

4Q 2025
Triangle
Market
Report

Triangle

MARKET REVIEW

Past 12 Mo. Change	4Q2024	4Q2025	FORECAST
OFFICE			
Overall Vacancy	16.80%	16.36%	▼
Class A Vacancy	17.95%	17.98%	▼
Class B Vacancy	14.18%	12.15%	▼
Class C Vacancy	10.43%	12.94%	■
Net Absorption 4Q	171,463	104,443	▲
WAREHOUSE			
Overall Vacancy	7.62%	7.70%	▼
Net Absorption 4Q	344,165	99,382	▲
FLEX/LAB			
Overall Vacancy	15.55%	13.85%	▲
Net Absorption 4Q	286,777	569,579	▼
RETAIL			
Overall Vacancy	5.74%	6.17%	▼
Net Absorption 4Q	289,586	168,334	▲

MARKET OVERVIEW

From the third quarter to the fourth quarter of 2025, office vacancy decreased by .28% to 16.36%, warehouse vacancy decreased .23% to 7.70%, flex/lab vacancy decreased by 2.22% to 13.85%, and retail vacancy decrease of 9.9% to 6.17%. Office, warehouse, and retail property types all reported quarterly net positive absorption.

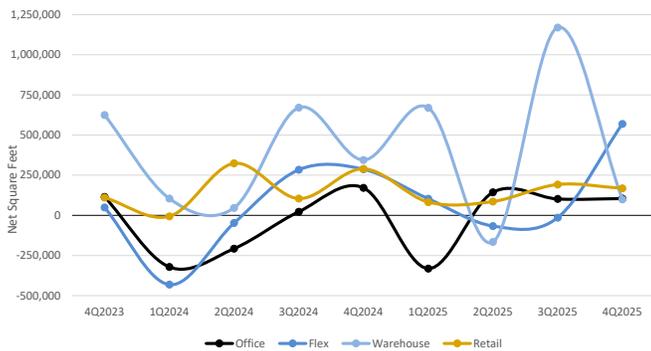
Within the Triangle Metropolitan Statistical Area (MSA), comprising Raleigh, Cary, Durham, Chapel Hill, and surrounding counties, the unemployment rate in December was reported at 3.00%, up from 2.90% a year earlier. The Triangle MSA's unemployment rate outpaces the Statewide Unemployment rate of 3.90% and the National Unemployment Rate of 4.40%.

On the development front, the pipeline for new projects has been sparse for office, flex/lab, and retail. Only the warehouse pipeline remains vigorous. Under construction totals for each property type include 115,458 square feet of office space, 3,330,784 square feet of warehouse, 82,000 square feet of flex/lab space, and 514,400 square feet of retail.

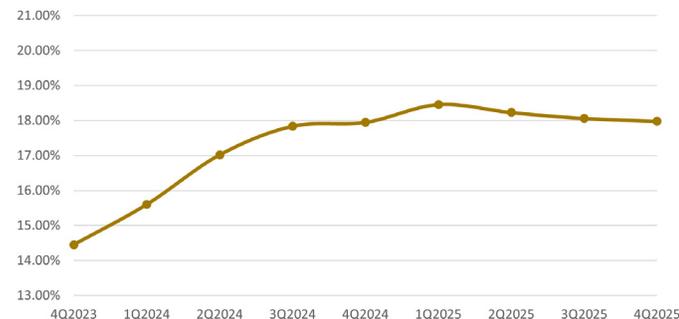
The largest Triangle transaction was the sale of Spark Life Science Campus on Airport Blvd in Morrisville from Trinity Capital Advisors to Fortress Investment Group for \$226.5 million. This campus comprises six parcels, including two advanced manufacturing and an amenity building totaling 1,425,600 SF, and undeveloped land.

Capital markets have continued to see lower than historical volumes. However, sales activity is trending positively and the Triangle Region continues to be one of the fastest growing areas in the country and is a sought after destination to deploy capital.

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.

Office

MARKET REVIEW

Q4 OFFICE SNAPSHOT

Total SF	63,183,878
Total SF Vacant	10,338,362
Vacancy Rate	16.36%
Net Absorption	104,443
Avg. Asking Rent	\$31.03
Avg. Class A Asking Rent	\$36.56
SF Under Construction	115,458

NOTABLE MOVES AND TRANSACTIONS

- 89,770 SF Aspida lease at Imperial Tower in the RTP/I-40 submarket
- 41,366 SF RSM and FlyExclusive leases at One North Hills in Six Forks Road submarket
- 122,331 SF NC Educational Lottery lease at Colonnade II in Six Forks submarket
- 55,250 SF Unknown tenant lease at 540 Tech Center in US 1/ Capital Blvd.

FORECAST

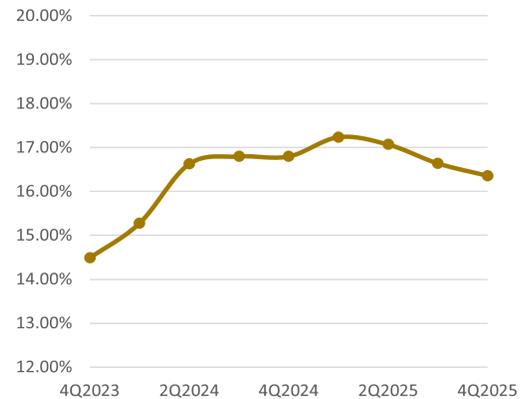
Triangle office direct vacancy rate decreased by .28% to 16.36% in the fourth quarter. Sublease vacancy decreased .22% to 4.31%. Combined, the total effective office vacancy rate is effectively 20.67%.

