

FIGURES | RALEIGH-DURHAM OFFICE | Q3 2026

Key Urban Nodes Tighten While New Vacancy Enters Suburban Space



Note: Arrows indicate change from previous quarter.

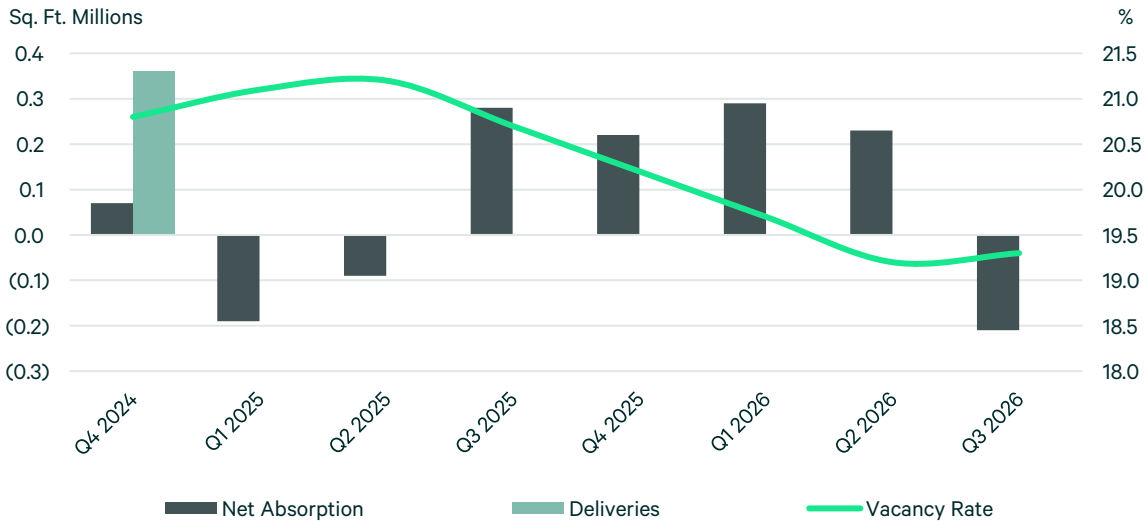
Market Overview

The most notable movement in Q3 2026 was caused by 311,000 sq. ft. of vacancy by a single tenant added within RTP/I-40 Corridor, causing overall negative absorption. Net absorption for Q3 was otherwise tracking at positive 96,000 sq. ft. Further, this large-block Class B space lowered overall rents with its asking rent that tracks below market average.

Although overall vacancy was impacted, Class A vacancy held steady at 21.0% and improved 150 basis points (bps) year-over-year. Vacancy reductions were concentrated in Midtown and Downtown Raleigh, reflecting continued tenant demand for urban submarkets with newer supply. Occupancy gains in Midtown and North Raleigh were supported primarily by mid-size move-ins and spec suite leasing.

Despite the market’s overall negative net absorption in Q3, Class A properties posted positive absorption of 34,000 sq. ft. and continued to capture the majority of leasing activity, representing approximately 67% of total transactions by square footage. Leasing velocity decreased relative to recent periods, but active tenant requirements exceeded 3.5 million sq. ft., up more than 27% year-over-year. Construction remained paused as developers await more favorable financing and stronger pre-leasing for proposed projects.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



CBRE Research

Vacancy

In Q3 2026, Class A vacancy was 21.0%, with a small decrease quarter-over-quarter and decrease of 150 bps year-over-year. Class B vacancy stood at 17.1%, up 50 bps quarter-over-quarter but 90 bps lower year-over-year.

Submarket vacancy improved in key urban markets. Midtown vacancy decreased by 710 bps year-over-year, due to this submarket’s recent developments commanding the market’s highest tenant demand. Vacancy currently sits at 18.2% in Midtown, with 1.4% of that total already leased and expected to occupy in the coming quarters. Central Durham (Downtown) vacancy decreased 20 bps year-over-year, sitting at 15.4% at the end of Q3 2026. Downtown Raleigh also followed this pattern among urban submarkets with a reduction of 130 bps year-over-year, resulting in a Q3 2026 vacancy of 20.1%.

