

Raleigh-Durham

Office - Q2 2026

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Office demand stabilizes as supply pressures ease

Raleigh's office market continued to show gradual improvement as the overall availability rate declined to 21.0%, down 230 basis points (bps) year over year, marking one of the strongest annual improvements in recent quarters. While employers remain focused on optimizing space utilization and downsizing remains common at renewal, the market has recorded positive demand over the past year, averaging 800,000 square feet (sf) of quarterly leasing activity. Demand has been supported by the region's strong population growth and highly educated workforce. With new office deliveries declining sharply following a wave of construction in 2024, availability is expected to remain relatively stable as existing space is absorbed.

Higher-quality buildings continue to command pricing power

Asking rental rates maintained positive momentum during the quarter as tenant demand remained concentrated in the region's best-performing assets. The overall asking rental rate increased 5.3% year over year to \$31.68 per square foot (psf), while the Class A asking rental rate rose 10.1% to \$34.86 psf, underscoring occupiers' continued preference for premium office environments. Buildings offering modern amenities, efficient layouts and desirable locations, including the Downtown Raleigh and 6 Forks Falls of Neuse submarkets, remained the primary beneficiaries of leasing activity. As a result, owners of top-tier assets continued to achieve stronger rent growth than the broader market.

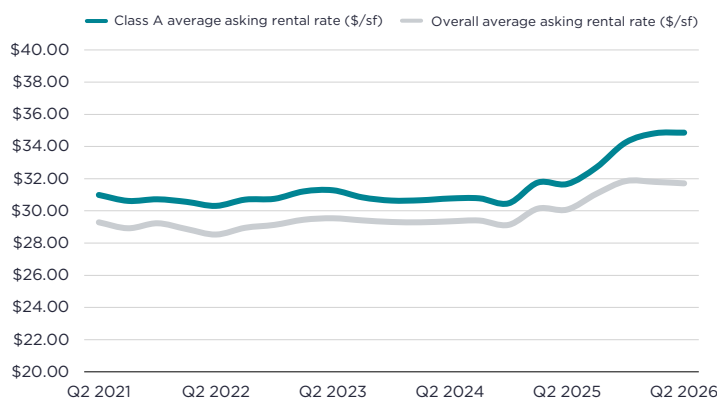
Leasing activity remains healthy despite a slower quarter

Quarterly leasing activity totaled 0.6 million square feet (msf), below last year's pace but still consistent with an active market supported by tenant relocations and expansions. Technology, engineering, construction, legal services and life sciences firms accounted for many of the quarter's largest transactions, with activity occurring across Cary, Downtown Raleigh, Research Triangle Park (RTP) and North Hills. As the development pipeline remains limited and available space continues to decline, steady leasing activity should continue to support improving market fundamentals in the coming months.

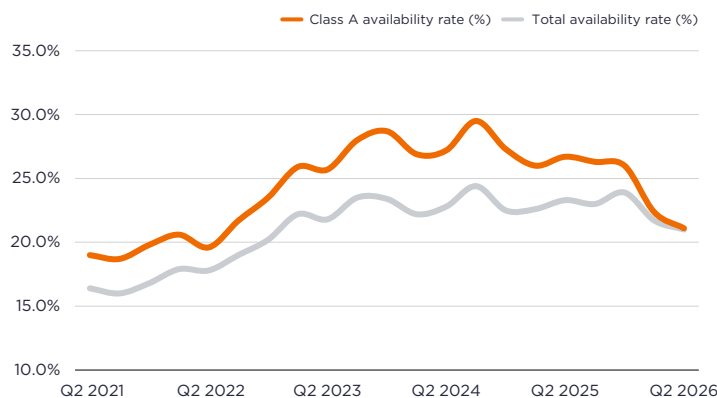
KEY STATISTICS

	Q2 2025	Q2 2026	Y-O-Y
Inventory	56.6 msf	57.4 msf	+0.8 msf
Availability rate	23.3%	21.0%	-230 bps
Asking rental rate	\$30.08	\$31.71	+5.4%
Class A asking rental rate	\$31.67	\$34.86	+10.1%
Quarterly leasing activity	0.8 msf	0.6 msf	-0.2 msf
Available sublease space	3.1 msf	2.4 msf	-0.7 msf

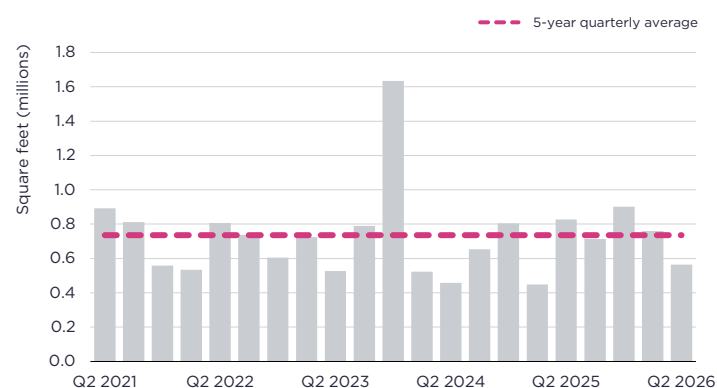
ASKING RENT



AVAILABILITY



LEASING ACTIVITY



Outlook

- 01** Continued absorption of direct and sublease space should support further contractions in availability, particularly as new office deliveries remain limited.
- 02** Well-located, high-quality Class A office space is expected to remain the primary driver of leasing activity and rental rate growth across the market.