A positive net absorption of 104,443 square feet was reported for the quarter. The Falls of Neuse submarket reported the highest net positive absorption of 79,255 SF, followed by 58,553 SF positive absorption in the U 1/Capital Blvd submarket. The RTP/I-40 Corridor submarket reported the highest net negative absorption of 136,994 SF with the departure of IQVIA from Imperial Tower.

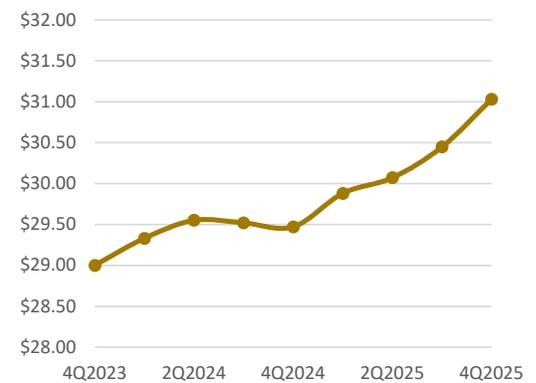
Class A vacancy rate increased .08% to 17.98% from the third to fourth quarter. The overall office rental rate increased by \$.58, while Class A office rental rates saw an increase of \$.41.

On the development front, only 115,458 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 VACANCY



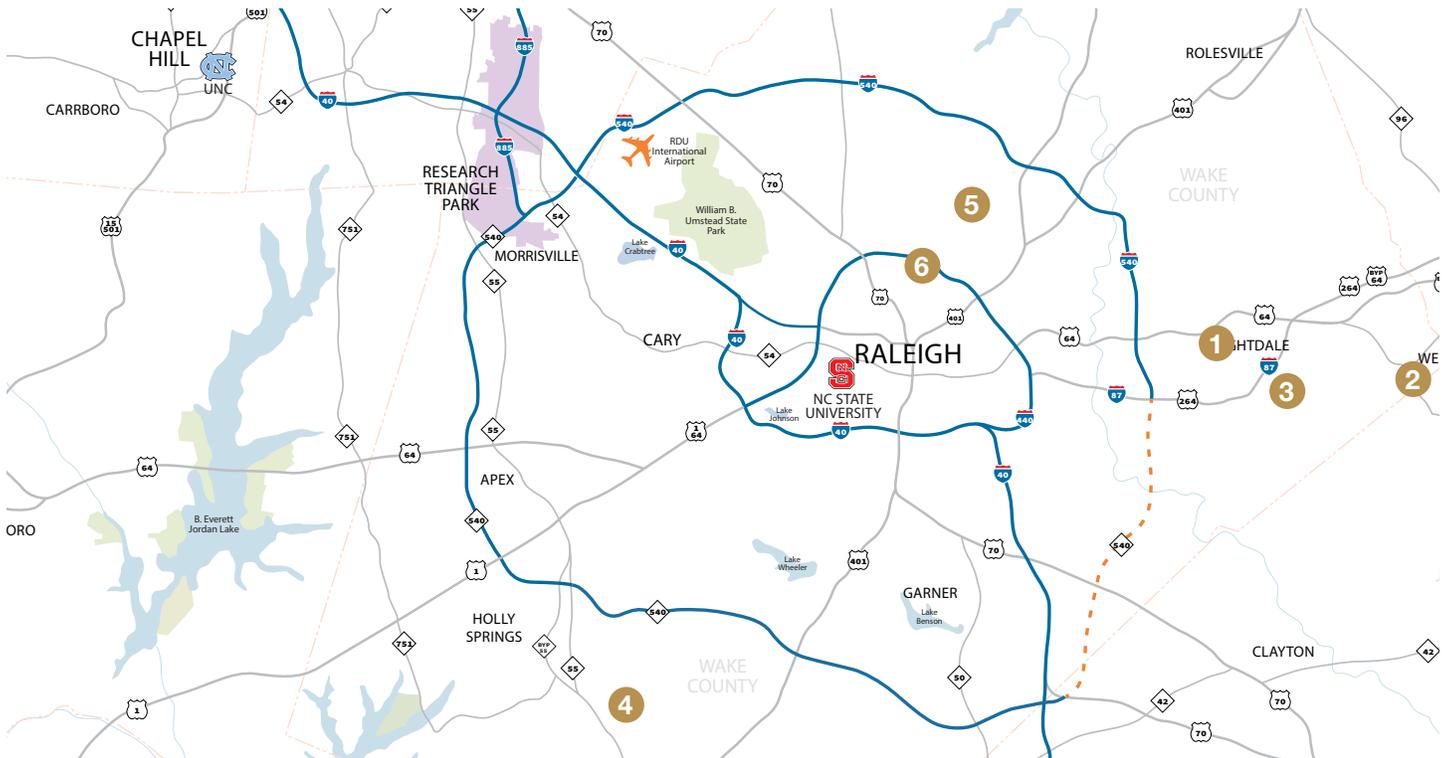
OFFICE RENTAL RATES



SUBMARKET	INVENTORY	VACANCY	ABSORPTION
West Raleigh	7,529,253	14.79%	53,347
US 70 /Glenwood	4,588,153	15.38%	8,127
Six Forks Road	5,072,262	14.31%	-1,996
Falls of Neuse	3,375,410	15.93%	79,255
US 1/Capital Blvd.	2,535,227	15.82%	58,553
Downtown Raleigh	6,418,094	15.93%	-36,899
Village District	523,498	11.63%	431
Eastern Wake Co.	1,002,462	14.88%	-8,042
Southern Wake Co.	670,267	0.90%	1,950
Cary	7,686,635	18.36%	18,929
RTP/I-40 Corridor	13,742,995	18.40%	-136,994
Central Durham	4,758,781	14.24%	48,496
North Durham	836,383	19.04%	9,839
South Durham	1,851,005	21.57%	19,934
Orange County	2,593,453	16.96%	-10,487

