

3Q 2026

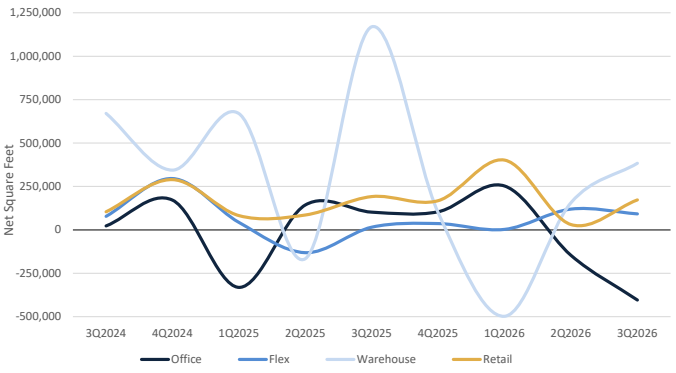
Triangle Market Report

NAI Tri Properties

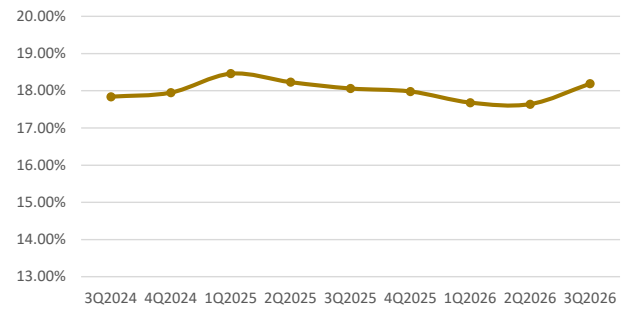
Triangle
MARKET REVIEW

Past 12 Mo. Change	3Q2025	3Q2026	FORECAST
OFFICE			
Overall Vacancy	16.64%	16.74%	▼
Class A Vacancy	18.06%	18.19%	▼
Class B Vacancy	12.93%	13.24%	▼
Class C Vacancy	12.69%	12.50%	▬
Net Absorption 3Q	102,176	-403,996	▲
WAREHOUSE			
Overall Vacancy	7.93%	13.59%	▲
Net Absorption 3Q	1,169,468	383,706	▲
FLEX/LIFE SCIENCE			
Overall Vacancy	16.07%	14.91%	▲
Net Absorption 3Q	-14,126	19,015	▼
RETAIL			
Overall Vacancy	6.61%	4.86%	▼
Net Absorption 3Q	191,992	172,878	▲

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 seond quarter of 2026 to the third quarter of 2026, office vacancy increased by 0.70% to 16.74%, warehouse vacancy increased by .82% to 13.59%, flex/life science vacancy decreased by 0.28% to 14.91%, and retail vacancy decreased by 0.34% to 4.86%. 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 September was reported at 2.76%, down from 3.22% a year earlier. The Triangle MSA's unemployment rate outpaces the statewide unemployment rate of 3.40% and the national unemployment rate of 4.20%.

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 2,910,578 square feet of warehouse, 65,640 square feet of flex/life science space, and 292,446 square feet of retail.

The largest transaction in the Triangle was the sale of Knightdale Marketplace, a 323,113 square foot regional shopping center sold from M&J Wilkow to Invesco Real Estate for $86,700,000 ($270/SF). The retail center was 95 percent occupied, and after a bidding war, it sold for more than double what M&J Wilkow paid in 2019.

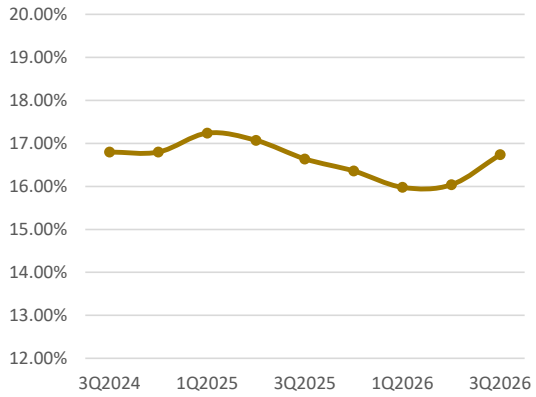
Triangle capital markets this quarter showed investors remain cautiously optimistic, and transaction activity continues to be constrained by tighter capital markets and economic uncertainty. Overall, the Raleigh-Durham metro area continues to benefit from strong demographic and economic fundamentals,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

Office

MARKET REVIEW

Q3 OFFICE SNAPSHOT	
Total SF	63,548,785
Total SF Vacant	10,639,579
Vacancy Rate	16.74%
Net Absorption	-403,996
Avg. Asking Rent	$31.24
Avg. Class A Asking Rent	$37.11
SF Under Construction	0

OFFICE VACANCY



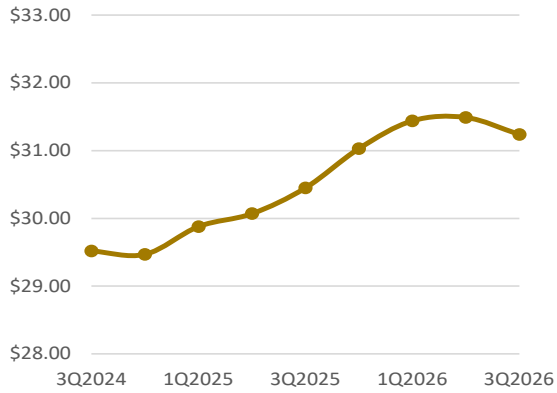
NOTABLE MOVES AND TRANSACTIONS

-311,000 SF RTI International vacated three buildings in the RTP/I-40 Corridor submarket

36,705 SF General Atomics lease at Perimeter One in the RTP/I-40 Corridor submarket

-28,079 SF Social & Scientific Systems vacated at Nottingham Hall in the RTP/I-40 Corridor Submarket

OFFICE RENTAL RATES



FORECAST

Triangle office direct vacancy rate increased by 0.70% to 16.74% in the third quarter. Sublease vacancy decreased 0.08% to 4.03%. Combined, the total effective office vacancy rate is 20.77%.

