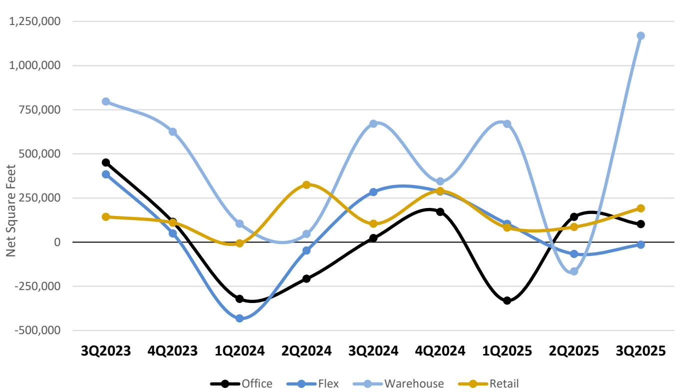
3Q 2025 Triangle Market Report

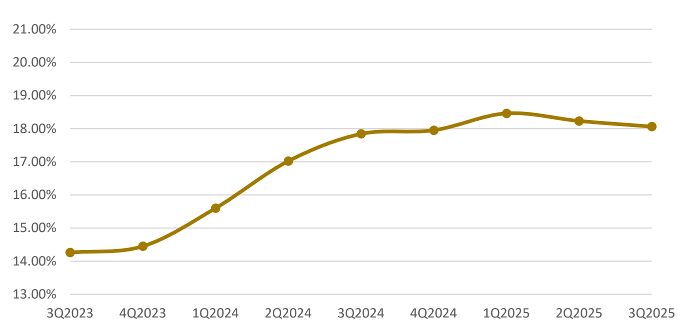
Triangle
MARKET REVIEW

Past 12 Mo. Change	3Q2024	3Q2025	FORECAST
OFFICE			
Overall Vacancy	16.80%	16.64%	▼
Class A Vacancy	17.84%	18.06%	▼
Class B Vacancy	14.39%	12.93%	▼
Class C Vacancy	11.54%	12.69%	▲
Net Absorption 3Q	22,778	102,176	▲
WAREHOUSE			
Overall Vacancy	7.08%	7.93%	▲
Net Absorption 3Q	670,756	1,169,468	▲
FLEX/LAB			
Overall Vacancy	16.68%	16.07%	▲
Net Absorption 3Q	283,742	-14,126	▲
RETAIL			
Overall Vacancy	6.12%	6.61%	▼
Net Absorption 3Q	104,219	191,992	▲

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 second quarter to the third quarter of 2025, office vacancy decreased by .43% to 16.64%, warehouse vacancy decreased by .11% to 7.93%, flex/lab vacancy increased by .55% to 16.07%, and retail vacancy increased by .32% to 6.61%. Office, warehouse, and retail property types reported quarterly net positive absorption. Compared to one year ago, the office market has seen the greatest impact.

Within the Triangle Metropolitan Statistical Area (MSA), comprised of Raleigh, Cary, Durham, Chapel Hill, and surrounding counties, the unemployment rate in August was reported at 3.55%, up from 2.85% a year ago. 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, the pipeline for new projects has been sparse. Under construction totals for each property type include 151,158 square feet of office space, 3,108,356 square feet of warehouse, 214,600 square feet of flex/lab space, and 388,008 square feet of retail.

The largest Triangle transaction was the portfolio sale by JLL Income Property Trust, acquiring five warehouse buildings at Apex Gateway for $190 million. The buildings total 985,000 SF, and had an occupancy rate of 87%.

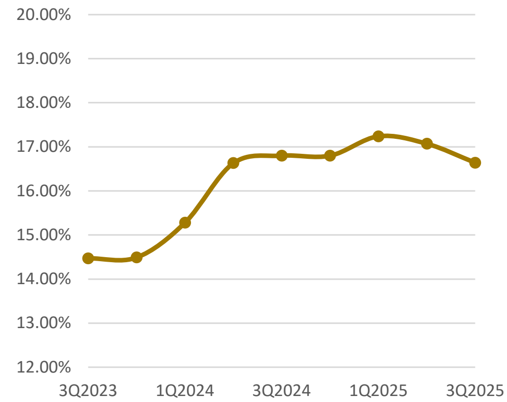
Capital markets have continued to see lower-than-average historical volumes. However, Raleigh-Durham, as one of the fastest-growing regions in the U.S., is a sought-after destination for capital.

Office

MARKET REVIEW

Q3 OFFICE SNAPSHOT	
Total SF	63,089,576
Total SF Vacant	10,496,076
Vacancy Rate	16.64%
Net Absorption	102,176
Avg. Asking Rent	$30.45
Avg. Class A Asking Rent	$36.15
SF Under Construction	151,158

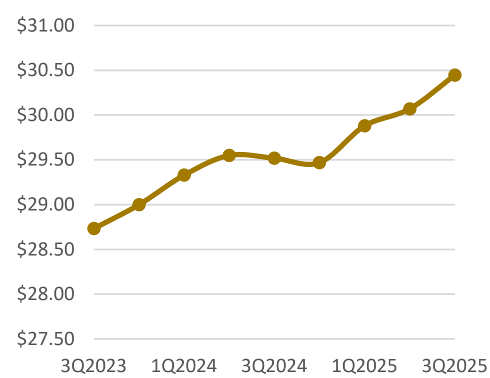
OFFICE VACANCY



NOTABLE MOVES AND TRANSACTIONS

14,000 SF	The Goddard School lease at 3803B Computer Drive in the Six Forks submarket
-31,130 SF	Unknown tenant vacated The Park at Gateway Centre South in the RTP/I-40 submarket
16,856 SF	Heron Therapeutics lease at 25 Fenton Main in the Cary submarket
19,006 SF	McAdams lease at Bristol Place in the RTP/I-40 submarket
20,255 SF	Unknown tenant lease at 137 Franklin/136 Rosemary in Chapel Hill in the Orange county submarket

