Fundamentals Continue to Improve as Occupier Demand Remains Steady

▶ 7.1%
Vacancy Rate

▼ 343K
SF Net Absorption

▲ 300K
SF Construction Delivered

▲ 3.9M
SF Under Construction

▲ $6.63
NNN/YR Direct Lease Rate

Note: Arrows indicate change from previous quarter.

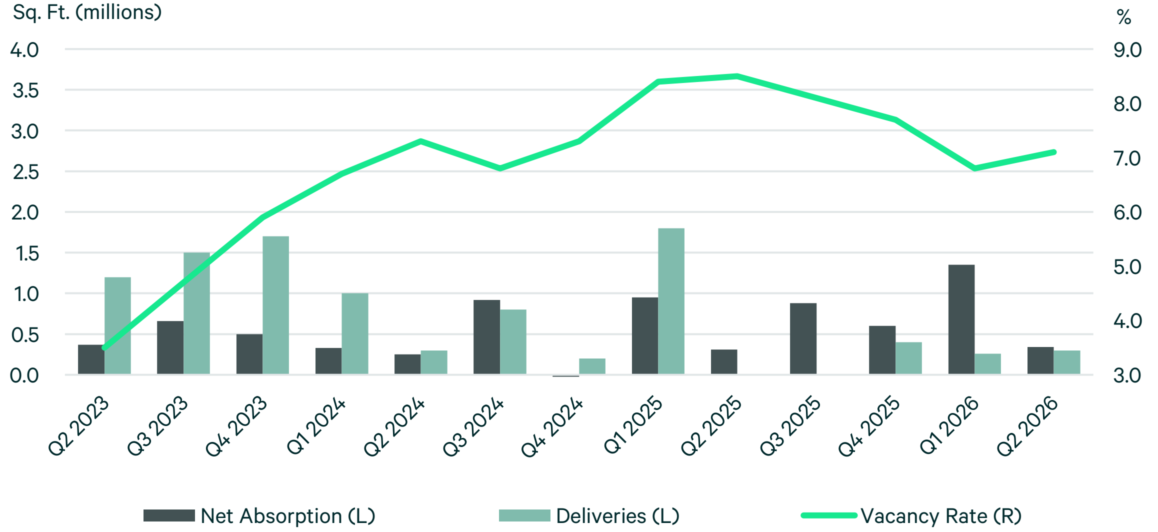
Market Overview

Greensboro/Winston-Salem remained on solid footing in Q2 2026, registering 343,000 sq. ft. of positive net absorption. While demand moderated from the prior quarter's exceptionally strong performance, absorption was still 300% higher than one year ago. Market fundamentals continued to improve year-over-year as vacancy declined 190 basis points (bps) to 7.1%, while availability fell 110 bps over the same period.

Pricing and supply trends remain favorable, with average asking rents increasing to $6.63 per sq. ft. — up 1.4% quarter-over-quarter and 2.5% year-over-year. Meanwhile, the development pipeline expanded to 3.9 million sq. ft., up 1.8% from the previous quarter and 270% from a year ago. Deliveries totaled 300,000 sq. ft. during the quarter, bringing the four-quarter total to 1.2 million sq. ft..

Leasing activity was led by several notable transactions, including PLI Fabrication's 144,000-sq.-ft. commitment in Southwest Alamance, Stiles Machinery's 136,000-sq.-ft. lease in the Airport submarket, and Fortis Gypsum Supply's 79,000-sq.-ft. deal in South Greensboro. Together, these leases accounted for 359,000 sq. ft. of new commitments, highlighting continued occupier demand.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q2 2026