Class A vacancy rate increased 0.55% to 18.19% from the second quarter to the third quarter. The overall office rental rate decreased by $.25, while Class A office rental rates saw a decrease of $.17.

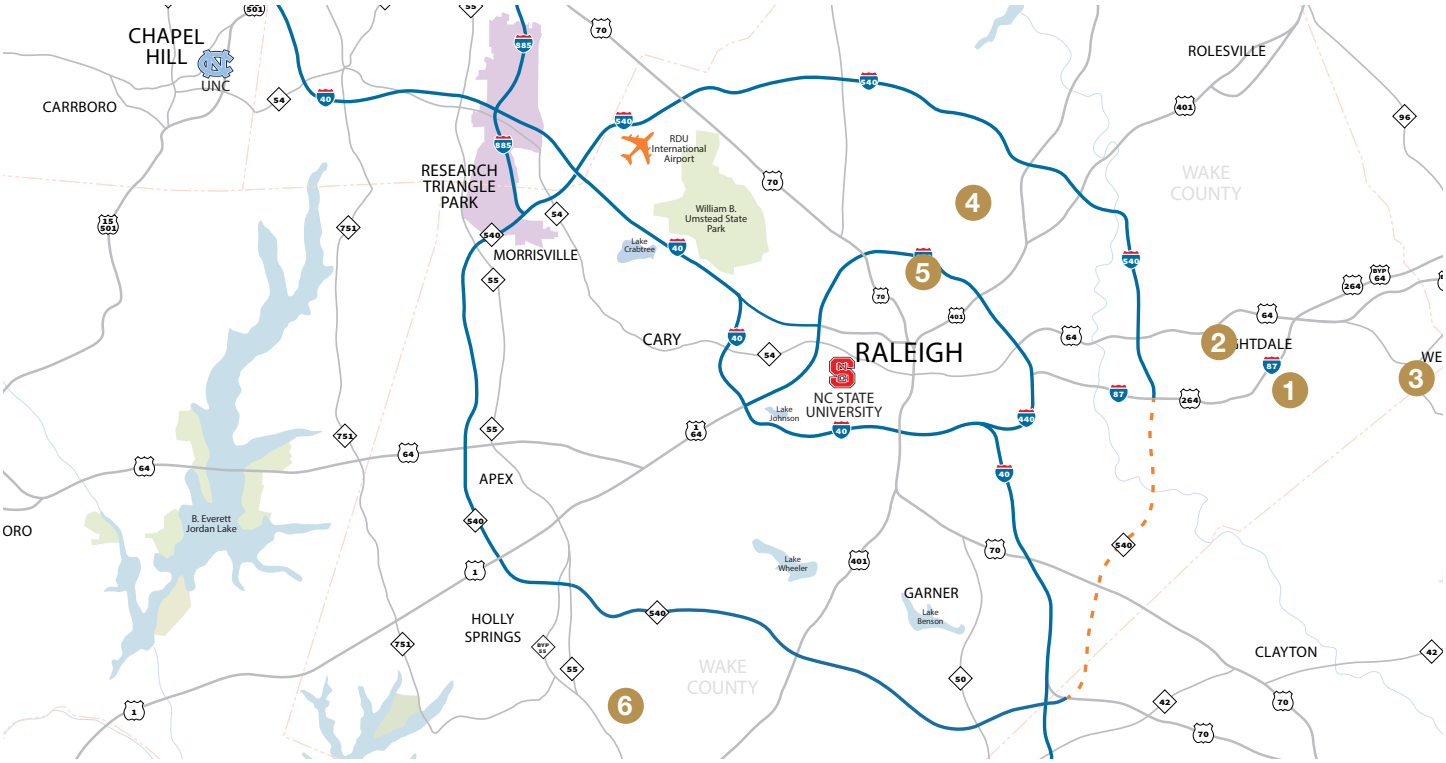
A negative net absorption of 403,996 square feet was reported for the quarter. The RTP/I-40 Corridor submarket reported the highest net negative absorption of 391,089 square feet, followed by the Downtown Raleigh submarket with 53,804 square feet of negative absorption. The Falls of Neuse submarket reported the highest net positive absorption of 35,135 square feet.

On the development front, there is no office space under construction. Due to increased construction costs and high vacancy rates, developers have put new projects on hold. 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	7,626,382	16.47%	-46,281
US 70 /Glenwood	4,565,632	14.57%	33,607
Six Forks Road	4,971,110	11.12%	32,808
Falls of Neuse	3,425,485	14.21%	35,135
US 1/Capital Blvd.	2,515,851	13.26%	-1,461
Downtown Raleigh	6,419,791	15.58%	-53,804
Village District	541,498	6.61%	-1,185
Eastern Wake Co.	1,021,862	13.87%	-20,587
Southern Wake Co.	750,117	3.95%	752
Cary	7,712,539	19.93%	10,097
RTP/I-40 Corridor	13,935,281	20.89%	-391,089
Central Durham	4,783,407	15.14%	30,988
North Durham	806,815	16.27%	6,075
South Durham	1,873,124	21.59%	-34,166
Orange County	2,599,891	16.51%	-4,885

Office

NOTABLE DEVELOPMENT



	PROJECT	SUBMARKET	TOTAL SF	DELIVERY	% PRELEASED	RATE
1	Treelight Square at Wendell Falls - Phase IV	Eastern Wake	12,000	2Q 2026	79%	$33.00/SF
2	Knightdale Station	Eastern Wake	12,600	4Q 2025	77%	$28.00/SF
3	Timber Drive Professional Park (610 Timber Dr)	Eastern Wake	10,500	4Q 2025	0%	DNR
3	Timber Drive Professional Park (620 Timber Dr)	Eastern Wake	12,600	4Q 2025	0%	$28.00/SF
4	Quail Corners II Office	Falls of Neuse	36,108	1Q 2026	82%	DNR
5	3803 B Computer Drive	Six Forks Road	28,863	3Q 2025	81%	$35.00/SF
5	3521 Haworth Drive	Six Forks Road	17,554	3Q 2025	0%	$39.50/SF
6	Lane Professional Park	Southern Wake	67,350	1Q 2026	72%	$29.50/SF