OFFICE RENTAL RATES



SUBMARKET	INVENTORY	VACANCY	ABSORPTION
West Raleigh	7,494,941	15.57%	25,517
US 70 /Glenwood	4,588,153	15.56%	11,092
Six Forks Road	5,070,476	14.28%	79,474
Falls of Neuse	3,373,879	18.28%	5,410
US 1/Capital Blvd.	2,518,772	18.25%	15,450
Downtown Raleigh	6,408,449	15.37%	23,491
Village District	523,498	11.72%	10,236
Eastern Wake Co.	951,500	11.30%	-6,944
Southern Wake Co.	670,267	1.19%	1,974
Cary	7,685,161	18.61%	25,880
RTP/I-40 Corridor	13,857,497	17.89%	-44,206
Central Durham	4,797,058	15.14%	-46,263
North Durham	836,383	20.22%	-46,900
South Durham	1,851,005	22.64%	4,153
Orange County	2,462,537	17.43%	43,812

FORECAST

Triangle office direct vacancy rate decreased by .43% to 16.64% in the third quarter. Sublease vacancy decreased .67% to 4.56%. Combined, the total effective office vacancy rate is effectively 21.2%.

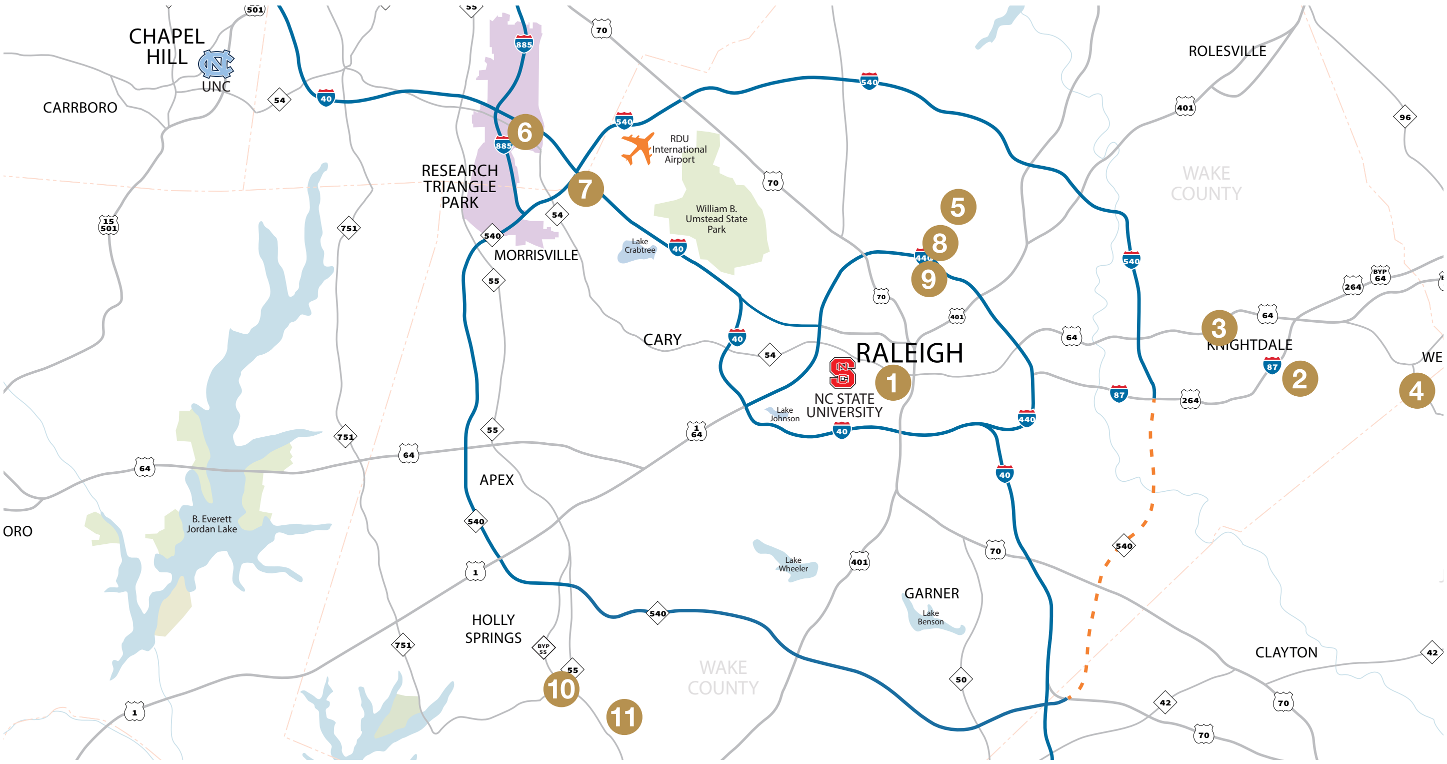
A positive net absorption of 102,176 square feet was reported for the quarter. 594,025 SF of inventory was sold and removed from the market, including five buildings at Research Commons (owner-occupant bought by United Therapeutics) and 3 buildings at Durham Summit (redevelopment). The Six Forks Road submarket reported the largest net positive absorption of 79,474 square feet, followed by the Orange submarket with a positive net absorption of 43,812 square feet.

Class A vacancy rate decreased .17% to 18.06% from the second to third quarter. The overall office rental rate increased by $.38, Class A office rental rates saw an increase of $.82.

On the development front, only 151,158 square feet of office space is under construction. Due to increased construction costs and high vacancy rates, developers have been on hold from starting new projects. (See Office Development Activity Map for notable projects).

