

Intelligent Investment

2026 U.S. Real Estate Market Outlook

REPORT

RALEIGH-DURHAM

CBRE RESEARCH
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Office Market Outlook

01

NEW-TO-MARKET, LARGER TENANTS SEEKING SPACE POINT TO NET-POSITIVE ABSORPTION AHEAD

Larger corporate transactions are reemerging, while inquiries from out-of-market firms are also projected to increase in 2026, according to tracked tenants in the market. These dynamics suggest a more balanced demand profile, with both established corporations and prospective new entrants contributing to future momentum.

02

MIXED-USE, WELL-LOCATED SUBMARKETS WILL CONTINUE TO OUTPERFORM

Research Triangle Park (RTP) and mixed-use, amenity rich nodes - namely North Hills - are experiencing heightened leasing momentum. These areas are anticipated to capture a larger share of future leasing activity as occupiers prioritize accessibility, affordability and proximity to talent pools.

03

MID-MARKET DEMAND SUSTAINS TRANSACTION ACTIVITY

Leasing velocity is expected to remain elevated, driven by mid-sized firms – largely in tech and finance - seeking functional, well-located office space. These tenants aren't exclusively seeking prime space, and their consistent demand provides stability to overall market activity by solving for the general overhang of Class A and B space.

04

SUBURBAN LEASING FACES DIVERGING OUTCOMES

Suburban leasing will remain competitive, with asset differentiation becoming increasingly important. Abundant inventory and aggressive concession packages will temper rate compression and create a complex negotiation environment. Meanwhile, aging or poorly situated assets will face vacancy risks and potential redevelopment.

Key Takeaways

FOR OWNERS

- Raleigh's primary tenant is more focused on space utility and functionality than flashiness. The competitive advantage of well-located, amenitized space centers on attracting talent in this highly educated metro.
- Though tenant improvements and free-rent packages pressure margins, they remain a key expectation for tenants needing space worthy of top talent.
- Obsolete office stock may be best suited for redevelopment, as tenants continue to seek high-end, move-in-ready space.

FOR TENANTS

- Competitive leasing conditions and elevated availability levels provide tenants with favorable concessions.
- Coworking operators are at-capacity and expanding, adding flexible space with modern build-outs.
- Redevelopment around the Lenovo Arena and the anticipated U.S. Whitewater Center expansion park near RDU Airport are expected to create new amenity nodes in the coming years.

Industrial Market Outlook

01

A WAVE OF NEW SUPPLY IS SET TO DELIVER IN H2 2026

A significant delivery pipeline of 2.7 million sq. ft. is underway across Southern Wake, Southeast Wake, and Johnston counties – 2.4% of total current inventory sq. ft. - with most completions in late 2026. This concentrated wave of modern product will reshape submarket dynamics, particularly along I-40 where labor access and logistics connectivity remain strong.

02

TENANT DEMAND REMAINS SHIFTED TOWARD LARGER FOOTPRINTS

While mid-size activity (30,000 to 60,000 sq. ft.) remains steady, retailers and 3PLs continue consolidating networks, pushing average deal sizes into the ±100,000-sq.-ft. range. These larger space needs quell concerns of near-term oversupply.

03

FLIGHT-TO-QUALITY IS DRIVING LEASING DIVERGENCE

Tenants are prioritizing modern, high-clear facilities with strong highway access. Class B and C assets in less strategic submarkets will lag in leasing performance, facing slower absorption and higher concessions. This creates a clear bifurcation in market performance that will widen as this trend persists.

04

INVESTMENT SALES ARE POISED FOR GROWTH IN 2026

In Q3 2025, Raleigh posted 133.9% YoY growth in industrial investment sales volume, more than any U.S. market. Investment sales activity should continue to see steady growth as the region continues to be a premier destination for capital, particularly cross-border capital seeking Sun Belt assets with long-term upside.

Key Takeaways

FOR OWNERS

- Prepare for competitive leasing pressure in key corridors with upcoming, modern supply.
- Raleigh offers a highly diverse industry pool, allowing owners to source from a wide array of prospective tenants - including life science users.
- Older assets risk value erosion without upgrades or repositioning, especially in areas that lack access to main interstates and arterial corridors.
- Capital inflows will reward well-located institutional properties leased by credit-worthy tenants with remaining term.

FOR TENANTS

- With an abundance of newly built space added to the inventory, rental rate growth will compress near-term.
- Quality facilities near labor and logistics hubs will command premium attention.

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