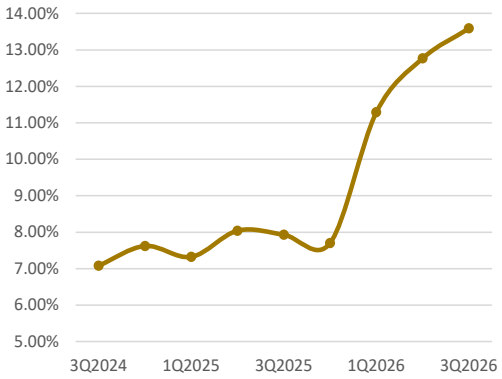
Warehouse

MARKET REVIEW

Q3 WAREHOUSE SNAPSHOT

Total SF	50,656,021
Total SF Vacant	6,883,992
Vacancy Rate	13.59%
Net Absorption	383,706
Avg. Asking Rent	$10.66
SF Under Construction	2,910,578

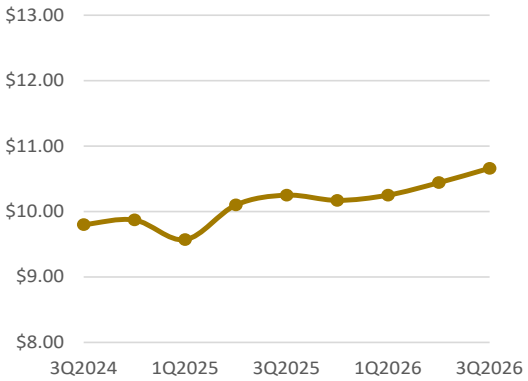
WAREHOUSE VACANCY



NOTABLE MOVES & TRANSACTIONS

-77,000 SF	Ranpak & undisclosed tenant vacated space at North 540 in the Falls of Neuse submarket, relocating to the Walnut Creek Business Park
100,100 SF	Undisclosed tenant lease within Welcome Venture Park in the North Durham submarket
216,164 SF	Undisclosed tenant lease at White Oak Industrial Park Building 1 in the Eastern Wake submarket
266,760 SF	Amazon pre-lease at Triangle 55 in the RTP/I40 Corridor submarket
225,000 SF	Palmer-Donavin pre-leased within Falls Lake Industrial Park in the Granville County submarket

WAREHOUSE RENTAL RATES



FORECAST

Triangle warehouse vacancy increased by .82% to 13.59% in the third quarter. The last time warehouse vacancy saw this rate was in 2015. This increase was due to 945,094 SF of inventory being added to the market with no preleases. Asking rents increased by $.22 to $10.66 per square foot in the third quarter.

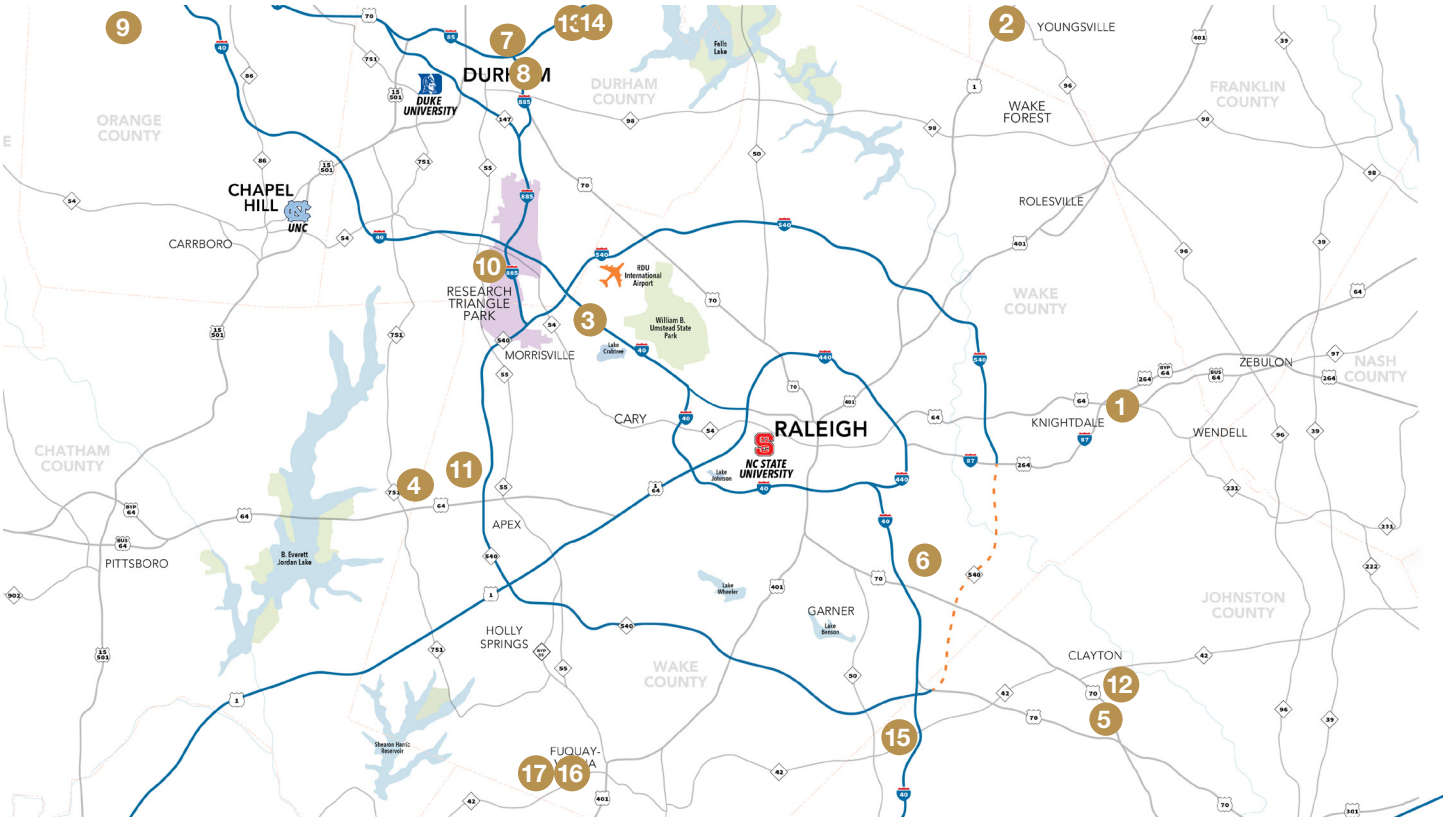
A net positive absorption of 383,706 square feet was reported for the quarter. The Falls of Neuse submarket reported the highest net negative absorption of 76,897 square feet while the RTP/I40 corridor reported the highest positive absorption of 224,507 square feet.