Office

NOTABLE DEVELOPMENT

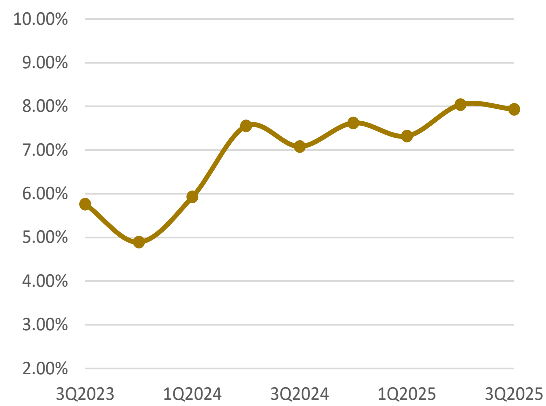


	PROJECT	SUBMARKET	TOTAL SF	DELIVERY	%PRELEASED	RATE
1	Boylan Pearce	Downtown Raleigh	26,040	2Q 2025	0%	$34.00
2	Treelight Square at Wendell Falls	Eastern Wake	14,000	4Q 2024	73%	DNR
2	Treelight Square at Wendell Falls - Phase IV	Eastern Wake	12,000	1Q 2026	84%	DNR
3	Knightdale Station	Eastern Wake	12,600	4Q 2025	77%	$28.00
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	12,600	4Q 2025	0%	$28.00
5	Quail Corners II Office	Falls of Neuse	36,108	4Q 2025	73%	DNR
6	Horseshoe at Hub RTP	RTP/I-40 Corridor	119,065	3Q 2024	39%	$48.50
7	Slater Station	RTP/I-40 Corridor	35,350	3Q 2024	33%	$28.50 NNN
8	North Hills Tower 5	Six Forks Road	354,466	4Q 2024	17%	$49.50
9	3083 B Computer Drive	Six Forks Road	28,863	3Q 2025	81%	$35.00
9	3521 Haworth Drive	Six Forks Road	17,554	3Q 2025	0%	$35.00
10	Office Park At Village Gate - MOB #2	Southern Wake	48,000	3Q 2024	54%	$35.00
11	Lane Professional Park	Southern Wake	67,350	4Q 2025	73%	DNR

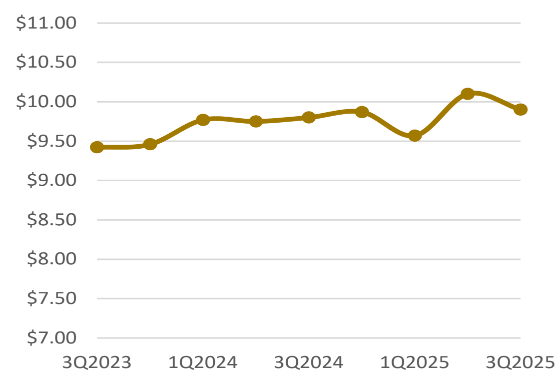
Warehouse
MARKET REVIEW

Q3 WAREHOUSE SNAPSHOT	
Total SF	47,232,647
Total SF Vacant	3,745,162
Vacancy Rate	7.93%
Net Absorption	1,169,468
Avg. Asking Rent	$9.90
SF Under Construction	3,108,356

WAREHOUSE VACANCY



WAREHOUSE RENTAL RATES



NOTABLE MOVES & TRANSACTIONS

83,943 SF	Armstrong lease at Bedford Place, Imperial Center in the RTP/I-40 Corridor.
266,760 SF	Amazon prelease at Triangle 55, Building 5 3351 Hopson Road in the South Durham submarket.
210,176 SF	Siemens lease at Knightdale Gateway in Eastern Wake County submarket.
437,800 SF	Johnson Brothers Mutual Distributing Building newly delivered adding 437,800 SF positive absorption in the Eastern Wake submarket.
340,200 SF	Unknown tenant at Triangle 55 Building 2 newly delivered fully preleased in the RTP/I-40 submarket.

FORECAST

Raleigh-Durham's Q3 2025 industrial market remains strong, reporting vacancy holding near 7.9% and asking rents at $9.90/SF NNN. Net absorption topped 1 million SF for the quarter, driven by pre-leased Class A deliveries in RTP/I-40 and Eastern Wake County.

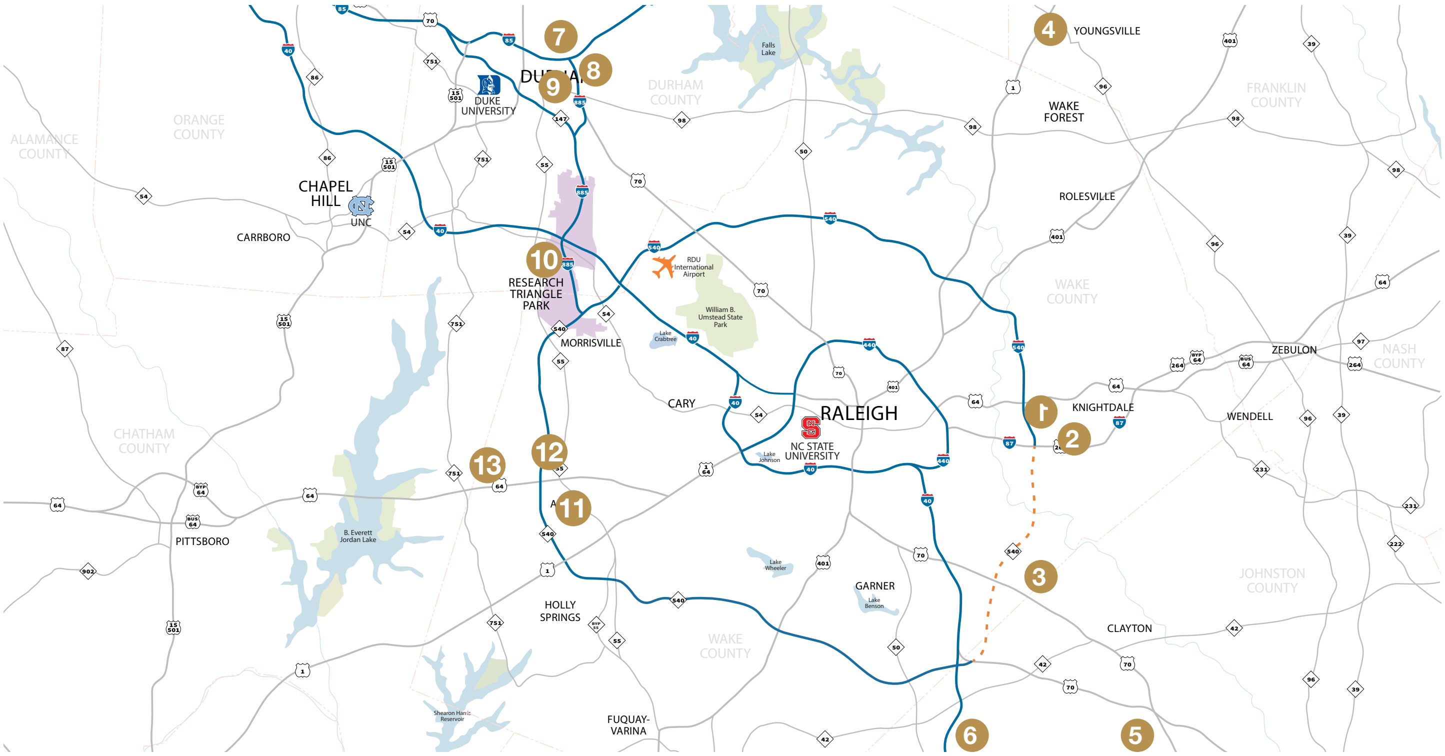
1,685,375 square feet of new inventory, was added to the warehouse market in the third quarter of the year with the delivery of US 1 North Commerce Center in Franklin County, Durham85 in the North Durham submarket and Triangle 55, in RTP/I-40 corridor.