Office

NOTABLE DEVELOPMENT



	PROJECT	SUBMARKET	TOTAL SF	DELIVERY	%PRELEASED	RATE
1	Knightdale Station	Eastern Wake	12,600	4Q 2025	77%	\$28.00
2	Timber Drive Professional Park (610 Timber Dr)	Eastern Wake	10,500	4Q 2025	0%	DNR
2	Timber Drive Professional Park (620 Timber Dr)	Eastern Wake	12,600	4Q 2025	0%	\$28.00
3	Treelight Square at Wendell Falls - Phase IV	Eastern Wake	12,000	1Q 2026	79%	DNR
4	Lane Professional Park	Southern Wake	67,350	1Q 2026	72%	\$27.50-\$29.50
5	Quail Corners II Office	Falls of Neuse	36,108	1Q 2026	82%	DNR
6	North Hills Tower 5	Six Forks Road	354,466	4Q 2024	17%	\$49.50

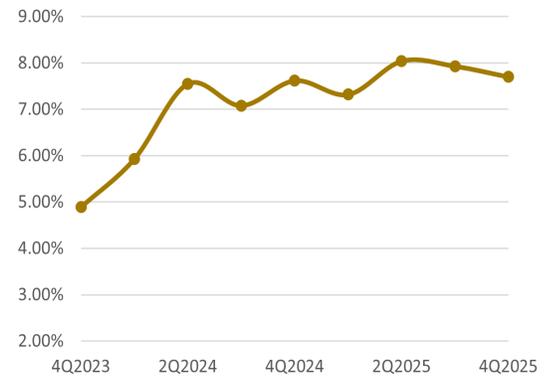
Warehouse

MARKET REVIEW

Q4 WAREHOUSE SNAPSHOT

Total SF	47,364,106
Total SF Vacant	3,645,780
Vacancy Rate	7.70%
Net Absorption	99,382
Avg. Asking Rent	\$10.17
SF Under Construction	3,330,784

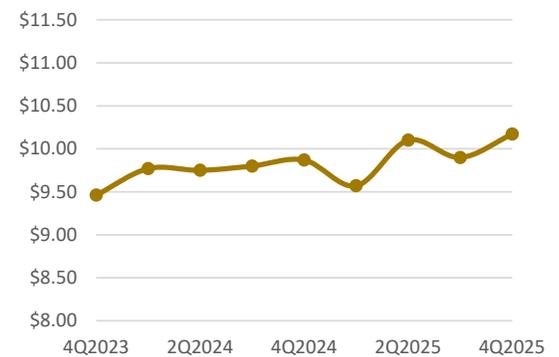
WAREHOUSE VACANCY



NOTABLE MOVES & TRANSACTIONS

- 202,000 SF** Novartis lease at Pathway Triangle, 2000 Science Drive, in the RTP/I-40 Corridor submarket.
- 110,000 SF** Carrier Enterprise lease at Hinton Oaks Industrial Park, Building 6, in Eastern Wake County submarket.
- 80,100 SF** Wake County Department 44 General Services Administration lease at Cornerstone, 3091 Business Park Dr, in the Eastern Wake County submarket.

WAREHOUSE RENTAL RATES



FORECAST

Triangle warehouse vacancy decreased .23% to 7.70% from the third to fourth quarter. Net positive absorption totaled 99,382 square feet for the quarter, with the most positive being reported in the Eastern and Southern Wake County submarkets. Asking rents increased by \$.27 to \$10.17 per square foot.

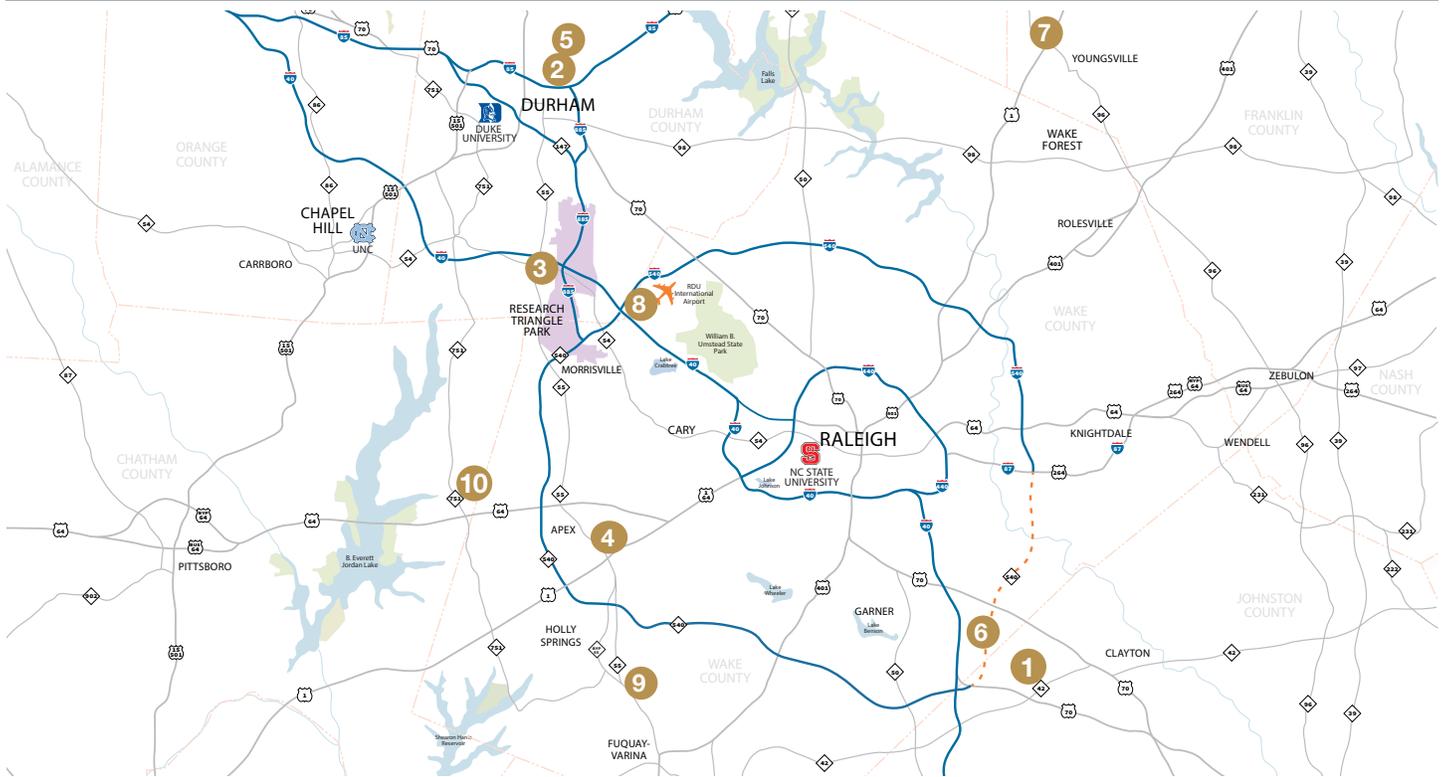
The greatest net positive absorption of 213,850 square feet was in the inventory heavy Eastern Wake Co. submarket, followed by Southern Wake Co submarket with 131,021 square feet of positive absorption. Not factored into the Triangle data, it is worth mentioning that neighboring Johnston County leased 501,000 SF to Vulcan Elements.