On the development front, 1,211,854 square feet of inventory was added to the market, of which only 22% was preleased. 10 buildings totaling 1,587,502 square feet are expected to deliver by the end of the year with an additional 10 buildings totaling 1,323,076 square feet projected to deliver by the end of 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%	0
US 70 /Glenwood	788,139	0.00%	0
Six Forks Road	110,000	0.00%	0
Falls of Neuse	1,154,072	9.05%	-76,897
US 1/Capital Blvd.	3,898,368	15.00%	-12,568
Downtown Raleigh	333,816	12.73%	-13,833
Village District	0	0.00%	0
Eastern Wake Co.	16,655,369	8.52%	50,393
Southern Wake Co.	3,751,355	36.73%	93,744
Cary	153,277	0.00%	0
RTP/I-40 Corridor	16,307,222	10.23%	224,507
Central Durham	599,434	2.67%	-3,640
North Durham	2,411,956	31.55%	122,000
South Durham	769,710	58.64%	0
Orange County	3,440,172	11.40%	0

Warehouse

NOTABLE DEVELOPMENT



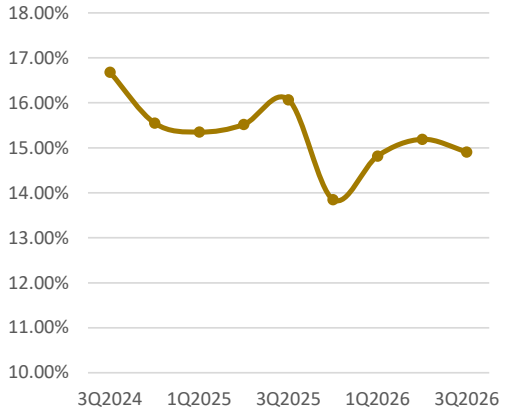
	PROJECT	SUBMARKET	TOTAL SF	DELIVERY	% PRELEASED	RATE
1	Wendell Commerce Center Building 1A, 1B, & 1C	Southern Wake	493,730	2Q 2026	21%	DNR
2	US-1 North Commerce Center Building 500	Franklin County	505,440	2Q 2026	100%	DNR
3	1050 Northgate Court	RTP/I-40 Corridor	64,059	2Q 2026	0%	DNR
4	Apex Gateway - Building 6 & 7	Southern Wake	397,049	2Q 2026	0%	DNR
5	Steel 70 - Building 1	Johnston County	91,520	2Q 2026	0%	DNR
6	White Oak Industrial Park Building 1 & 2	Eastern Wake Co.	386,264	3Q 2026	0%	DNR
7	Welcome Venture Park - Building C & H	North Durham	200,550	3Q 2026	0%	DNR
	UNDER CONSTRUCTION					
8	Durham Crossing - 303 US 70 Service Road	North Durham	102,953	2Q 2027	0%	DNR
9	Oakwood Commerce Center	Orange County	244,400	4Q 2026	0%	DNR
10	Triangle 55 - Building 5 & 6	RTP/I-40 Corridor	533,520	3Q 2026	50%	DNR
11	Apex Ridge Industrial Park - Building 1 & 2	Southern Wake	305,470	4Q 2026	0%	DNR
12	Steel 70 - Building 2	Johnston County	188,160	4Q 2026	0%	DNR
13	Falls Lake Industrial Park: 300 Tradecrest Road	Granville County	262,080	1Q 2027	0%	DNR
14	Falls Lake Industrial Park: 200 Turnrow Road	Granville County	102,060	1Q 2027	0%	DNR
15	I-40 Overlook Building 1 & 2	Johnston County	266,580	4Q 2026	0%	DNR
16	Stotan Crossings 55 - Building 1, 2, & 3	Southern Wake	486,383	1Q 2027	0%	DNR
17	Fuquay Commerce Center - 1175, 1201,1255 & 1275 NC 42	Southern Wake	370,290	2Q 2027	0%	DNR

Flex/Life Science

MARKET REVIEW

Q3 FLEX/LIFE SCIENCE SNAPSHOT	
Total SF	29,333,855
Total SF Vacant	4,373,502
Vacancy Rate	14.91%
Net Absorption	19,015
Avg. Asking Rent	$20.41
SF Under Construction	65,640

FLEX/LIFE SCIENCE VACANCY



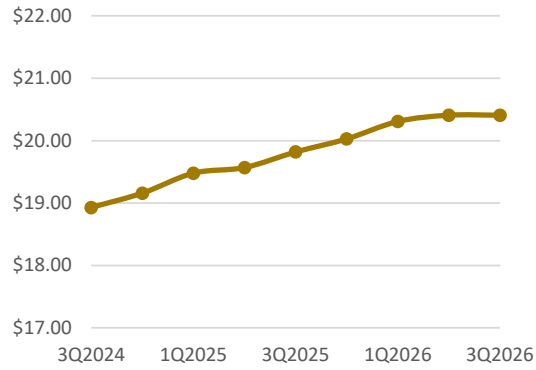
NOTABLE MOVES AND TRANSACTIONS

132,720 SF — Siemens lease at Wendell Commerce Center in the Eastern Wake County submarket