On the development front, 3,108,356 square feet of warehouse space is under construction with 799,270 square feet expected to be delivered before the end of the year and, 1,258,583 square feet delivering next year. The Triangle's warehouse continues to surge, fueled by strong tenant demand and investor confidence. (See Warehouse Development Activity Map for notable projects).

SUBMARKET	INVENTORY	VACANCY	ABSORPTION
West Raleigh	248,131	21.09%	0
US 70 /Glenwood	788,828	0.00%	0
Six Forks Road	110,000	0.00%	0
Falls of Neuse	1,152,792	11.46%	87,152
US 1/Capital Blvd.	3,757,259	10.25%	-108,094
Downtown Raleigh	325,814	3.68%	0
Village District	0	0.00%	0
Eastern Wake Co.	14,792,727	3.89%	756,264
Southern Wake Co.	2,845,638	28.66%	65,926
Cary	153,277	0.00%	0
RTP/I-40 Corridor	15,092,898	4.88%	368,220
Central Durham	589,234	0.00%	0
North Durham	1,904,874	4.73%	0
South Durham	795,245	1.38%	0
Orange County	3,440,172	25.86%	0

Warehouse

NOTABLE DEVELOPMENT



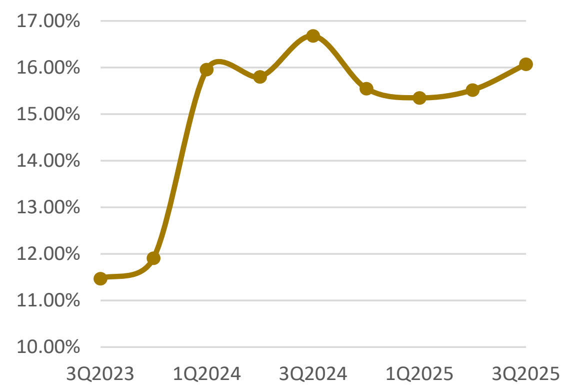
	PROJECT	SUBMARKET	TOTAL SF	DELIVERY	%PRELEASED	RATE
1	Hinton Oaks Industrial Park, Building 6	Eastern Wake	180,000	2Q 2025	0%	$10.00 NNN
2	Johnson Brothers Building	Eastern Wake	625,000	3Q 2025	70%	DNR
3	Garner Business Park 70 - Building 6	Eastern Wake	236,600	1Q 2026	0%	DNR
4	US-1 North Commerce Center Building 300	Franklin County	266,604	3Q 2025	0%	DNR
4	US-1 North Commerce Center Building 400	Franklin County	203,971	3Q 2025	0%	DNR
4	US-1 North Commerce Center Building 500	Franklin County	505,440	2Q 2026	100%	DNR
5	96 Gulfstream Ct. Smithfield	Johnston County	68,915	1Q 2025	0%	$9.00 NNN
6	Crossroads Trade Center Building 1	Johnston County	209,560	4Q 2025	0%	DNR
7	Welcome Venture Park - Building F	North Durham	192,000	4Q 2024	67%	DNR
8	Durham85 Building 2	North Durham	249,600	3Q 2025	0%	DNR
9	Durham Logistics Center	North Durham	351,030	4Q 2025	0%	DNR
10	Triangle 55 Building 4	RTP/I-40 Corridor	238,680	4Q 2025	0%	DNR
11	Apex Commerce Center Building 2	Southern Wake	183,232	4Q 2025	0%	DNR
11	Apex Commerce Center Building 3	Southern Wake	222,121	4Q 2025	0%	DNR
11	Apex Commerce Center Building 4	Southern Wake	208,000	4Q 2025	0%	DNR
12	Stotan Crossings 55 - Building 1	Southern Wake	221,760	2Q 2026	0%	DNR
13	Apex Gateway Building 4	Southern Wake	106,357	1Q, 2025	-93%	DNR

Flex/Lab

MARKET REVIEW

Q3 FLEX/LAB SNAPSHOT	
Total SF	28,269,107
Total SF Vacant	4,543,895
Vacancy Rate	16.07%
Net Absorption	-14,126
Avg. Asking Rent	$19.82
SF Under Construction	214,600

FLEX/LAB VACANCY



NOTABLE MOVES AND TRANSACTIONS

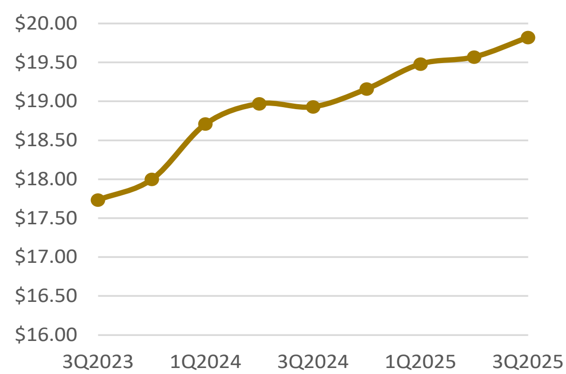
13,700 SF — Unknown tenant lease at 2409 Alwin Court in the US 1/ Capital Blvd. submarket