Class A sublease vacancy remained at 2.9% with no change quarter-over-quarter, and Class B sublease vacancy decreased 20 bps quarter-over-quarter to 1.9%. Sublease vacancy totaled 2.5% across all submarkets, a decrease from the 3.7% vacancy recorded last year.

Asking Rent

Average overall asking rent was \$31.06 per sq. ft., down 0.5% quarter-over-quarter from \$31.22 per sq. ft. and 0.4% year-over-year. Class A asking rents were \$33.90 per sq. ft., a nominal 0.1% decrease quarter-over-quarter but a 1.2% increase year-over-year from \$33.51 per sq. ft., underscoring a modest premium for higher-quality space.

Softening asking rates have been driven by two primary factors. First, several of the market's highest-priced availabilities have been successfully leased, removing premium-rate space from the available inventory – and subsequently, from weighted rent calculations which are tied to availability. As an example, Tower V at North Hills – a prime office tower - leased more than 30,000 sq. ft. in Q3, which contributed to a decline in overall asking rates. Second, RTI International introduced previously owner-occupied properties to the market, increasing the supply of Class B suburban office availabilities and placing downward pressure on overall asking rates.

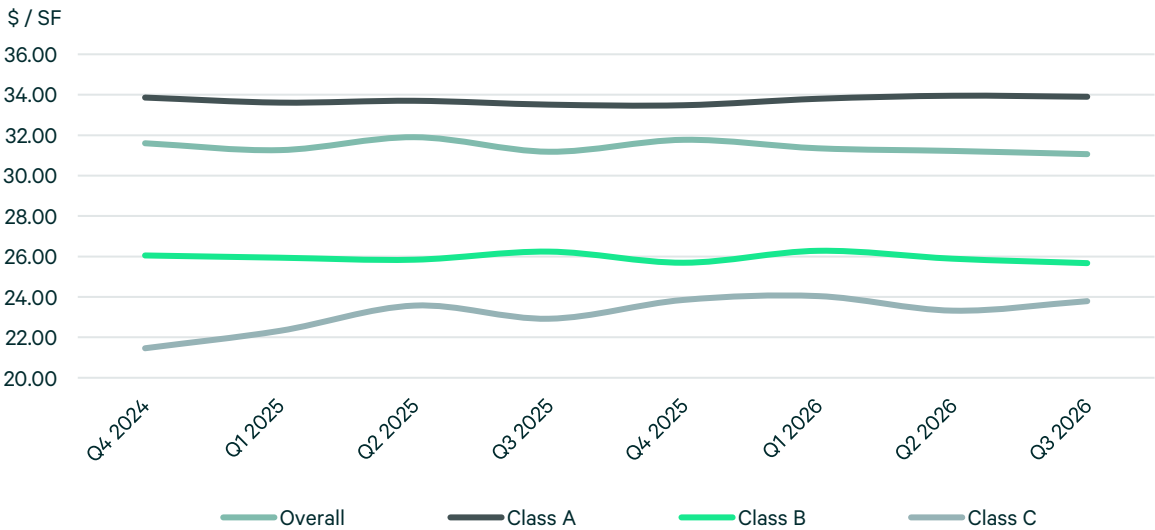
By submarket, Class A asking rents reached \$49.85 per sq. ft. in Midtown Raleigh and \$41.62 per sq. ft. in Downtown Raleigh. Current high watermark rental rates were in the upper \$50s, concentrated in the Midtown submarket’s newest development projects.

Figure 2: Vacancy Rates by Class



CBRE Research

Figure 3: Average Direct Asking Rate by Class



CBRE Research

Net Absorption

Net absorption in Q3 2026 totaled negative 215,000 sq. ft. compared with the positive absorption recorded in Q3 2025. By property class, Class A posted positive net absorption of 34,000 sq. ft., while Class B and Class C recorded negative net absorption of 247,000 and 2,000 sq. ft., respectively. Activity during the quarter remained strongest in Class A assets, while Class B inventory accounted for occupancy losses, with RTI international’s three-building vacant availability additions in RTP/I-40 Corridor accounting for over 311,000 sq. ft. of negative Class B absorption.