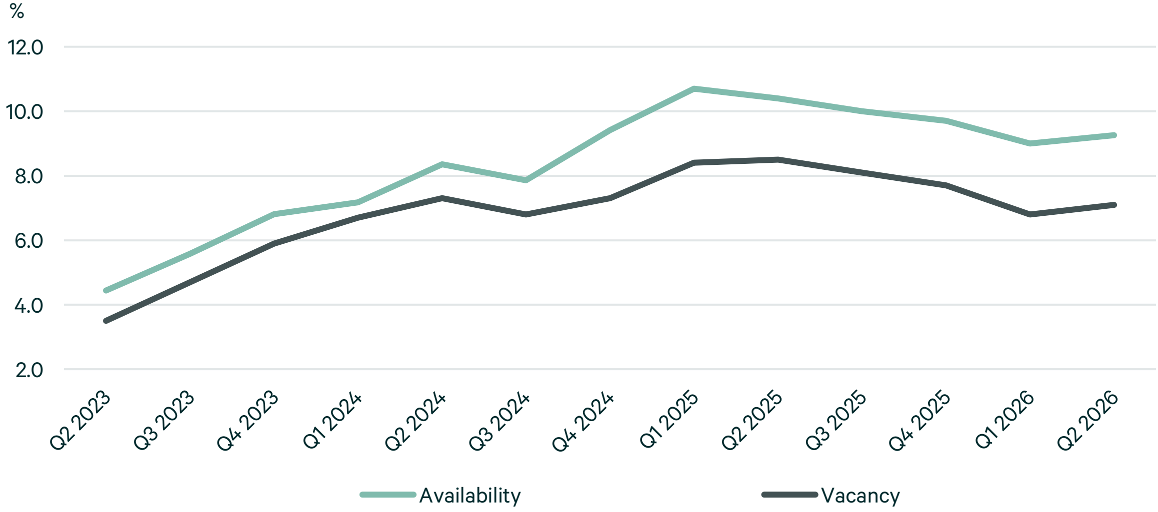
Vacancy Rate

Overall vacancy in Q2 2026 stands at 7.1%, unchanged since Q1 2026, but down 190 bps since Q2 2025. Over the same year period, direct vacancy fell 160 bps, from 8.6% to 7.0%.

Class A warehouse vacancy rates increased 195 bps quarter-over-quarter to 10.6%. Most of this increase can be attributed to the Airport submarket where Dedon vacated their 117,805 sq. ft. space at Enterprise Park and Metropolitan Warehouse out of their 104,000 space at Eagle Hill Business Park. The delivery of 4245 Envision Drive at Union Cross Industrial Park, brought 300,000 sq. ft. of vacant space to the market, further increasing this figure.

West Forsyth has the highest overall vacancy at 25.0%, with the bulk of its vacant space being at 285 Logistics and 2655 Annapolis Drive – totaling 994,000 sq. ft. between them. Southeast Alamance has 1.2 million sq. ft. of direct vacancy (17.1% overall submarket vacancy), and Airport carries 1.6 million sq. ft. of direct vacancy (7.5% overall submarket vacancy), although both submarkets' vacancy rates have improved over the past four quarters.

Figure 2: Vacancy and Availability



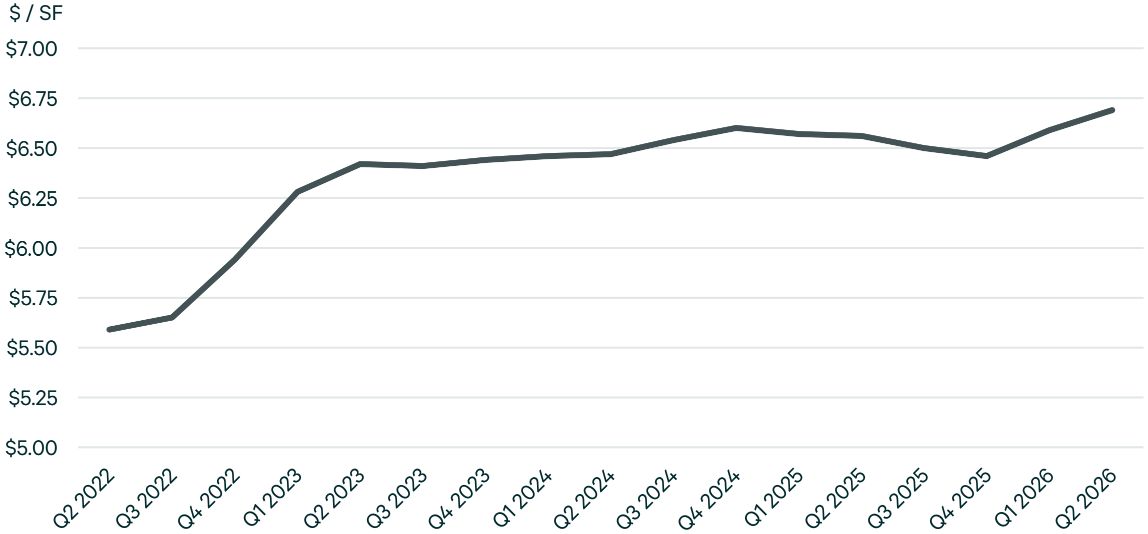
Source: CBRE Research, Q2 2026

Asking Rent

Class A warehouse rents continued to climb this quarter. and reached $8.05 per sq. ft. NNN, a 9.2% increase since Q2 2025. This marks the first time in market history that Class A warehouse rents have eclipsed the $8.00 per sq. ft.. Overall warehouse asking rates grew to $6.39, a 110-bps increase year-over-year. The rise can be contributed to new construction setting higher watermark asking rates, increased demand organically lifting rents, and removal – through leasing – of Class B and C space, which normally applies below-$5 rents to the market averages based on availability.