On the development front, Triangle 55 Bldg 4 delivered adding 238,680 square feet to the market. 16 buildings totaling 3,330,784 square feet of warehouse space is under construction and expected to deliver in 2026. The Triangle's warehouse inventory continues to grow, fueled by strong tenant demand and investor confidence. (See Warehouse Development Activity Map for notable projects).

SUBMARKET	INVENTORY	VACANCY	ABSORPTION
West Raleigh	248,131	21.51%	-1,059
US 70 /Glenwood	788,828	2.54%	-20,000
Six Forks Road	110,000	0.00%	0
Falls of Neuse	1,152,792	2.39%	17,412
US 1/Capital Blvd.	3,843,693	15.28%	-93,973
Downtown Raleigh	325,814	4.92%	-4,032
Village District	0	0.00%	0
Eastern Wake Co.	15,433,563	1.49%	213,850
Southern Wake Co.	2,850,970	21.70%	131,021
Cary	153,277	0.00%	0
RTP/I-40 Corridor	15,458,283	5.56%	-151,099
Central Durham	589,214	1.53%	-9,023
North Durham	2,174,124	16.60%	-21,215
South Durham	795,245	1.38%	0
Orange County	3,440,172	24.77%	37,500

Warehouse

NOTABLE DEVELOPMENT



	PROJECT	SUBMARKET	TOTAL SF	DELIVERY	%RELEASED	RATE
1	Crossroads Trade Center - Building 1	Southern Wake	209,560	1Q 2026	0%	DNR
2	Durham Logistics Center	North Durham	351,030	1Q 2026	0%	DNR
3	Triangle 55 - Building 4	RTP/I-40 Corridor	238,680	4Q 2025	0%	DNR
4	Apex Commerce Center Building 2	Southern Wake	183,232	1Q 2026	0%	DNR
4	Apex Commerce Center Building 3	Southern Wake	222,121	1Q 2026	0%	DNR
4	Apex Commerce Center Building 4	Southern Wake	208,000	1Q 2026	0%	DNR
5	Welcome Venture Park - Building C	North Durham	100,100	1Q 2026	0%	DNR
5	Welcome Venture Park - Building H	North Durham	100,450	1Q 2026	0%	DNR
6	Garner Business Park - Building 6	Eastern Wake	236,600	1Q 2026	0%	DNR
7	US-1 North Commerce Center Building 500	Southern Wake	505,440	2Q 2026	100%	DNR
8	1050 Northgate Court	RTP/I-40 Corridor	64,059	2Q 2026	0%	DNR
9	Stotan Crossings 55 - Building 1	Southern Wake	221,760	2Q 2026	0%	DNR
9	Stotan Crossings 55 - Building 2	Southern Wake	150,360	2Q 2026	0%	DNR
9	Stotan Crossings 55 - Building 3	Southern Wake	114,263	2Q 2026	0%	DNR
10	Apex Gateway - Building 6	Southern Wake	207,200	2Q 2026	0%	DNR
10	Apex Gateway - Building 7	Southern Wake	189,849	2Q 2026	0%	DNR
3	Triangle 55 - Building 5	RTP/I-40 Corridor	266,760	3Q 2026	100%	DNR

Flex/Lab

MARKET REVIEW

Q4 FLEX/LAB SNAPSHOT

Total SF	28,310,294
Total SF Vacant	3,921,966
Vacancy Rate	13.85%
Net Absorption	569,579
Avg. Asking Rent	\$20.03
SF Under Construction	82,000

NOTABLE MOVES AND TRANSACTIONS

- 1,270,000 SF** Millennium Print Group signs lease at Spark Life Science campus in the RTP/I-40 submarket.
- 26,702 SF** Renewal by Anderson vacated 105 Sigma Drive in the Eastern Wake submarket
- 60,000 SF** Asensus Surgical 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

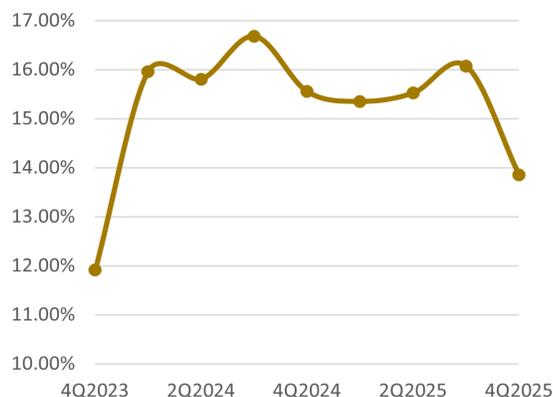
FORECAST

Triangle flex/lab vacancy decreased by 2.22% to 13.85% from the third quarter to the fourth quarter. Of this vacancy, true flex vacancy decreased .03% to 8.54%.