-103,200 SF — Guardian Logistics sublease 1613 Hamlin Road, in the North Durham submarket

29,624 SF — Undisclosed tenant(s) lease at 4010 Park Overlook Way in the RTP/I-40 Corridor submarket

FLEX/LIFE SCIENCE RENTAL RATES



FORECAST

Triangle flex/life science vacancy decreased by 0.28% to 14.91% in the third quarter. Of this vacancy, true flex vacancy decreased by .25% to 9.98%. The true life science vacancy increased by 0.52% to 23.10% in the market. Rental rates remained the same at $20.41 per square foot.

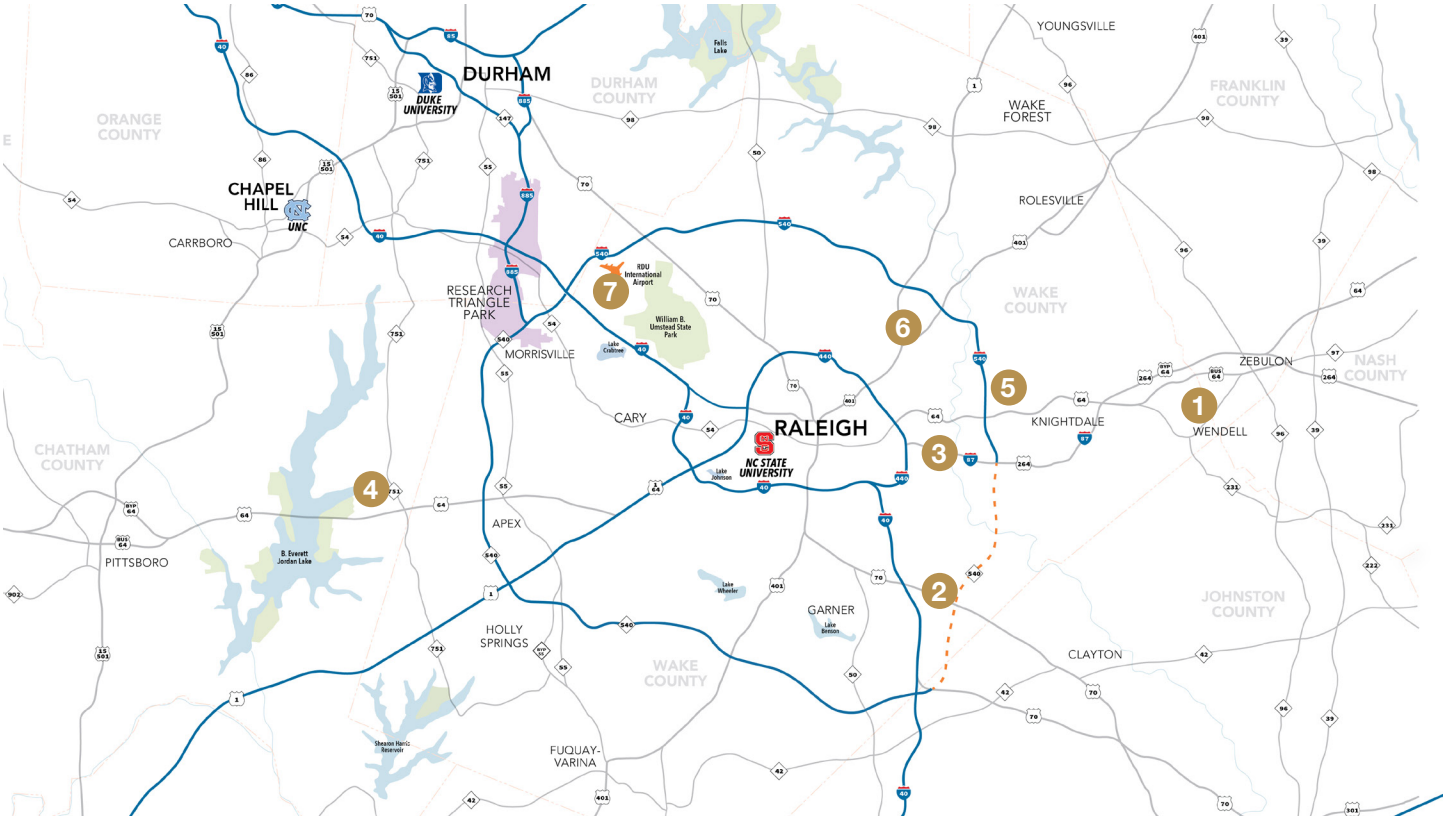
A positive net absorption of 19,015 square feet was reported in the third quarter. The Eastern Wake Co. submarket reported the most positive absorption of 56,106 square feet while the RTP/I-40 corridor reported the most negative absorption of 54,923 square feet.

On the development front, the third quarter added 72,600 square feet of new inventory to the market within the Merritt Midway Business Park. Looking ahead, just 65,640 square feet of additional inventory is scheduled to deliver by 3Q, 2027 within the US1/Capital Boulevard and RTP/I-40 submarkets. With vacancy remaining elevated and uncertainty surrounding life science demand, new construction is expected to remain limited until the market fundamentals strengthen. (See Flex/Life Science Development Activity map for notable projects).