Across submarkets, Midtown Raleigh and North Raleigh recorded the strongest occupancy gains in Q3 2026, with positive net absorption of 104,000 and 58,000 sq. ft. respectively. West Raleigh was the only additional submarket with sizable positive net absorption, posting 32,000 sq. ft. of net absorption this quarter.

RTP/I-40 Corridor recorded net absorption of negative 364,000 sq. ft. in Q3 2026 primarily stemming RTI’s aforementioned vacancy additions. Central Durham posted negative 24,000 sq. ft. During the quarter, these two submarkets accounted for the majority of net occupancy losses.

Construction Activity

In Q3 2026, the market recorded no space under construction and no construction delivered. A significant portion of the proposed pipeline remains prelease-driven, with most developers requiring 30% to 50% of space to be committed prior to construction commencement.

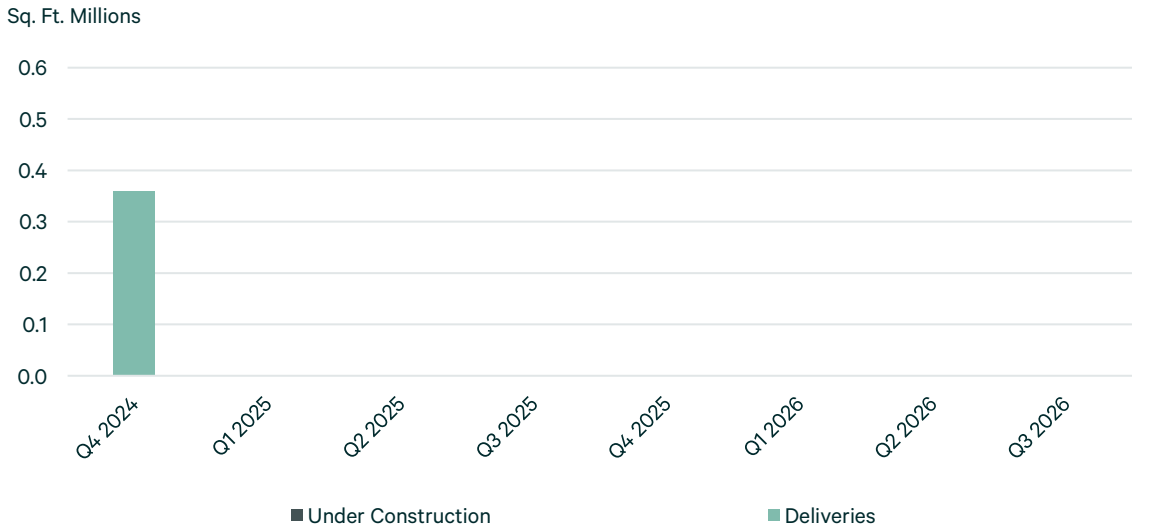
The last delivered construction totaled 363,000 sq. ft. with Tower V at North Hills delivering in the Midtown submarket in Q4 2024.

Figure 4: Net Absorption Trend



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Figure 5: Construction Activity



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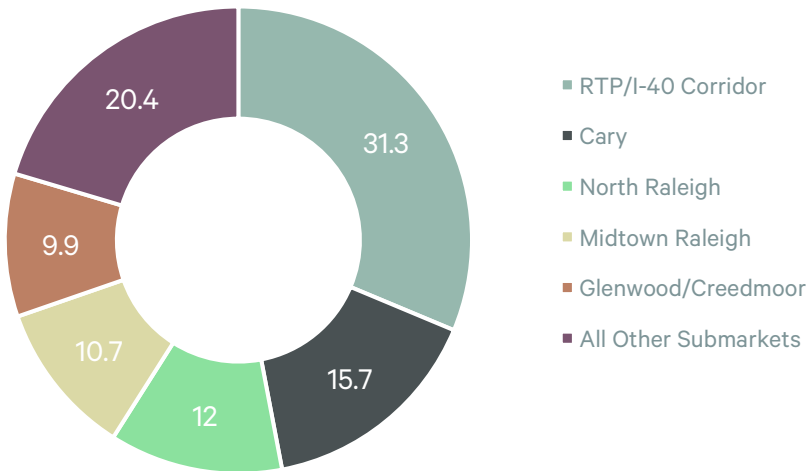
Leasing Activity