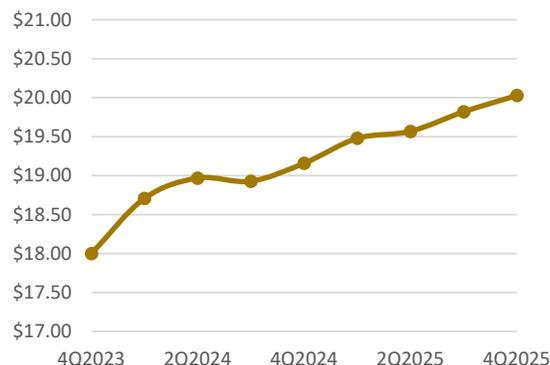
A positive net absorption of 569,579 square feet was reported from the third to fourth quarter. This can largely be attributed to the Spark LS Campus lease of 1.27 million SF in the inventory heavy RTP/I-40 Corridor submarket.

On the development front, the fourth quarter added 132,600 square feet of new development with an additional 248,000 square feet of space projected to deliver by the third quarter 2026 within the Eastern Wake, Southern Wake, and the RTP/I-40 Corridor submarkets. (See Flex/Lab Development Activity map for notable projects).

FLEX/LAB VACANCY



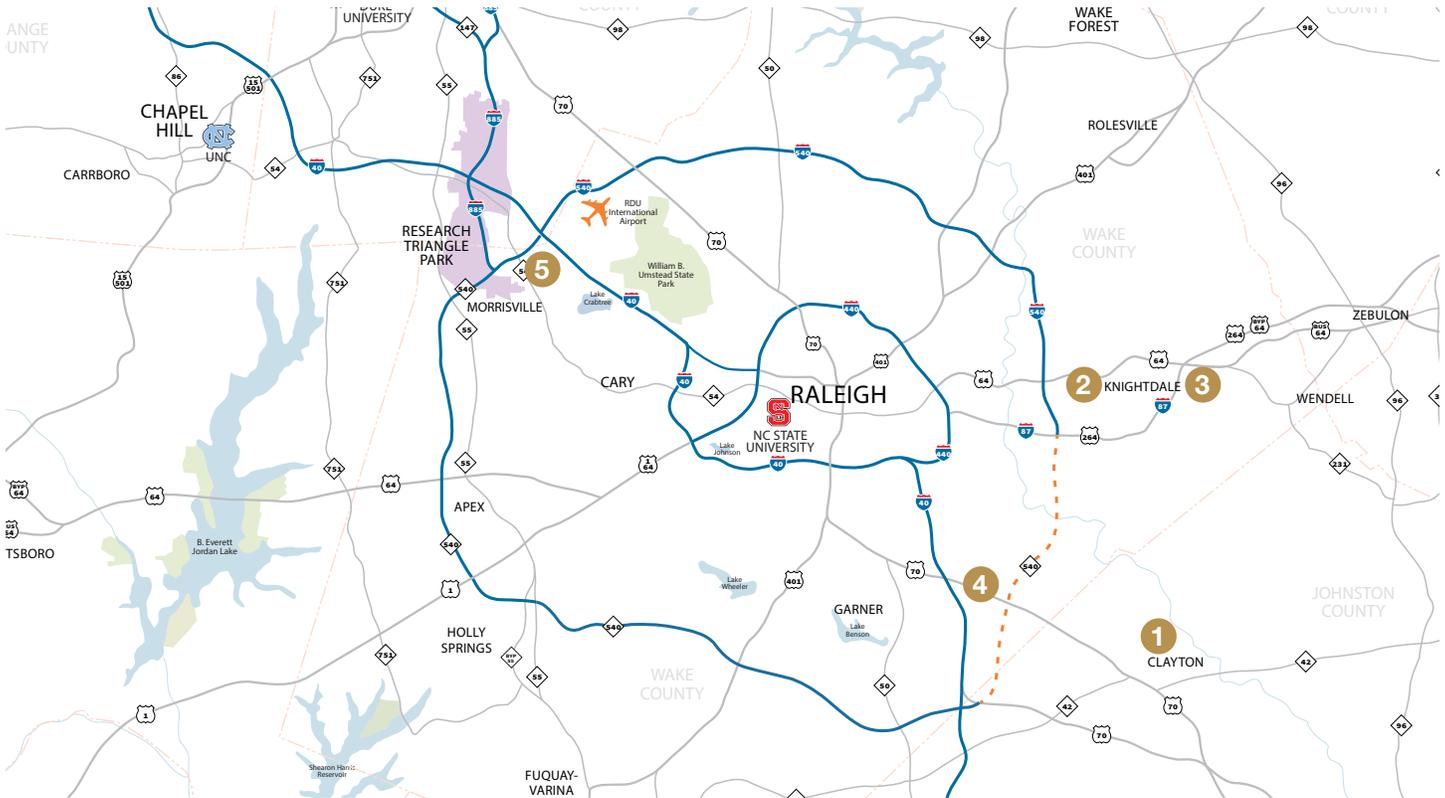
FLEX/LAB RENTAL RATES



SUBMARKET	INVENTORY	VACANCY	ABSORPTION
West Raleigh	764,517	3.24%	15,080
US 70 /Glenwood	1,286,254	1.57%	111,183
Six Forks Road	91,178	0%	0
Falls of Neuse	322,792	10.50%	0
US 1/Capital Blvd.	4,969,546	10.06%	-50,718
Downtown Raleigh	158,081	6.51%	0
Village District	0	0%	-2,750
Eastern Wake Co.	2,329,833	5.43%	24,292
Southern Wake Co.	2,022,632	34.33%	22,301
Cary	1,473,325	13.75%	18,372
RTP/I-40 Corridor	13,015,053	15.18%	571,847
Central Durham	482,627	14.95%	-10,421
North Durham	504,820	37.84%	-39,032
South Durham	235,076	1.17%	0
Orange County	654,560	10.31%	6,675

Flex/Lab

NOTABLE DEVELOPMENT



	PROJECT	SUBMARKET	TOTAL SF	DELIVERY	% PRELEASED	RATE
1	Crossroads Trade Center - Building 1	Southern Wake	60,000	4Q 2025	0%	DNR