SUBMARKET	INVENTORY	VACANCY	ABSORPTION
West Raleigh	762,115	2.56%	-7,505
US 70 /Glenwood	1,284,280	1.14%	11,760
Six Forks Road	91,178	0%	0
Falls of Neuse	322,792	10.50%	0
US 1/Capital Blvd.	5,074,382	11.40%	-42,318
Downtown Raleigh	174,574	34.97%	0
Village District	0	0%	0
Eastern Wake Co.	2,533,362	6.93%	56,106
Southern Wake Co.	2,355,313	35.40%	55,684
Cary	1,481,717	10.95%	890
RTP/I-40 Corridor	13,107,846	15.59%	-54,923
Central Durham	536,152	19.29%	-5,600
North Durham	720,508	46.09%	-7,579
South Durham	235,076	0.32%	0
Orange County	654,560	2.37%	12,500

Flex/Life Science

NOTABLE DEVELOPMENT



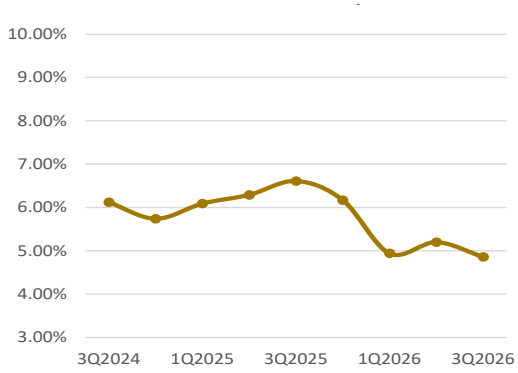
	PROJECT	SUBMARKET	TOTAL SF	DELIVERY	% PRELEASED	RATE
1	Battle Bridge Business Park East & West Bldg	Eastern Wake	82,000	1Q 2026	0%	DNR
2	Greenfield Business Park 3201 Waterfield Drive	Southern Wake	26,000	2Q 2026	0%	DNR
3	5080 Trademark Drive	Eastern Wake	15,029	2Q 2026	0%	$18.95/SF
4	Apex 64 Building 1 & 2	Southern Wake	154,350	2Q 2026	0%	DNR
5	Merritt Midway Business Park Building 4	Eastern Wake	72,600	3Q 2026	39%	DNR
	UNDER CONSTRUCTION					
6	911 Timberline View Drive Building B	US 1/Capital Blvd	35,640	1Q 2027	0%	DNR
7	Hanger One Fifty: 150 Kitty Hawk Drive	RTP/I-40 Corridor	30,000	3Q 2027	0%	DNR

Retail

MARKET REVIEW

Q3 RETAIL SNAPSHOT	
Total SF	49,173,539
Total SF Vacant	2,392,258
Vacancy Rate	4.86%
Net Absorption	172,878
Avg. Asking Rent	$28.25
SF Under Construction	292,486

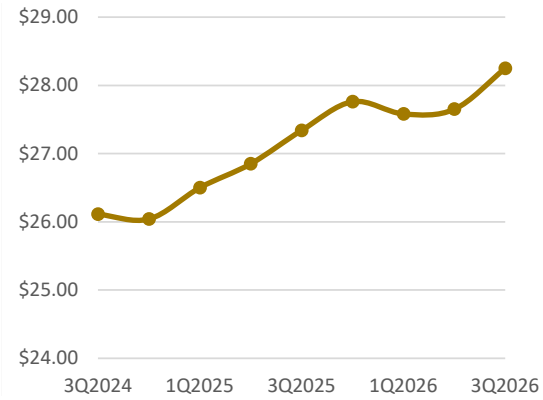
RETAIL VACANCY



NOTABLE MOVES AND TRANSACTIONS

15,300 SF	Rooms Express lease at 4151 Garden Lake Drive in the US 70/Glenwood Avenue submarket
100,000 SF	Dick's House of Sport opened at Crabtree Valley Mall within the US 70/Glenwood Avenue submarket
-2,500 SF	Tucker Street Dinner vacated at 421 North Harrington Street within the Downtown Raleigh submarket
-5,400 SF	Flavor Hills vacated at 319 Fayetteville Street within the Downtown Raleigh submarket
15,000 SF	Tobacco Woods vacated at 505 West Jones Street and Clouds Brewing has leased the space located within the Downtown Raleigh submarket

RETAIL RENTAL RATES



FORECAST

The Triangle's retail vacancy decreased by 0.34% to 4.86% in the third quarter. Rental rates increased by $0.60 per square foot to $28.25 per square foot.

A net positive absorption of 172,878 square feet was reported for the quarter. The US 70/Glenwood Avenue submarket reported the most positive absorption of 82,103 square feet, and the Downtown Raleigh submarket reported the greatest negative net absorption of 18,469 square feet.