Kernersville, Airport, and Southeast Forsyth posted the highest average warehouse asking rents at $9.71, $8.00, and $7.77 per sq. ft., respectively. In Kernersville, asking rents continue to be driven by Flex and small bay availabilities at South Park Business Center, where a total of 97,905 sq. ft. are available at an average asking rate of $12.00 per sq. ft.. Other higher-priced submarkets included South Greensboro at $8.02 per sq. ft. and Southeast Forsyth at $8.00 per sq. ft., where rates are being primarily by new construction. Davidson County at $4.75 per sq. ft. and Southwest Alamance at $4.96 per sq. ft. offered lower rents due to the large amounts of available space in lower quality properties.

Figure 3: Average Direct Asking Rate



Source: CBRE Research, Q2 2026

Net Absorption

Net absorption in Q2 2026 totaled 343,000 sq. ft., below Q1 2026 by 74% yet exceeding the same quarter a year earlier by 300%. The market had posted 1.3 million sq. ft. of net absorption in Q1 2026, underscoring the magnitude of the quarter-over-quarter pullback. The rolling four-quarter average in Q2 2026 reached 798,000 sq. ft., exceeding the prior quarter by 8.8%.

At the submarket level, Southwest Alamance recorded the highest positive net absorption at 144,000 sq. ft., with North Alamance following at 121,000 sq. ft., together driving most of the quarter's gains. South Greensboro and High Point/SW Guilford contributed an additional 71,000 sq. ft. and 48,000 sq. ft., respectively, representing the next-largest positive moves. No submarkets posted negative net absorption during the quarter, and activity was concentrated in these four areas, with only limited additional net absorption elsewhere in the market.

Construction Activity

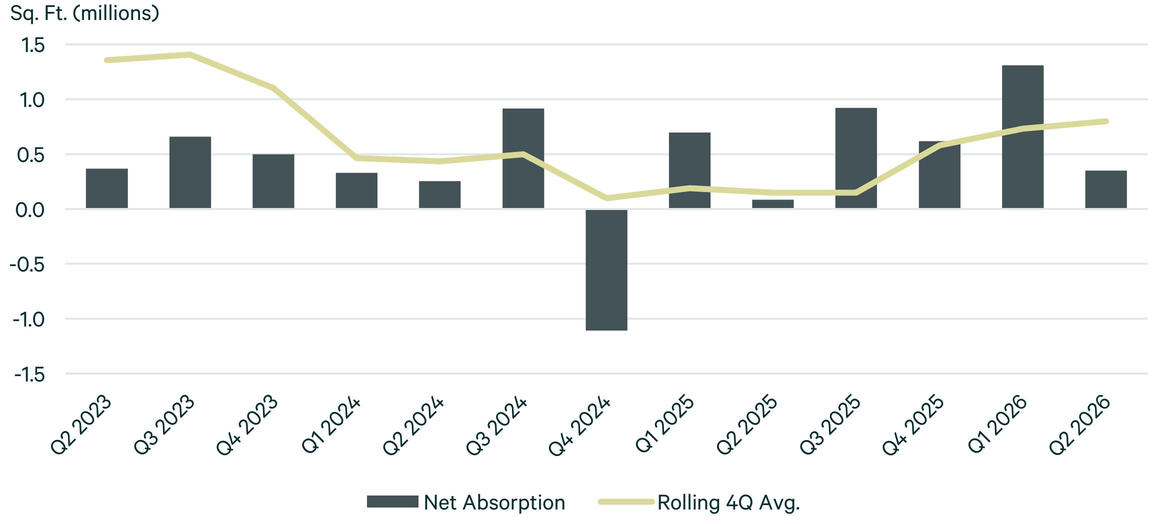
In Q2 2026, the market had 3.9 million sq. ft. under construction, reflecting a 1.8% quarter-over-quarter and 270% year-over-year increase in space underway.

While build-to-suits like Ahold-Delhaize and John Deere continue to dominate the pipeline, two speculative projects broke ground in the quarter, both within the Airport submarket. Williams Development Group started work on the final building at Gallimore Industrial Center, a 148,200 sq. ft. warehouse expected to deliver Q4 2026, and just down the road at 415 Gallimore Dairy Road, Koury Corporation began on their 126,000 sq. ft. warehouse which is expected to be move-in ready in Q1 2027.

One building delivered in the quarter, Front Street Capital's 300,000 sq. ft. warehouse at Union Cross Industrial Center in Southeast Forsyth.