Leasing activity totaled 634,000 sq. ft. across Class A and Class B space, and year-to-date volume through Q3 2026 reached 2.09 million sq. ft. Total quarterly leasing fell 16.2% quarter-over-quarter from 756,000 sq. ft. in Q2 2026 and declined 19.5% year-over-year from 788,000 sq. ft. in Q3 2025, with Class A space accounting for 427,000 sq. ft. (or 67%) of the total and Class B space making up the remaining 207,000 sq. ft. (33%). This shows that demand for Class A space is double that of Class B space.

At the submarket level, activity in Q3 2026 was led by RTP/I-40 Corridor and Cary with 200,000 sq. ft. and 100,000 sq. ft. overall leasing, respectively. The submarkets together accounted for 47% of all recorded market leasing.

Raleigh tracked 3.5 million sq. ft. of active tenant requirements, with technology, healthcare, and construction/engineering firms representing the largest industry concentrations. Overall tenant requirements are up by over 27% year-over-year. Active tenant space needs average approximately 37,000 sq. ft., highlighting demand from mid-sized tenants – a consistent trend in recent quarters.

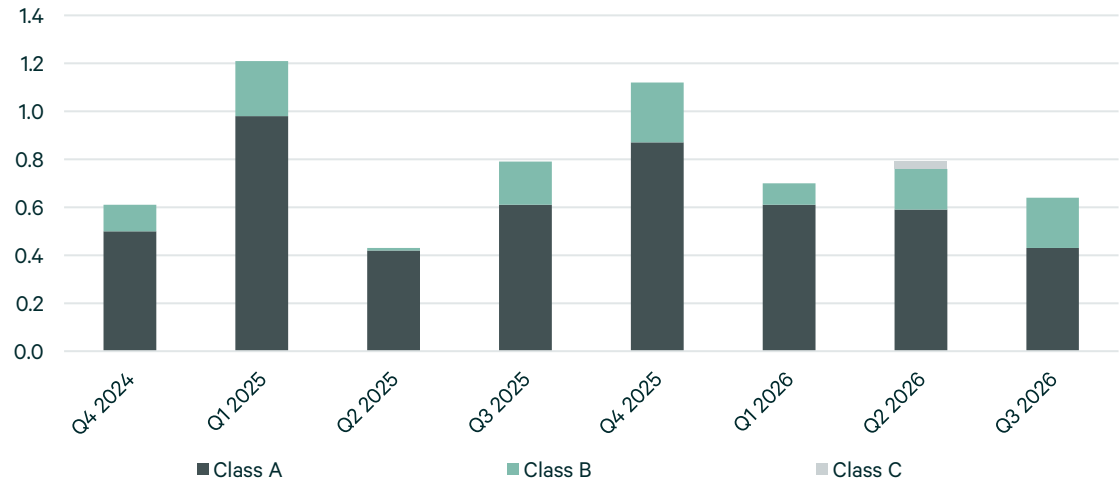
Figure 7: Leasing by Submarket (% of Total Activity)



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Figure 6: Leasing Activity Trend

Sq. Ft. (millions)



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Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
American Airlines	50,000	Renewal	500 Gregson Drive	Cary
General Atomics	37,000	New Lease	3005 Carrington Mill Boulevard	RTP/I-40 Corridor
Confidential Tenant	25,000	New Lease	3005 Carrington Mill Boulevard	RTP/I-40 Corridor
Monitech	19,000	New Lease	2000 Aerial Center Parkway	RTP/I-40 Corridor
Confidential Tenant	19,000	New Lease	1000 Centregreen Way	Cary
BDO United States	18,000	Renewal	421 Fayetteville St	Downtown Raleigh
Confidential Tenant	17,000	Renewal	4309 Emperor Blvd	RTP/I-40 Corridor
35 North	16,000	New Lease	3800 Paramount Parkway	RTP/I-40 Corridor