2	Merritt Midway Bus Park Building 4	Eastern Wake	72,600	4Q2025	0%	DNR
3	Battle Bridge Business Park - East Building	Eastern Wake	45,000	1Q 2026	0%	DNR
3	Battle Bridge Business Park - West Building	Eastern Wake	37,000	1Q 2026	0%	DNR
4	Greenfield Business Park - 3201 Waterfield	Southern Wake	26,000	2Q 2026	0%	DNR
5	Pathway Triangle - Building 3	RTP/I-40	140,000	3Q 2026	4%	DNR

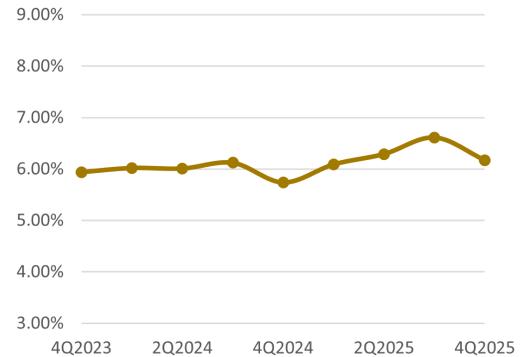
Retail

MARKET REVIEW

Q4 RETAIL SNAPSHOT

Total SF	49,214,403
Total SF Vacant	3,037,391
Vacancy Rate	6.17%
Net Absorption	168,334
Avg. Asking Rent	\$27.76
SF Under Construction	514,400

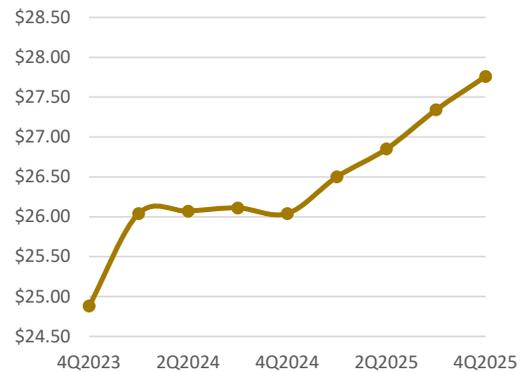
RETAIL VACANCY



NOTABLE MOVES AND TRANSACTIONS

- 35,200 SF** Planet Fitness lease at Triangle Square in the RTP/I-40 Corridor submarket
- 25,630 SF** Planet Fitness lease at Western Square in the West Raleigh submarket
- 29,000 SF** Unknown lease at The Streets at Southpoint in the South Durham submarket

RETAIL RENTAL RATES



FORECAST

The Triangle's retail vacancy reported a decrease of .44% to 6.17% from the third to fourth quarter of 2025, with a net positive absorption of 168,334 square feet reported for the quarter. The West Raleigh submarket reported the largest positive absorption of 131,082 square feet, and the Falls of Neuse submarket reported a net negative 54,148 absorption. Rental rates increased by \$0.42 per square foot to \$27.76 per square foot.

