake	92,378	4Q 2026	62%	DNR
10	Main Street Vista: 324 Main St	Southern Wake	20,000	1Q 2027	27%	$35.00/SF

Investment Sales

MARKET REVIEW

NOTABLE SALE TRANSACTIONS

TYPE	PROPERTY	SUBMARKET	TOTAL SF	SALE PRICE / PER SF	BUYER/SELLER
Office	Meadowmont Crossing	Orange County	39,041	$11,100,000 / $284/SF	Woodside Health / Curbline Properties
Office	ParkWest I & II	Cary	94,000	$10,300,000 / $101/SF	CityPlat, Good Harbor Commercial Real Estate / Adler Kawa
Office	Concourse Lakeside I and II	RTP/I-40 Corridor	155,375	$10,570,000 / $68/SF	Glidewell Dental Labs / TD Bank NA
Retail	Capital Marketplace	US 1/Capital Boulevard	383,000	$80,625,000 / $211/SF	Principal Financial Group / Finmarc Management
Retail	Wakefield Commons	US 1/Capital Boulevard	163,975	$33,000,000 / $201/SF	Greenberg Gibbons / Mishorim Investments
Retail	417 W. Peace St.	Downtown Raleigh	45,600	$18,850,000 / $413/SF	Kane Realty Corp / PCCP LLC
Warehouse	Apex Commerce Center - Bldgs 2-4	Southern Wake	613,353	$90,500,000 / $148/SF	Stonelake Cap Prtnrs / The Crown Companies, Oppidan Investment
Warehouse	8153 Nc 56 Hwy	Southern Wake	17,220	$12,036,500 / $699/SF	WP Carey REIT / Pacific Avenue Capital Partners
Flex	10800 World Trade Boulevard	RTP/I-40 Corridor	134,156	$19,500,000 / $145/SF	Stonelake Cap Prtnrs / Broadstone Net Lease Inc (Public)
Flex	410 Gregson Drive	Cary	39,223	$9,050,000 / $231/SF	Salvatore Lampuri / Raya Kofman

FORECAST

Triangle capital markets this quarter showed investors remain cautiously optimistic, and transaction activity continues to be constrained by tighter capital markets and economic uncertainty.

The largest transaction in the Triangle was the sale of Capital Marketplace, a 383,000 square foot regional shopping center sold from Finmarc Management to Principal Financial Group for $80,625,000 ($211/SF). The retail center was 97.5 percent occupied and sold for more than $15 million above assessed value.

Another notable transaction was the sale of Apex Commerce Center buildings 2, 3, and 4. Stonelake Capital Partners out of Texas purchased the three warehouse buildings for $90.5 million. The three buildings totaling 613,353 square feet were recently completed in April.

The industrial sector continues to outperform in price appreciation, supported by strong tenant demand and sustained investor interest. Institutional capital remains active in modern logistics and manufacturing assets, reinforcing pricing and liquidity within the sector. Office market transactions are a mixed bag, with older buildings partially leased in locations with minimal amenities continuing to see value loss. Newer buildings in the “flight-to-quality” category are performing modestly.

Overall, the Raleigh-Durham metro area continues to benefit from strong demographic and economic fundamentals, and capital deployment remains disciplined and quality-driven. We expect more transaction activity through 2026 on industrial, retail, and well-located stabilized assets. Demand will be driven by available financing, construction costs, geopolitical uncertainty, and supply and demand.

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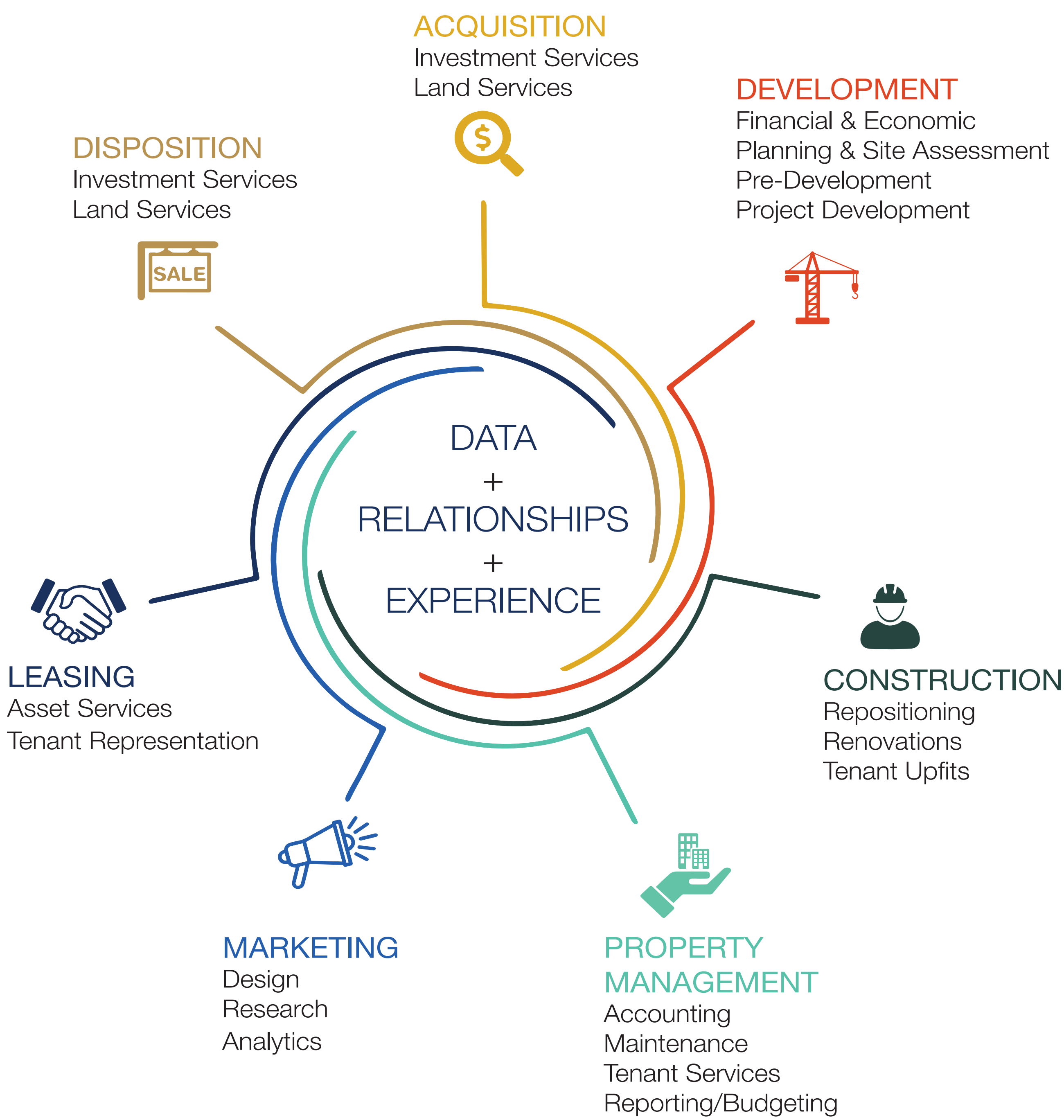

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