-26,702 SF — Renewal by Anderson vacated 105 Sigma Drive in the Eastern Wake submarket

60,000 SF — Asensus lease at The Stitch in the RTP/I-40 Corridor submarket

-37,901 SF — Unknown tenant vacated at Southport 3 in the RTP/I-40 Corridor

FLEX/LAB RENTAL RATES



FORECAST

Triangle flex/lab vacancy increased slightly by .55% to 16.07% from the second quarter to the third quarter of 2025. Of this vacancy, true flex vacancy sites at 8.57%, which was an increase from second quarter's 7.70% vacancy.

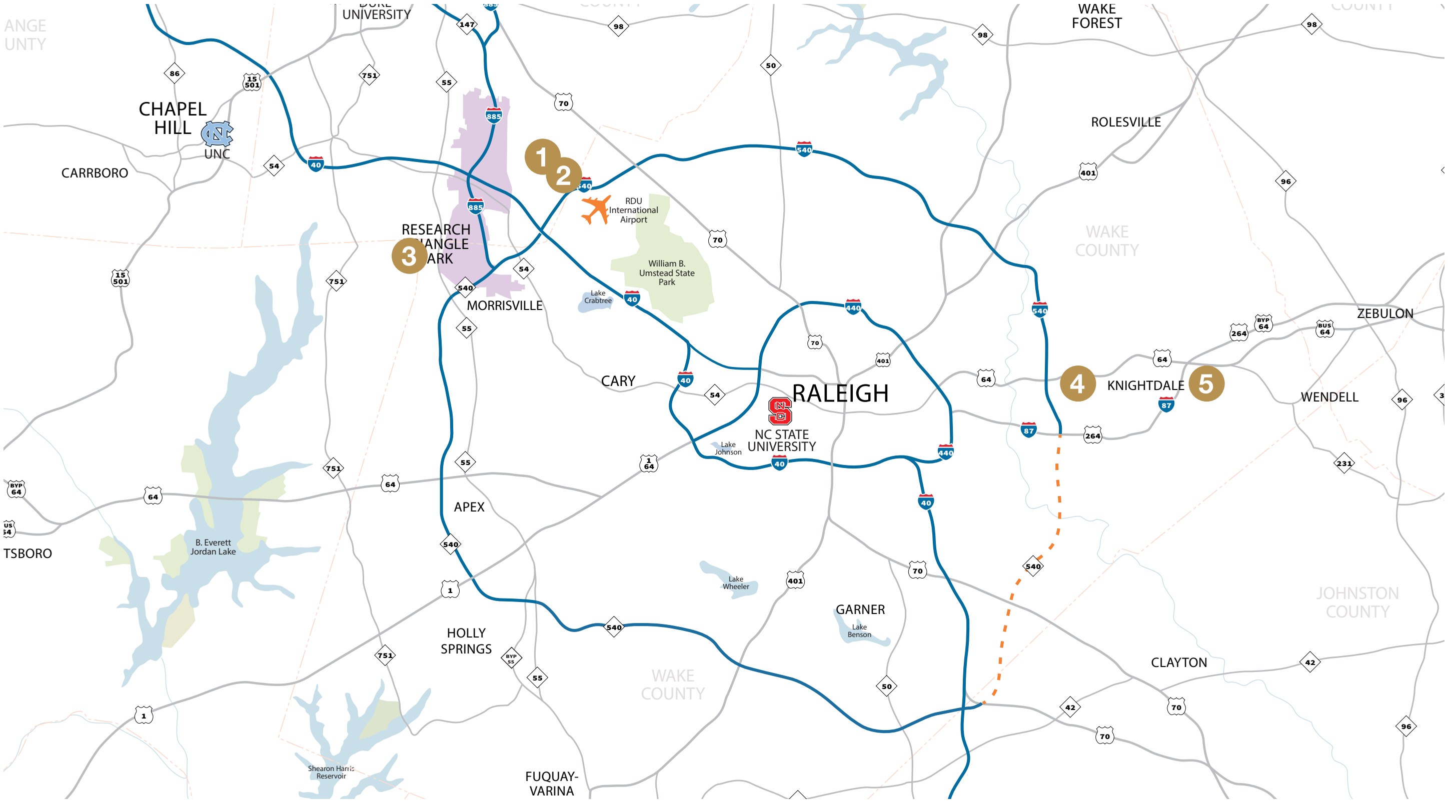
Negative net absorption of -14,126 square feet was reported in the third quarter. Flex vacancy indicators continue to be driven by the inventory-heavy submarkets. Eastern Wake reported a negative absorption of 53,965 SF, US 1/Capital Blvd. reported 48,421 positive absorption, and RTP/I-40 Corridor reported a negative 44,682 SF of absorption.

On the development front, the third quarter brings 214,600 square feet of under development space with 162, 013 square feet of space within Park Overlook, having delivered in the RTP/I-40 Corridor and 60,000 square feet delivering the forth quarter at Crossroads Trade Center in Johnston County. (See Flex/Lab Development Activity map for notable projects).