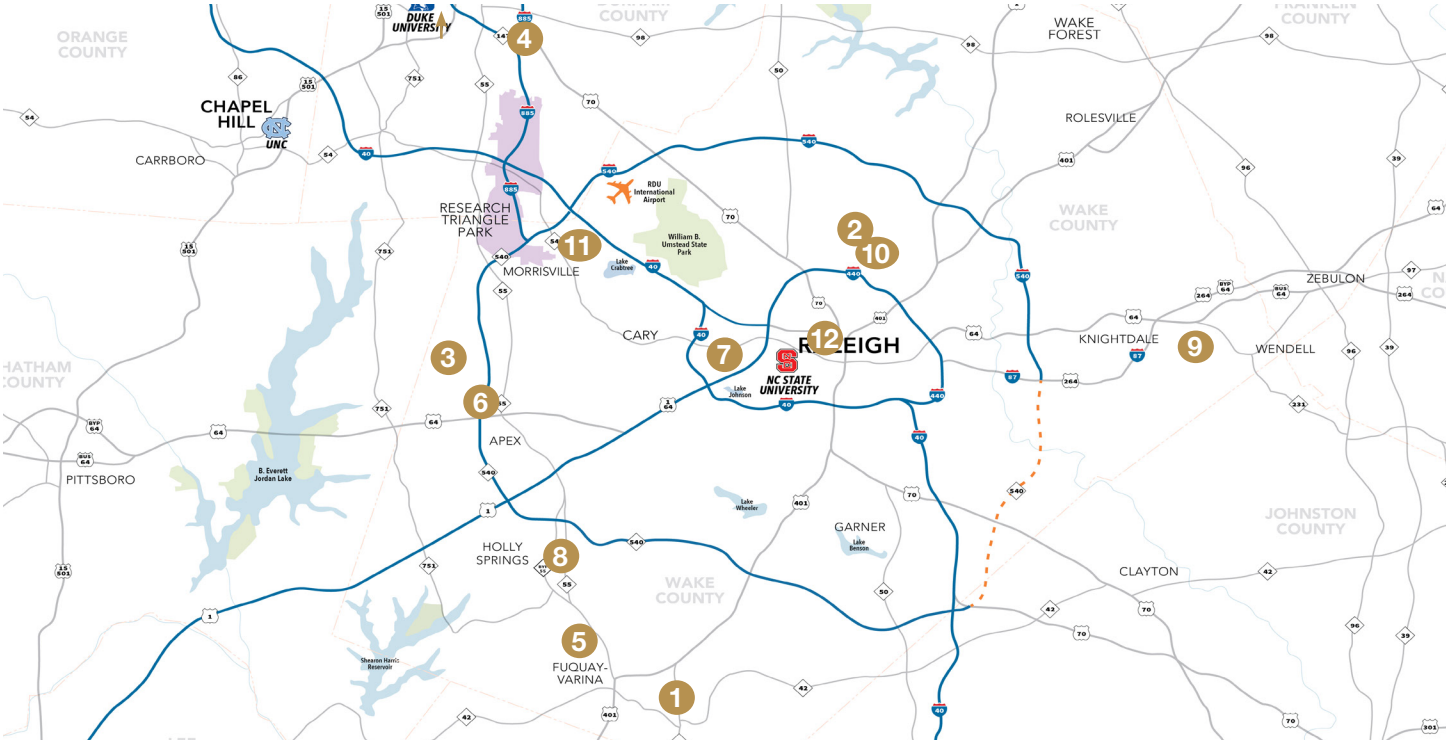
Downtown Raleigh continues to post the highest retail vacancy rates in the market at 19.98% followed by West Raleigh at 10.56%.

On the development front, 16,000 square feet of retail space was added to the market in the third quarter. 292,446 square feet is expected to deliver by the end of the third quarter 2027, including Wendell Commons in Eastern Wake, 4500 Western in West Raleigh, Highline Glenwood in Downtown Raleigh, The Strand in the Six Forks Road submarket and WWC Commons in the RTP/I-40 corridor. (See Retail Development Activity Map for notable projects).

SUBMARKET	INVENTORY	VACANCY	ABSORPTION
West Raleigh	834,924	10.56%	1,455
US 70 /Glenwood	5,000,424	6.06%	82,103
Six Forks Road	2,132,523	2.62%	2,936
Falls of Neuse	2,735,240	3.69%	40,736
US 1/Capital Blvd.	7,372,420	7.97%	-1,913
Downtown Raleigh	1,212,310	21.38%	-18,469
Village District	651,920	2.62%	0
Eastern Wake Co.	3,821,974	1.92%	25,130
Southern Wake Co.	4,718,752	2.09%	921
Cary	7,269,040	3.81%	468
RTP/I-40 Corridor	1,191,487	2.06%	2,249
Central Durham	1,110,454	13.95%	26,402
North Durham	2,976,204	3.05%	3,912
South Durham	5,286,338	2.96%	510
Orange County	2,859,529	3.66%	6,438

Retail

NOTABLE DEVELOPMENT



	PROJECT	SUBMARKET	TOTAL SF	DELIVERY	% PRELEASED	RATE
1	Gold Leaf Crossing - Phase I	Southern Wake	223,500	1Q 2026	86%	DNR
2	Quail Corners II Retail: 1200 E Millbrook Rd	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: Guess Rd & Latta Rd	North Durham	55,000	2Q 2026	95%	DNR
5	Beaver Creek Crossing - Outparcel	Southern Wake	16,000	3Q 2026	100%	DNR
	UNDER CONSTRUCTION					
6	Fuquay Market: 1301 N Judd Pkwy	Southern Wake	27,000	4Q 2026	95%	$39
7	4500 Western Blvd	West Raleigh	117,400	4Q 2026	40%	$19
8	Main Street Vista: 324 Main St	Southern Wake	20,000	1Q 2027	27%	$35
9	Wendell Commons: 1236 Wendell Falls Pky	Eastern Wake	92,378	1Q 2027	87%	DNR
10	The Strand Residential: 220 Plaza at NH	Six Forks Road	8,894	2Q 2027	0%	DNR
11	WCC Commons: 1016 WCC Lane	RTP/I-40 Corridor	19,029	3Q 2027	0%	DNR
12	Highline Glenwood: 410 Glenwood Ave	Downtown Raleigh	7,745	3Q 2027	0%	DNR

Investment Sales

MARKET REVIEW

NOTABLE SALE TRANSACTIONS

TYPE	PROPERTY	SUBMARKET	TOTAL SF	SALE PRICE / PER SF	BUYER/SELLER
Flex	4501 Atlantic Avenue	US-1/Capital Boulevard	56,290	$10,000,000 / $178	Frankie Lemmon Schooland Foundation / ROI Revolution
Office	4401 Atlantic Avenue	US-1/Capital Boulevard	58,075	$11,500,000 / $198	Frankie Lemmon School and Foundation / ROI Revolution
Office	11125 Forest Pines Drive	US-1/Capital Boulevard	64,890	$10,935,000 / $169	Celebration Church / Shengjing Li
Retail	Knightdale Marketplace	Eastern Wake County	323,113	$86,700,000 / $270	Invesco Real Estate / Bailard, M&J Wilkow Ltd
Retail	Townridge Shopping Center	US-70/Glenwood Avenue	273,105	$36,000,000 / $132	Armstrong Cap Dev, Corebridge Financial / Zeisler Morgan Props
Warehouse	2910 Weck Drive	RTP/I-40 Corridor	168,330	$29,700,000 / $177	Matterhorn Venture Partners, Atlanta Property Group, TPG Angelo Gordon, Redfearn Capital / DRA Advisors
Warehouse	2710 Weck Drive	RTP/I-40 Corridor	107,968	$19,100,000 / $177	Matterhorn Venture Partners, Atlanta Property Group, TPG Angelo Gordon, Redfearn Capital / DRA Advisors
Warehouse	2021 Eagle Crest Way	Southern Wake	625,000	$21,300,000 / $34	Johnson Brothers Mutual Distributing / Sound Timber Management LLC

