

FIVE FAST FACTS

Raleigh-Durham Office Market

1

CLASS A PRODUCT EXCELS

Class A products accounted for **86.9%** of all new leasing activity, indicating a flight to quality for premier spaces.



RENTAL RATES DECREASE

Rental rates experienced a small decrease to **\$29.81 psf** in the second quarter, but rates are expected to *increase in the second half* of 2023 as new supply delivers.

2

ROBUST CONSTRUCTION PIPELINE

While no new product completed in Q2, more than **1.7 msf** of new construction is expected to deliver in the *second half* of 2023.



RTP/I-40 CORRIDOR BUOYED ABSORPTION

RTP/I-40 Corridor boasted strong absorption with almost **100,000 sf** of occupancy gains, offsetting move-outs in other submarkets. However, net absorption for the overall market remained in the red with **-104,000 sf** for the quarter.

4

SUBLEASE OPPORTUNITIES DROVE VACANCY

Direct vacancy rates increased modestly, rising by *10 basis points* QOQ to **13.4%**, while sublease opportunities now represent **35.1%** of all vacant spaces in the market.