SUBMARKET	INVENTORY	VACANCY	ABSORPTION
West Raleigh	764,517	5.22%	11,111
US 70 /Glenwood	1,286,254	2.44%	-11,297
Six Forks Road	91,178	0%	0
Falls of Neuse	322,792	10.50%	0
US 1/Capital Blvd.	4,914,038	8.47%	48,421
Downtown Raleigh	113,814	9.04%	3,777
Village District	0	0%	0
Eastern Wake Co.	2,344,333	6.43%	-53,965
Southern Wake Co.	2,113,203	38.64%	29,342
Cary	1,472,243	15.01%	2,285
RTP/I-40 Corridor	12,967,652	19.53%	-44,682
Central Durham	484,627	12.74%	0
North Durham	504,820	30.11%	0
South Durham	235,076	1.17%	-2,750
Orange County	654,560	11.33%	3,632

Flex/Lab

NOTABLE DEVELOPMENT



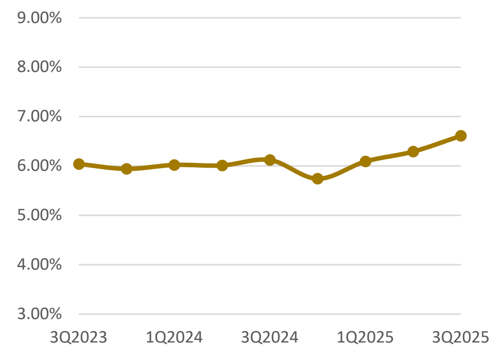
	PROJECT	SUBMARKET	TOTAL SF	DELIVERY	%PRELEASED	RATE
1	World Trade Park Flex #3503	RTP/I-40 Corridor	57,000	3Q 2024	100%	DNR
2	10601 World Trade Boulevard	RTP/I-40 Corridor	35,100	3Q 2024	34%	$19.95 NNN
3	Park Overlook - Building One	RTP/I-40 Corridor	106,357	3Q 2025	21%	DNR
3	Park Overlook - Building Two	RTP/I-40 Corridor	55,656	3Q 2025	0%	DNR
4	Merritt Midway Bus Park Bldg. 4	Eastern Wake	72,600	4Q 2026	0%	DNR
5	Battle Bridge Business Park East	Eastern Wake	45,000	1Q 2026	0%	DNR
5	Battle Bridge Business Park West	Eastern Wake	37,000	1Q 2026	0%	DNR

Retail

MARKET REVIEW

Q3 RETAIL SNAPSHOT	
Total SF	49,538,023
Total SF Vacant	3,276,909
Vacancy Rate	6.61%
Net Absorption	191,992
Avg. Asking Rent	$27.34
SF Under Construction	388,008

RETAIL VACANCY



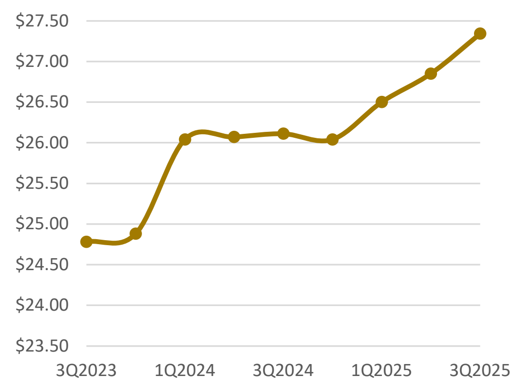
NOTABLE MOVES AND TRANSACTIONS

71,137 SF — Publix and tenant mix leases in recently delivered Middle Creek Crossing in the Eastern Wake County submarket

70,206 SF — Publix and tenant mix leases in recently delivered Buffalo Bend in the US 1/Capital Blvd. submarket

-34,100 SF — Harris Teeter vacated Plaza West in the West Raleigh submarket

RETAIL RENTAL RATES



FORECAST

Triangle retail vacancy increased by .32% to 6.61% in the third quarter of 2025. A net positive absorption of 191,992 square feet was reported for the quarter. US 1/Capital Blvd. submarket reported the largest net positive absorption of 114,438 square feet, followed by Southern Wake County with 109,025 net positive absorption. Rental rate prices continue to rise steadily.

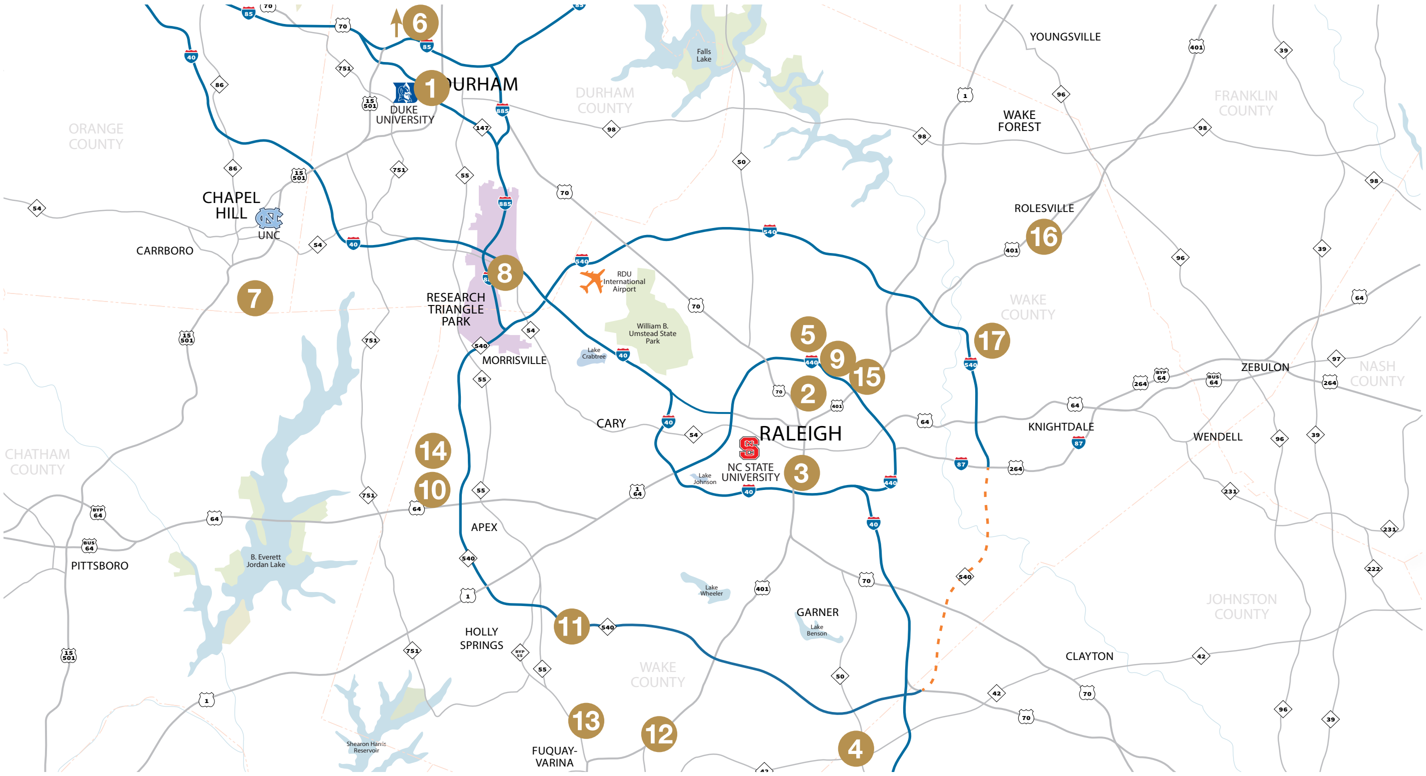
Areas of our market with a more extensive retail history, such as Downtown Raleigh and Central Durham, are experiencing elevated vacancy rates of 17.32% and 17.51%, respectively. In contrast, newer and emerging suburban submarkets, such as Southern Wake, are facing inventory shortages amid strong demand, fueling a wave of new construction.