FORECAST

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

The largest transaction in the Triangle was the sale of Knightdale Marketplace, a 323,113 square foot regional shopping center sold from M&J Wilkow to Invesco Real Estate for $86,700,000 ($270/SF). The retail center was 95 percent occupied, and after a bidding war, it sold for more than double what M&J Wilkow paid in 2019.

2910 and 2710 Weck Drive, two warehouses in Durham totaling 276,298 square feet, fetched $48,800,000 ($177/SF), selling to a joint venture between Matterhorn Venture Partners, Atlanta Property Group, TPG Angelo Gordon, and Redfearn Capital from DRA Advisors. They were part of a portfolio sale of four warehouses, two in Durham and two in Charlotte, totaling 869,916 square feet, and sold for $71 million.

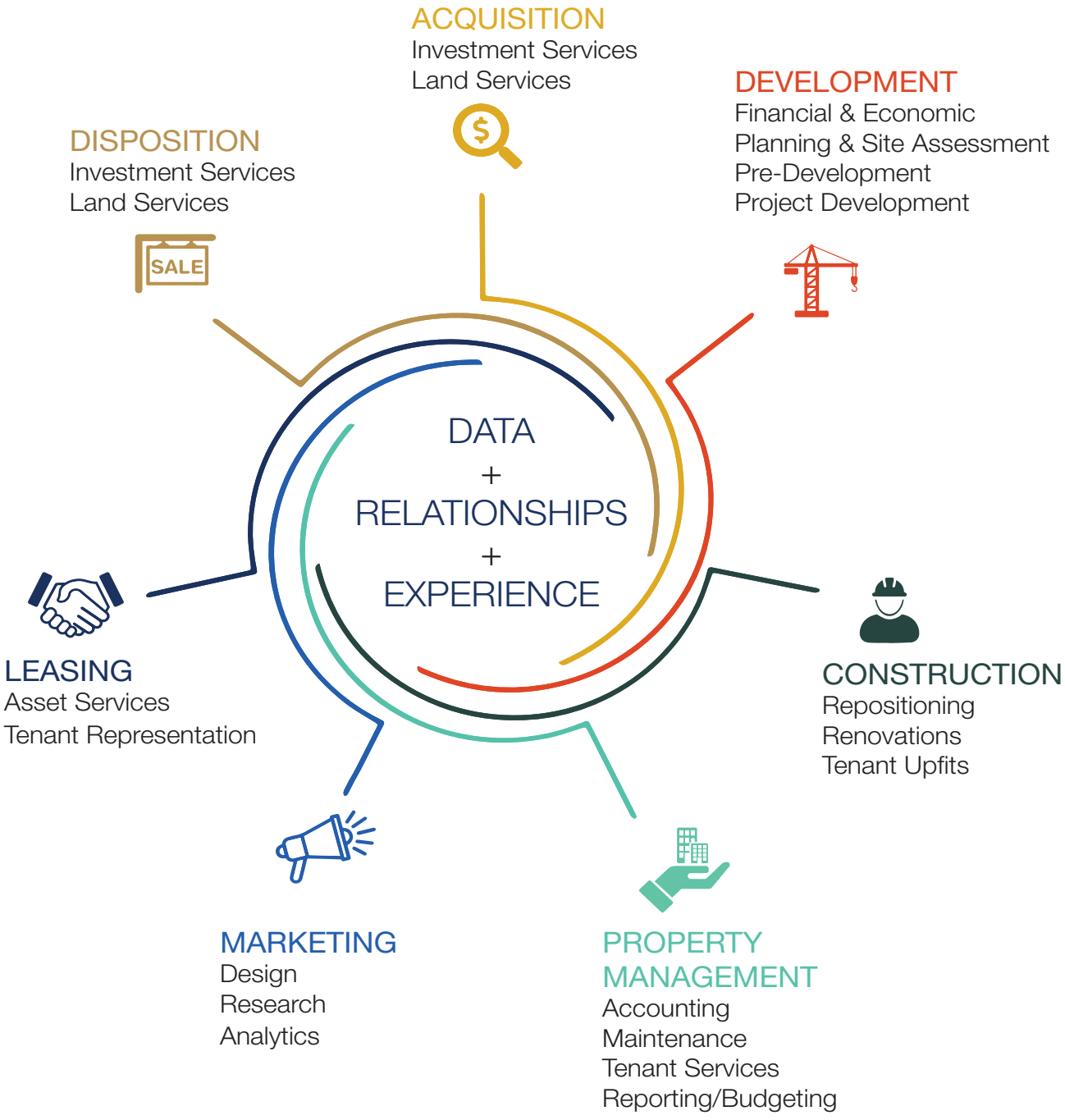
Also notable was Frankie Lemmon School that purchased and office and flex building at 4401 Atlantic Avenue and 4501 Atlantic Avenue in Raleigh for $21.5 million. The school plans to start renovations and move in its students in 2028. This sale removes the two office buildings totaling 114,365 from the leasable office market inventory.

This is the second consecutive quarter that a retail shopping center was the top transaction with excellent appreciated value. Industrial also continues to do well in price appreciation, supported by strong tenant demand and sustained investor interest. Office transaction activity continues to be mixed. Older buildings with significant vacancy and fewer nearby amenities are seeing values decline, while newer, higher-quality properties are performing better as tenants continue to prioritize quality.

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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