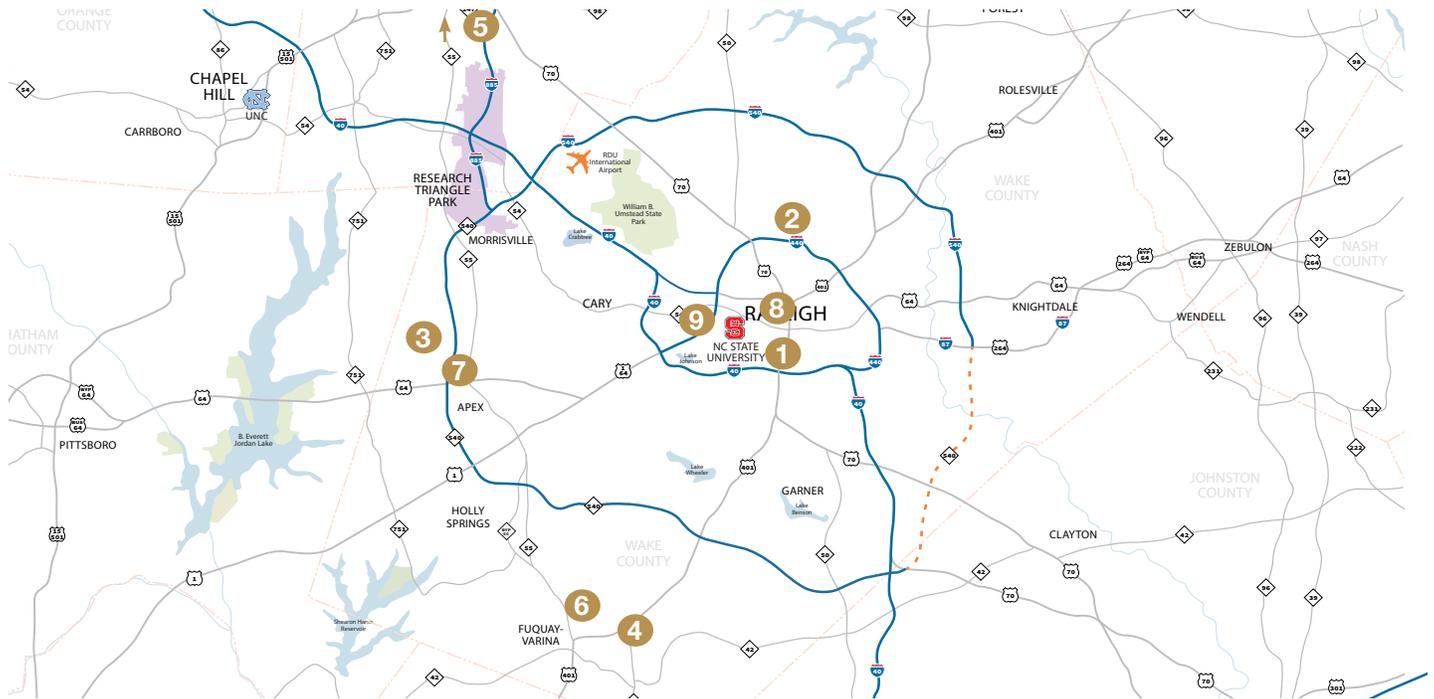
The submarkets with the largest retail vacancy rates are Downtown Raleigh, and Central Durham at 20.76% and 18.55%, respectively.

On the development front, 514,400 square feet of retail space is under construction, expected to deliver by years end, including Gold Leaf Crossing, Fuquay Market and Beaver Creek Crossing in Southern Wake, 4500 Western in West Raleigh, Highline Glenwood in Downtown Raleigh and Latta Park in North Durham. (See Retail Development Activity Map for notable projects).

SUBMARKET	INVENTORY	VACANCY	ABSORPTION
West Raleigh	830,282	9.84%	131,082
US 70 /Glenwood	5,005,751	7.05%	13,801
Six Forks Road	2,132,523	4.65%	11,164
Falls of Neuse	2,673,972	4.81%	-54,148
US 1/Capital Blvd.	7,164,870	6.30%	34,883
Downtown Raleigh	1,151,121	20.76%	7,029
Village District	635,120	1.28%	-3,240
Eastern Wake Co.	3,826,643	4.00%	-10,728
Southern Wake Co.	4,571,493	2.62%	2,938
Cary	7,200,355	4.19%	38,847
RTP/I-40 Corridor	1,192,355	2.95%	43,415
Central Durham	1,106,060	18.55%	-13,007
North Durham	3,528,896	15.26%	33,411
South Durham	5,286,276	3.63%	50,699
Orange County	2,858,686	4.47%	-17,812

Retail

NOTABLE DEVELOPMENT



	PROJECT	SUBMARKET	TOTAL SF	DELIVERY	%PRELEASED	RATE
1	The Weld	Downtown Raleigh	14,753	4Q 2025	0%	DNR
2	Quail Corners II Retail	Falls of Neuse	36,108	1Q 2026	77%	DNR
3	Freedom Square I & II	Southern Wake	21,647	1Q 2026	0%	DNR
3	Freedom Square III	Southern Wake	10,000	1Q 2026	100%	DNR
4	Gold Leaf Crossing - Phase I	Southern Wake	223,500	1Q 2026	66%	DNR
5	Latta Park	North Durham	55,000	2Q 2026	85%	DNR
6	Fuquay Market	Southern Wake	27,000	2Q 2026	52%	\$37
7	Beaver Creek Crossing - Outparcel	Southern Wake	16,000	2Q 2026	100%	DNR
8	Highline Glenwood	Downtown Raleigh	7,745	3Q 2026	0%	DNR
9	4500 Western Blvd	West Raleigh	117,400	4Q 2026	98%	\$24

Investment Sales

MARKET REVIEW

NOTABLE SALE TRANSACTIONS

TYPE	PROPERTY	SUBMARKET	TOTAL SF	SALE PRICE / PER SF	BUYER/SELLER
Office	3900 North Paramount Pkwy	RTP/I-40	224,850	\$33,000,000 / \$147/SF	OlivePoint Capital / Net Lease Office Properties
Office	Genesis RTP - 3029 E Cornwallis Rd	RTP/I-40	100,000	\$29,500,000 / \$295/SF	King St Properties / Alexandria
Warehouse	Triangle 55 - 3450 Hopson Rd	RTP/I-40	340,200	\$83,000,000 / \$244/SF	STAG Industrial / Scannell Properties
Warehouse	1000 Innovation Ave	RTP/I-40	300,000	\$60,250,000 / \$201/SF	EQT Real Estate / ASB Real Estate
Warehouse	World Trade Park - 3503 Page Rd	RTP/I-40	57,000	\$18,400,000 / \$323/SF	Foxfield Real Estate / Marc D Pflieger
Flex	Spark LS Campus	RTP/I-40	1,425,600	\$226,575,500	Fortress Inv. Group / Starwood Capital, Trinity Capital
Flex	Parmer 14 - 14 TW Alexander Dr	RTP/I-40	276,726	\$155,000,000 / \$560/SF	Novartis Pharmaceuticals / Alexandria Real Estate Equities
Flex	The Yield - 11301 Holly Springs New Hill Rd	Southern Wake	110,000	\$31,500,000 / \$286/SF	Ypsomed Group / Crescent Communities LLC
Retail	Midtown Corner - 621 E Six Forks Rd	Falls of Neuse	50,300	\$26,950,000 / \$536/SF	Clarion Partners PT / Ram Realty
Retail	Millpond Village - 3490 Kildaire Farm Rd	Cary	200,000	\$24,000,540 / \$120/SF	The Sigmund Companies / Alidade Capital
Retail	Elliott Square - 223-265 S Elliott Rd	Orange County	67,928	\$20,875,000 / \$307/SF	Scg-elliott Square LLC / Ram Realty Partners

FORECAST

Investment sale demand continues to trend upward in the Triangle. Sales transactions and sales volume increased from the third to the fourth quarter. Investors still face a challenging lending environment, but sellers are becoming more realistic on pricing.