On the development front, there is 388,008 square feet under construction. 167,055 square feet delivered at 90% occupancy, including Buffalo Bend in the US 1/Capital Blvd submarket and Middle Creek Crossing in Eastern Wake County. (See Retail Development Activity Map for notable projects).

SUBMARKET	INVENTORY	VACANCY	ABSORPTION
West Raleigh	947,722	20.97%	-34,100
US 70 /Glenwood	5,039,763	7.10%	30,724
Six Forks Road	2,132,523	5.17%	-20,413
Falls of Neuse	2,673,187	2.79%	-10,518
US 1/Capital Blvd.	7,164,556	6.78%	114,438
Downtown Raleigh	1,364,732	17.32%	16,605
Village District	642,920	0.76%	13,610
Eastern Wake Co.	3,846,139	4.03%	87,392
Southern Wake Co.	4,571,493	2.69%	109,025
Cary	7,189,806	4.66%	13,486
RTP/I-40 Corridor	1,195,107	6.58%	2,509
Central Durham	1,097,545	17.51%	11,133
North Durham	3,528,896	16.20%	-78
South Durham	5,286,276	4.59%	-2,292
Orange County	2,857,358	3.85%	-16,686

Retail

NOTABLE DEVELOPMENT



	PROJECT	SUBMARKET	TOTAL SF	DELIVERY	%PRELEASED	RATE
1	The Novus	Central Durham	21,558	3Q 2025	38%	DNR
2	Seaboard Station - Block C	Downtown Raleigh	45,823	3Q 2024	75%	DNR
3	Rockway - The Row	Downtown Raleigh	17,781	1Q 2025	52%	DNR
3	The Weld	Downtown Raleigh	14,753	4Q 2025	0%	DNR
4	Middle Creek Crossing	Eastern Wake Co.	73,891	3Q 2025	96%	DNR
5	Quail Corners II Retail	Falls of Neuse	36,108	4Q 2025	77%	DNR
6	Latta Park	North Durham	55,000	2Q 2026	85%	DNR
7	The Commons D @ Governors Village	Orange County	23,900	3Q 2024	25%	28
8	Horseshoe at Hub RTP	RTP/I-40 Corridor	32,710	3Q 2024	0%	DNR
9	4114 Center at North Hills	Six Forks Road	19,827	3Q 2024	55%	DNR
9	RH Raleigh - The Gallery at North Hills	Six Forks Road	48,600	4Q 2024	100%	DNR
10	Sweetwater Town Center - Harris Teeter Satellite Building	Southern Wake	64,000	4Q 2024	100%	DNR
10	Sweetwater Town Center - East Side	Southern Wake	67,182	1Q 2025	100%	DNR
11	Peterson Station	Southern Wake	46,988	1Q 2025	31%	DNR
12	Gold Leaf Crossing - Phase I	Southern Wake	223,500	1Q 2026	66%	DNR
13	Fuquay Market	Southern Wake	27,000	2Q 2026	52%	$37
14	Freedom Square I & II	Southern Wake	21,647	4Q 2025	0%	DNR
15	Salvage Yard - 1245-1249 Wicker Dr	US 1/Capital Blvd	45,304	1Q 2025	85%	DNR
16	Wallbrook 821 S. Main St., Rolesville	US 1/Capital Blvd	77,699	2Q 2025	78%	DNR
17	Buffaloe Bend	US 1/Capital Blvd	71,606	3Q 2025	98%	DNR

Investment Sales

MARKET REVIEW

NOTABLE SALE TRANSACTIONS

TYPE	PROPERTY	SUBMARKET	TOTAL SF	SALE PRICE / PER SF	BUYER/SELLER
Office	555 Mangum	Central Durham	251,464	$72,000,000 / $286/SF	Accesso Partners / Northwood Ravin Akridge
Office	5241 Six Forks Rd	Six Forks Road	19,213	$12,260,000 / $638/SF	Meadows & Ohly / BP Quorum LLC
Office	3404 N Duke St	Central Durham	281,378	$10,974,000 / $39/SF	Durham Summit Owner LLC / Beacon Partners
Warehouse	Apex Gateway - 3530 Brightleaf Ln	Southern Wake	359,600	$65,500,000 / $182/SF	LaSalle / Beacon Partners
Warehouse	6485 Buckhorn Industrial Parkway	Orange County	265,200	$39,250,000 / $148/SF	Invesco Real Estate / Al. Neyer
Warehouse	Apex Gateway - 3560 Brightleaf Ln	Southern Wake	205,776	$37,500,000 / $182/SF	LaSalle / Beacon Partners
Flex	Dock 1053	US 1/Capital	178,658	$35,000,000 / $196/SF	Beacon Partners / Grubb Ventures
Flex	4018 Patriot Dr	RTP/I-40	100,800	$25,600,000 / $244/SF	Rockpoint Group / Alidade Capital
Retail	Capital Plaza - 11817 Retail Dr	US-1/Capital Blvd.	48,135	$10,350,000 / $215/SF	Bright Family Properties / Mountain Crest Capital
Retail	Clayton Village - 10105 US-70	Eastern Wake	61,620	$9,305,000 / $151/SF	The Opper Group / Midland Atlantic Props
Retail	Gateway Terrace - 3219 Watkins Rd	South Durham	18,989	$7,900,000 / $416/SF	Gateway Terrace 1 LLC / Grace Ridge