Source: CBRE Research, Q3 2026

Market Statistics by Class

Figure 9: Metro Market Statistics by Class

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF/FSG/YR)	Q3 2026 Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	34.66M	21.0	25.5	19.9	5.6	33.90	34,000	402,000	-	-
Class B	18.81M	17.1	20.3	18.3	2.0	25.67	(247,000)	(81,000)	-	-
Class C	1.51M	9.3	11.4	11.4	-	23.79	(2,000)	(19,000)	-	-
Total	54.98M	19.3	23.3	19.1	4.2	31.06	(215,000)	302,000	-	-

Figure 10: Urban Market Statistics by Class

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF/FSG/YR)	Q3 2026 Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	10.11M	19.4	24.4	18.0	6.4	42.79	57,000	248,000	-	-
Class B	3.84M	16.6	21.1	15.8	5.3	30.24	16,000	(31,000)	-	-
Class C	696,000	10.5	13.4	13.4	-	26.52	(1,000)	(6,000)	-	-
Total	14.65M	18.2	23.0	17.2	5.8	39.04	72,000	211,000	-	-

Figure 11: Suburban Market Statistics by Class

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF/FSG/YR)	Q3 2026 Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	24.55M	21.7	25.9	20.6	5.3	30.96	(22,000)	154,000	-	-
Class B	14.97M	17.2	20.1	18.9	1.2	24.70	(263,000)	(50,000)	-	-
Class C	810,000	8.3	9.6	9.6	-	20.52	(1,000)	(13,000)	-	-
Total	40.33M	19.8	23.4	19.8	3.7	28.68	(287,000)	91,000	-	-

