

Office Q2 2021

YoY Chg 12-Mo. Forecast

10.9%
Vacancy Rate ▲ ▲

-57K
Net Absorption, SF ▼ ▼

\$16.75
Asking Rent, PSF ▲ —

(Overall, All Property Classes)

ECONOMIC INDICATORS Q2 2021

YoY Chg 12-Mo. Forecast

608.9K
Greensboro/
Winston-Salem
Employment ▲ ▲

5.2%
Greensboro/
Winston-Salem
Unemployment Rate ▼ ▼

5.9%
U.S.
Unemployment Rate ▼ ▼

Source: BLS

ECONOMIC OVERVIEW

The Triad region has made healthy progress in post-pandemic recovery. Since one year ago, 41,800 jobs have been added in Greensboro/Winston-Salem, bringing the region's non-farm employment to nearly 609,000 jobs – a 7.4% year-over-year increase. The unemployment rate continued to improve and fell to 5.2%, dropping below the U.S. average.

SUPPLY AND DEMAND

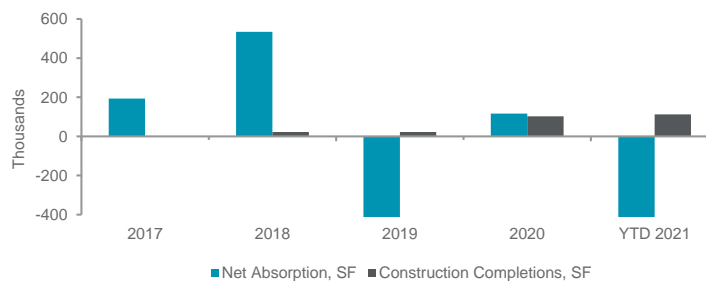
The Q2 vacancy rate of 10.9% held steady from last quarter after reaching its highest point in recent history during Q1. Prior to 2017, however, vacancy rates in the Triad market were often above the 10% mark. Suburban markets South Forsyth and Burlington/Alamance Co. have the tightest vacancy rates in the region at 3.8% and 1.3% respectively. Supply also remains limited in the urban core: the Greensboro CBD and Winston-Salem CBD both continue to boast vacancy rates below 10%.

One of the most significant transactions of the second quarter was a retrade in which Inmar announced its intent to vacate its current 242,000 square-foot (sf) space and downsize into 177,000 sf within the Winston-Salem CBD. Although some businesses such as Inmar are downsizing office space based on lessons learned during the pandemic, other firms with expiring terms are taking advantage of the softened office market to look for favorable pricing or as an opportunity to grow their office footprints. Many additional retrades can be expected in the Triad region in the coming year.

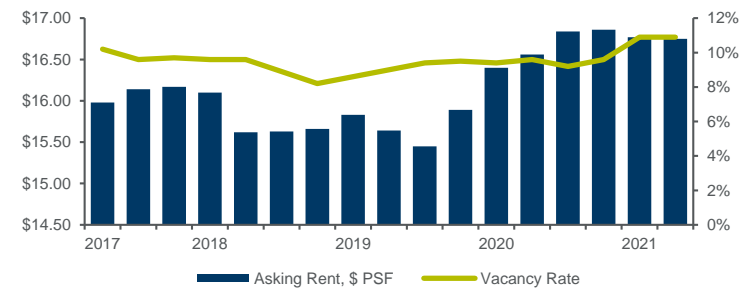
PRICING

Asking rents have remained relatively stable through much of 2020 and into the first half of 2021 despite increasing vacancy rates. Landlords are becoming increasingly willing to offer tenant concessions, indicating a shift in occupiers' favor. While the overall rate dropped by a modest \$0.02 per square foot from Q1, Greensboro recorded an increase in rental rates in nearly all of its submarkets.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)**	OVERALL AVG ASKING RENT (CLASS A)**
Northwest Guilford	2,197,760	7,056	233,274	10.9%	-2,823	-18,822	0	\$21.11	\$24.56
Airport / West Guilford	5,656,560	115,148	488,017	10.7%	-159,392	-202,442	0	\$17.43	\$17.79
Greensboro CBD	3,886,566	0	328,702	8.5%	25,542	80,860	49,900	\$19.37	\$22.36
East Guilford	3,304,215	5,797	770,512	23.5%	4,859	-46,705	0	\$16.84	\$19.50
West Greensboro	2,492,690	0	409,959	16.4%	-6,633	-126,882	0	\$15.91	\$17.80
High Point / SW Guilford	1,877,728	0	214,767	11.4%	-15,125	-41,886	54,000	\$15.17	\$19.30
Winston-Salem CBD	5,915,665	7,314	564,941	9.7%	28,366	-100,694	0	\$16.59	\$18.51
Suburban Winston-Salem	1,088,235	0	127,194	11.7%	6,708	-837	0	\$18.41	N/A
South Forsyth	3,308,518	0	125,691	3.8%	20,976	1,598	0	\$17.17	\$21.12
North Forsyth	3,591,719	45,203	345,721	10.9%	7,845	-21,014	0	\$14.46	N/A
Burlington / Alamance Co.	1,462,314	0	18,900	1.3%	32,829	56,309	0	\$42.50	N/A
MARKET TOTALS	34,781,970	180,518	3,627,678	10.9%	-56,848	-420,515	103,900	\$16.75	\$19.11

*Leasing activity includes both new and renewal transactions

**Rental rates reflect full service asking

KEY LEASE TRANSACTIONS YTD 2021

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
One West Fourth Street	Winston-Salem CBD	Inmar	177,513	New
One West Fourth Street	Winston-Salem CBD	Womble Bond Dickinson	53,880	Renewal
500 West Fifth Street	Winston-Salem CBD	Renfro	18,034	New

KEY CONSTRUCTION COMPLETIONS YTD 2021

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER / DEVELOPER
400 Bellemeade St	Greensboro CBD	N/A	112,000	Front Street Capital

PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER / DEVELOPER
275 N Elm St	High Point / SW Guilford	N/A	54,000	Elliot Sidewalk Communities
1007 Battleground Ave	Greensboro CBD	N/A	49,900	Brown Investment Properties

TINA KNEISEL

Account Director

+1 336 821 3838 tina.kneisel@cushwake.com**WILLIAM WOLTZ**

Executive Managing Director

+1 336 821 3824 william.woltz@cushwake.comcushmanwakefield.com**A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION**

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 50,000 employees in over 400 offices and 60 countries. In 2020, the firm had revenue of \$7.8 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.

©2021 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.