FORECAST

Triangle investment sales activity remained relatively unchanged in the third quarter. While the number of deals increased among all property types, the total sales volume remained lackluster as investors continue to face a challenging lending environment. The office market is particularly affected, with higher vacancy and minimal absorption.

The largest Triangle transaction was the portfolio sale by JLL Income Property Trust, acquiring five warehouse buildings at Apex Gateway for $190 million. The buildings total 985,000 SF, and had an occupancy rate of 87% with Life Science Logistics as the major tenant. The top individual building prices are noted in the above chart. The transaction is evidence that the industrial sector continues to be attractive to investors.

Another notable transaction was the sale of 555 Mangum in downtown Durham adjacent to Durham Bulls Athletic Park. Accesso purchased the 242,063 SF office building that was 65% leased for $72 million. It was built in 2020 and has an amenity room, rooftop lounge and sky deck, outdoor courtyard, a conference center and an 812-space parking deck.

Transaction volume can largely be attributed to the Federal Reserve controlling interest rates, the lack of available capital from banks, uncertainty of the impact of tariffs, and higher vacancies (for office buildings). Raleigh-Durham, as one of the fastest-growing regions in the U.S., is, however, a sought-after destination for capital as markets recover and investors become more confident.

Full Service
SOLUTIONS

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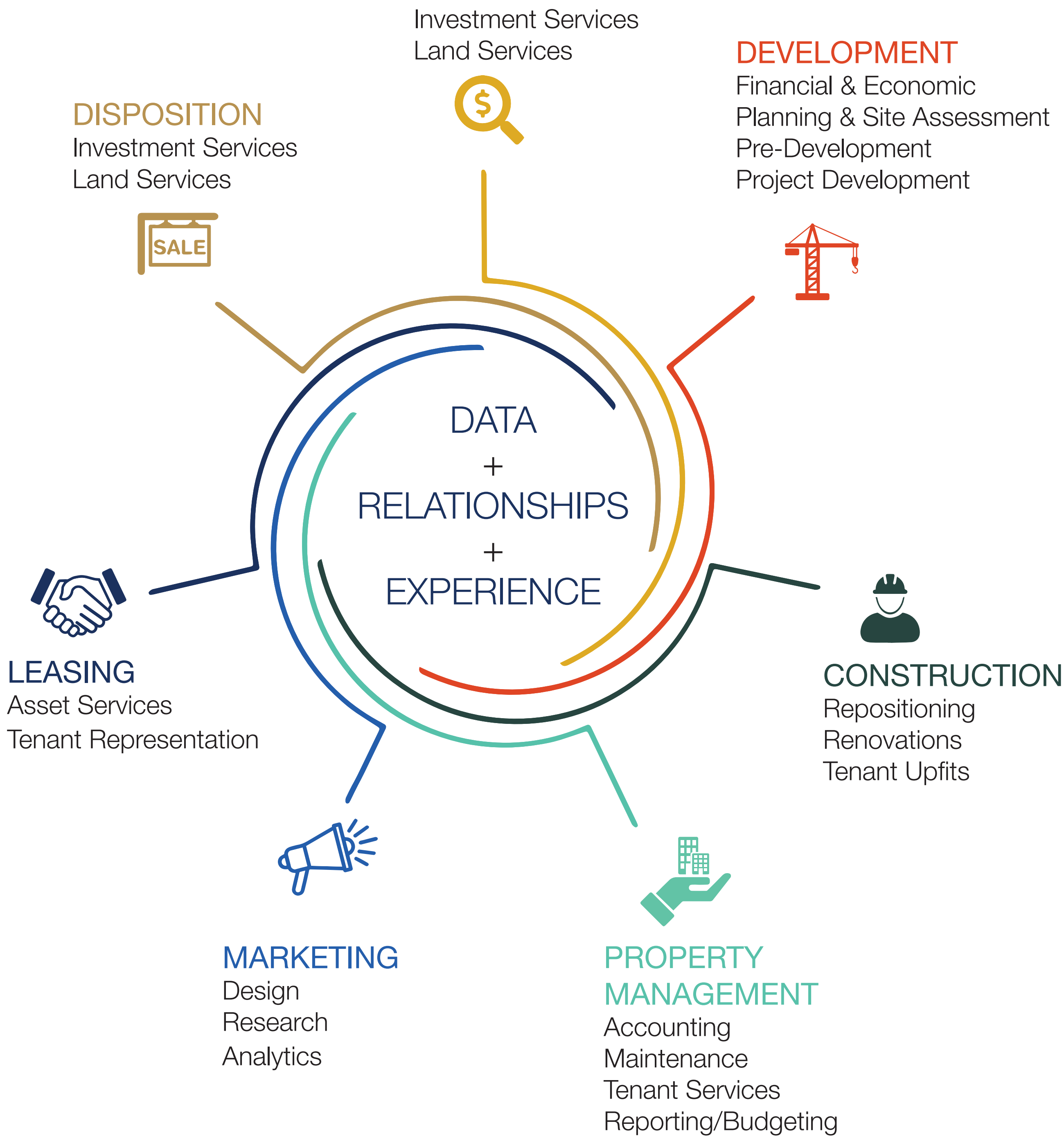

5425 Page Road, Suite 100
Durham, NC 27703

5121 Kingdom Way, Suite 200
Raleigh, NC 27607

919.941.5745 | triprop.com