Source: CBRE Research, Q3 2026

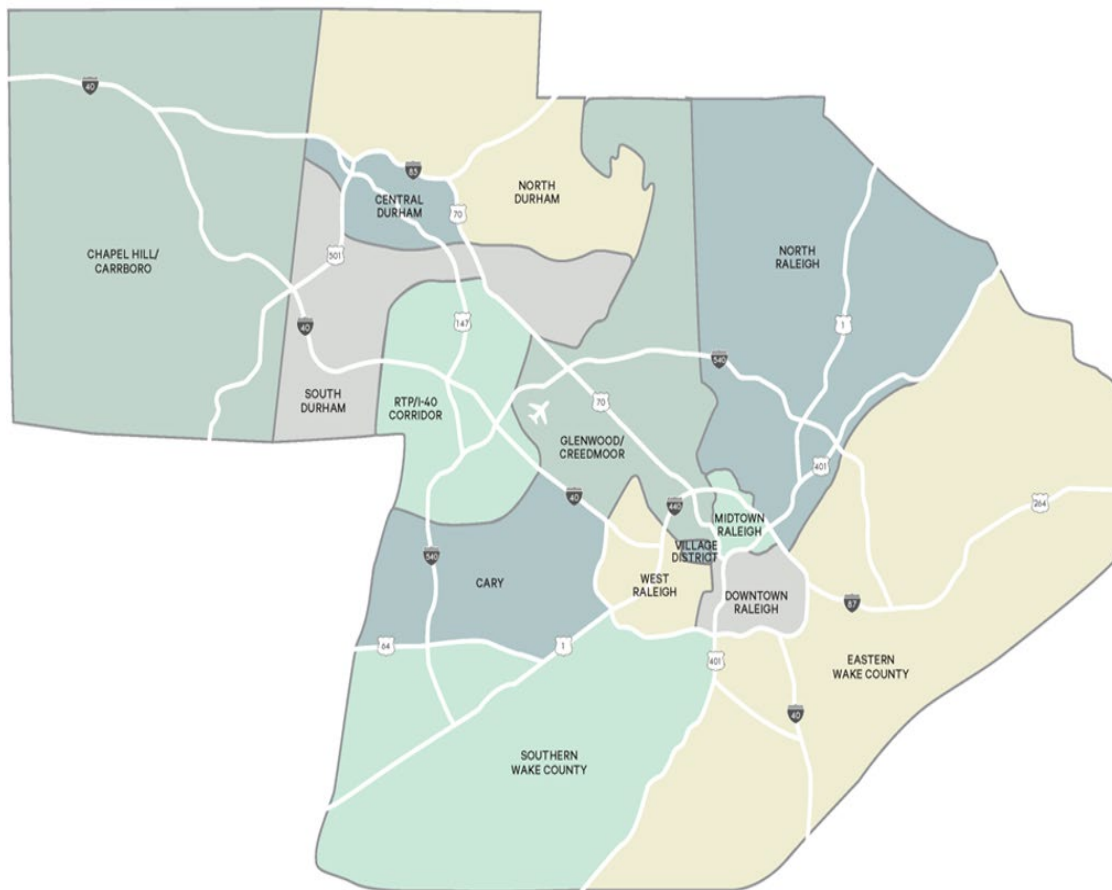
Market Statistics by Submarket

Figure 12

Submarket	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF/FSG/YR)	Class A Asking Rent (\$/SF/FSG/YR)	Q3 2026 Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Cary	6.33M	21.5	22.6	19.9	2.7	28.12	29.42	8,000	66,000	-	-
Central Durham	4.19M	15.4	24.0	18.5	5.5	34.92	36.60	(24,000)	21,000	-	-
Chapel Hill/Orange County	1.99M	14.3	22.7	20.9	1.8	31.52	33.74	10,000	30,000	-	-
Downtown Raleigh	6.35M	20.1	22.9	15.0	7.9	37.45	41.62	(8,000)	(42,000)	-	-
Eastern Wake County	480,000	4.6	7.1	7.1	-	19.51	-	1,000	-	-	-
Glenwood/Creedmoor	4.13M	19.8	22.1	18.2	3.9	31.72	33.46	(19,000)	(7,000)	-	-
Midtown Raleigh	4.11M	18.2	22.1	19.3	2.8	45.77	49.85	104,000	232,000	-	-
North Durham	305,000	3.9	22.3	22.3	-	22.15	-	(2,000)	5,000	-	-
North Raleigh	5.46M	13.9	16.7	14.2	2.5	28.20	31.12	58,000	74,000	-	-
RTP/I-40 Corridor	13.25M	23.8	29.0	22.9	6.1	27.29	29.40	(364,000)	(81,000)	-	-
South Durham	1.58M	25.0	32.6	26.2	6.4	25.89	27.77	(10,000)	6,000	-	-
Southern Wake County	303,000	1.3	1.3	1.3	-	26.50	28.50	3,000	7,000	-	-
Village District	382,000	18.8	17.3	13.7	3.6	25.70	-	(4,000)	(14,000)	-	-
West Raleigh	6.12M	17.8	20.0	19.0	0.9	31.86	34.17	32,000	6,000	-	-
Total	54.98M	19.3	23.3	19.1	4.2	31.06	33.90	(215,000)	302,000	-	-

Source: CBRE Research, Q3 2026

Market Area Overview



Definitions

Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. Availability Rate: Total Available Sq. Ft. divided by the total building Area. Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. Building Area: The total floor area sq. ft. of the building, typically taken at the "drip line" of the building. Gross Activity: All sale and lease transactions completed within a specified time period. Excludes investment sale transactions. Gross Lease Rate: Rent typically includes real property taxes, building insurance, and major maintenance. Net Absorption: The change in Occupied Sq. Ft. from one period to the next. Net Lease Rate: Rent excludes one or more of the "net" costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. Occupied Sq. Ft.: Building Area not considered vacant. Vacancy Rate: Total Vacant Sq. Ft. divided by the total Building Area. Vacant Sq. Ft.: Space that can be occupied within 30 days.

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