The largest transaction of the Triangle was the sale of Spark Life Science Campus on Airport Blvd in Morrisville from Trinity Capital Advisors to Fortress Investment Group for \$226.5 million. This campus comprises six parcels, including two advanced manufacturing and an amenity building totaling 1,425,600 SF, and undeveloped land. The sale followed the news of Millennium Print Group signing a lease for 1.27 million square feet in the campus, the largest manufacturing lease in the US in 2025. Millennium will occupy the existing space, and the remaining space will be built out for them.

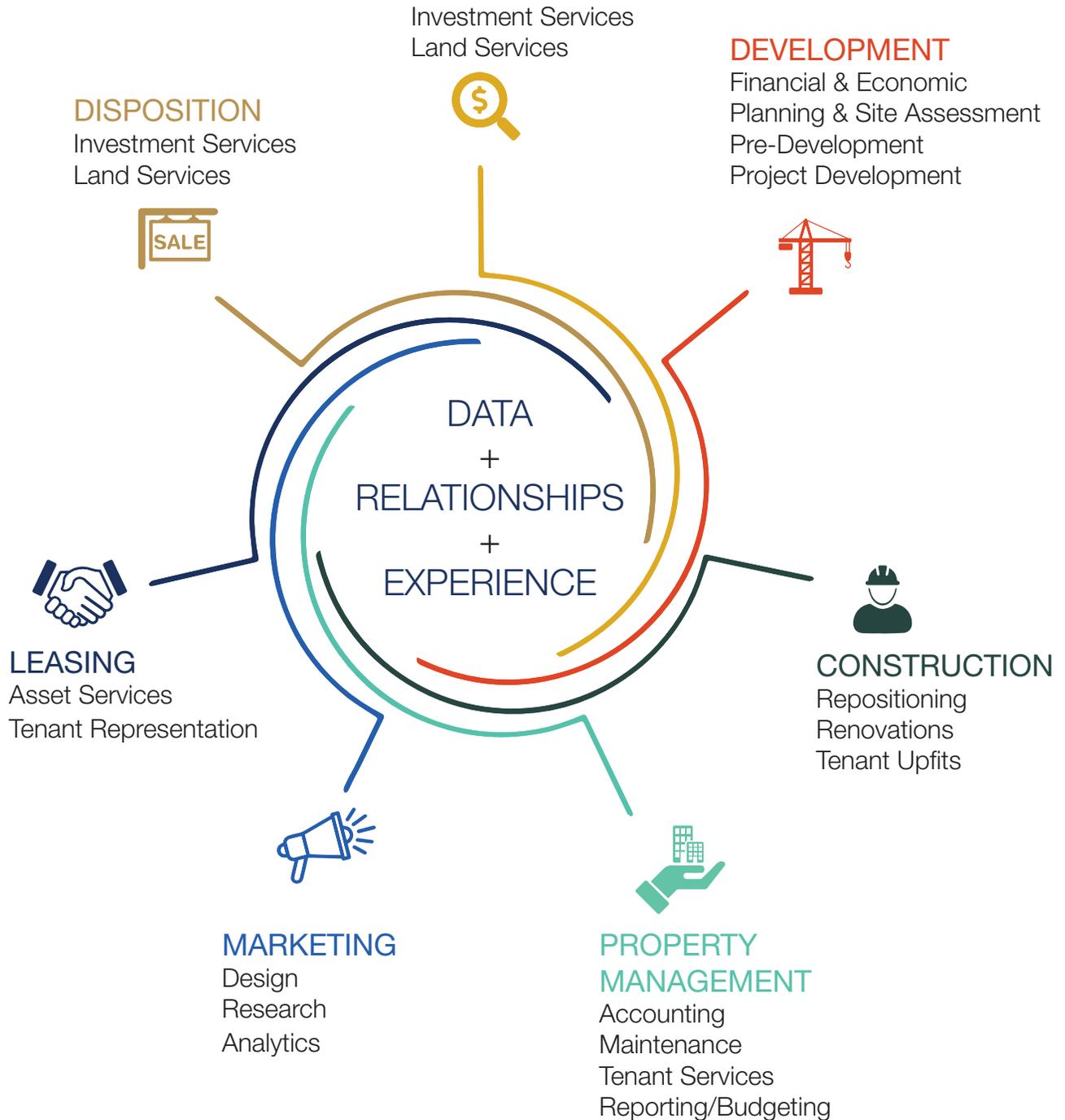
Another notable transaction was the sale of 14 TW Alexander Drive from Alexandria Real Estate Equities to Novartis Pharmaceuticals for \$155 million (\$560/SF) on 45 acres. It plans to invest \$771 million, build additional office buildings, and add 700 jobs by 2030.

Market activity forecasts are trending positively, and with market sentiment boosted by the prospect of additional rate cuts, we anticipate an increase in volume in 2026. Geopolitical forces could however turn market sentiment. Raleigh-Durham, as one of the fastest-growing regions in the U.S., continues to be a sought-after destination for capital as markets recover and investors become more confident.

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