

MARKET HIGHLIGHTS

savills

Q3 2020 • Raleigh-Durham, NC



14.4%

OVERALL AVAILABILITY RATE



\$28.86

PSF CLASS A ASKING RENT



86.3%

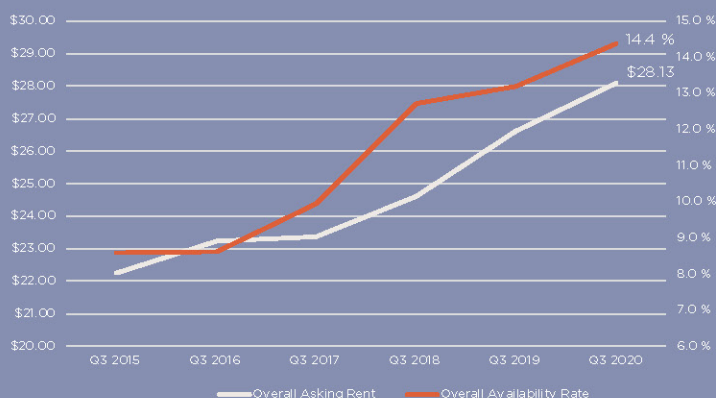
OF LARGE TRANSACTIONS OCCURRED
IN THE RTP/RDU SUBMARKET



6 OF 10

MAJOR TRANSACTIONS
WERE NEW LOCATIONS

Q3 Over the Years



The Triangle has not witnessed a decrease in asking rents; landlords are holding firm on asking rents and are still increasing rates in select, well-leased properties or tight submarkets.

Because of the historical and continued low availability rates in The Triangle, the trend of overturning existing space and redeveloping into office will continue.

Availability Rate

+118

basis points
year-over-year

Asking Rent

\$1.48

year-over-year

MAJOR TRANSACTIONS

1. Q2 SOLUTIONS
322,384 SF
EXPANSION

2. BIOMASON, INC.
31,000 SF
EXPANSION

3. UNC MC
20,018 SF
NEW LOCATION

4. FIRST CAROLINA BANK
19,498 SF
EXPANSION

5. ASTRAZENECA
16,466 SF
NEW LOCATION



Although overall leasing activity has slowed, there is still healthy demand for office space in The Triangle, and construction prices have not decreased, therefore rent growth will slow but will continue to increase.



Thanks to continued market activity driven by the life sciences industry, a historically tight market, and more than 3.3 million square feet under construction, developers are likely to continue to keep the construction pipeline full in The Triangle.



The Triangle's position as a secondary tier city will prove to help the market in the long run; more tenants will relocate or expand their existing footprint.

KEY TAKEAWAYS