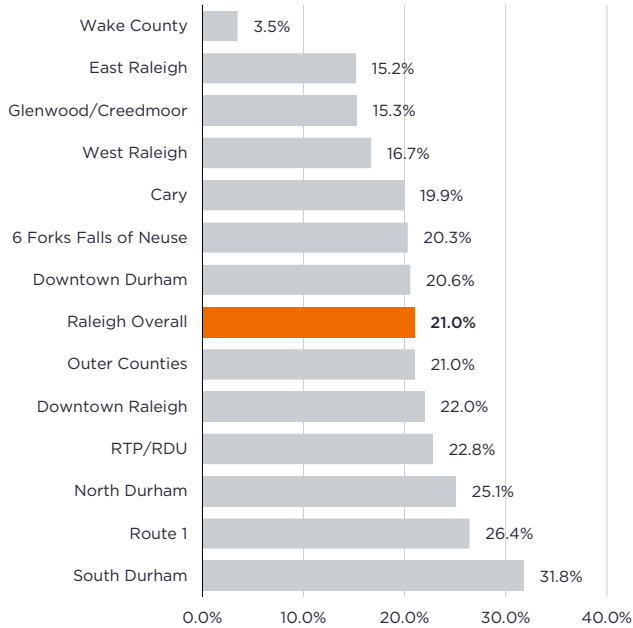
- 03** Rental rate growth is expected to moderate in the near term but remain above national levels, supported by continued local economic growth.

NOTABLE LEASES

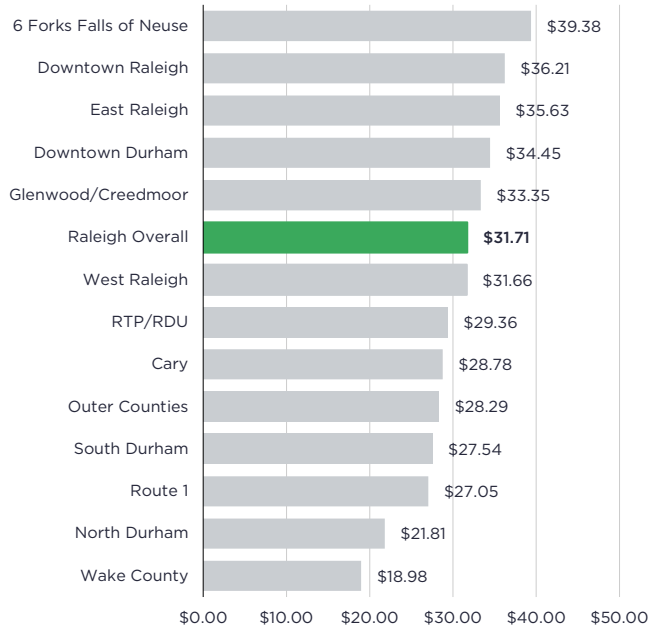
*Trophy building **Sublease

Tenant	Industry	Submarket	Address	Size (SF)	Transaction type
Garmin	Technology, Advertising, Media & Information	Cary	12040 Regency Parkway	27,668	Expansion
Rapid Scales	Technology, Advertising, Media & Information	Downtown Raleigh	621 Hillsborough Street*	27,210	Relocation**
Playmetrics	Technology, Advertising, Media & Information	RTP / RDU	1700 Perimeter Park Drive	26,341	Relocation
Couchbase	Technology, Advertising, Media & Information	6 Forks Falls of Neuse	4350 Lassiter at North Hills Avenue	19,463	New Location
Maintain X	Technology, Advertising, Media & Information	Downtown Raleigh	150 Fayetteville Street	18,190	New Location
Holt Brothers Construction	Architecture, Engineering & Construction	Downtown Raleigh	501 Fayetteville Street*	18,033	Relocation
Freese & Nichols	Architecture, Engineering & Construction	West Raleigh	1730 Varsity Drive	12,998	Relocation
Performance Contracting	Architecture, Engineering & Construction	RTP / RDU	4309 Emperor Boulevard	11,167	Relocation
Morgan & Morgan	Legal Services	Downtown Raleigh	150 Fayetteville Street	10,907	Relocation
Genentech	Life Sciences	Cary	8000 Regency Parkway	10,831	Relocation

AVAILABILITY RATE COMPARISON (%)
RALEIGH-DURHAM SUBMARKETS



RENTAL RATE COMPARISON (\$/SF)
RALEIGH-DURHAM SUBMARKETS



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Unless otherwise noted, all rents quoted throughout this report are average asking gross (full service) rents per square foot. Statistics are calculated using both direct and sublease information. Current and historical availability and rent data are subject to change due to changes in inventory. The information in this report is obtained from sources deemed reliable, but no representation is made as to the accuracy thereof. Unless otherwise noted, source for data is Savills Research. Copyright © 2026 Savills