JetZero also broke ground on the first building of their planned 8 million sq. ft. aerospace manufacturing and final assembly campus at PTI Airport. Designed as a next-generation "smart factory" to produce and assemble the Z4 aircraft, the facility will be a tremendous economic development boost to the Triad. The highly custom advanced manufacturing campus will not be tracked in statistical industrial inventory, given that it is not leasable (competitive) for the foreseeable future.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q2 2026

Figure 5: Construction Activity

Source: CBRE Research, Q2 2026

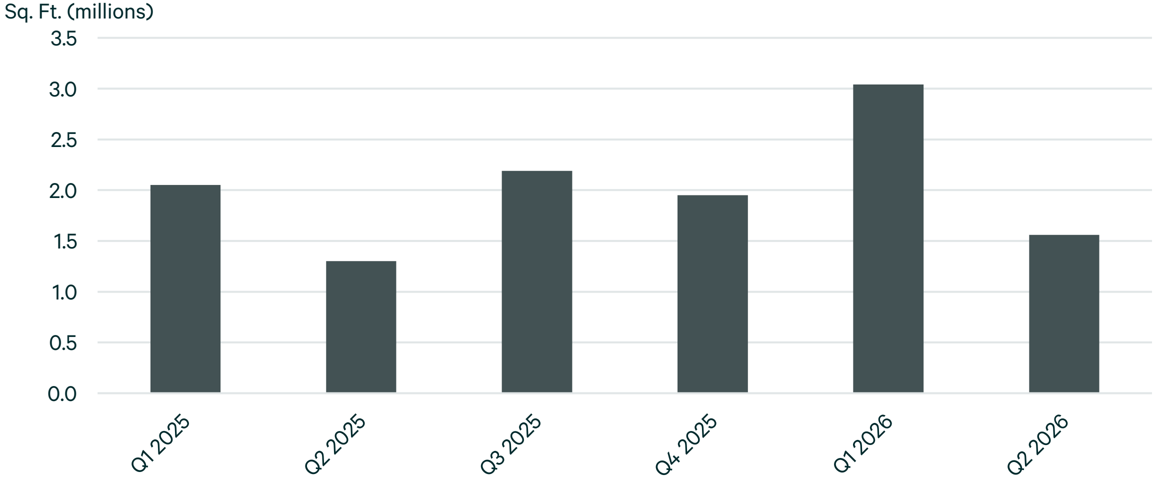
Leasing Activity

Leasing activity in Q2 2026 totaled 1.6 million sq. ft., down from 3.0 million sq. ft. in Q1 2026. This represented a negative 49% quarter-over-quarter change but still a 20.0% increase year-over-year. Across the latest full year of 2025, tenants leased a total of 7.5 million sq. ft., with quarterly volumes fluctuating between 1.3 million sq. ft. and 2.2 million sq. ft.

Leasing activity for the quarter totaled 1.6 million sq. ft. and was driven by new leasing activity and renewals almost equally. The largest new deal of the period was PLI Fabrications' 144,000 sq. ft. at 2611 Lavista Drive in Southwest Alamance, and the second largest new deal came in the Airport submarket, where Stiles Machinery took 136,000 sq. ft. of space at 719 North Regional Road. Renewals totaled nearly 800,000 sq. ft. with over half of that total being comprised of Amazon's 298,000 sq. ft. extension at Alamance Ridge in Southeast Alamance and Caracole's 263,500 sq. ft. at Bull Ridge I in the Airport submarket.

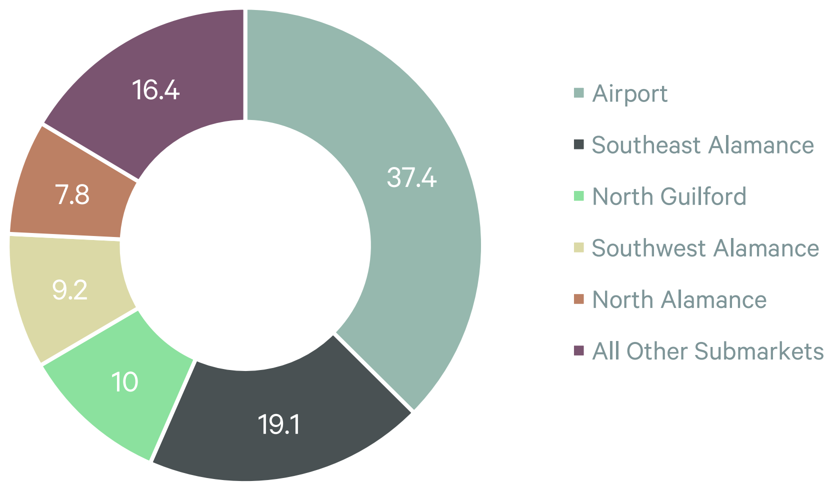
Class B space outpaced Class A and C this quarter for new leasing activity as 565,000 sq. ft. of new deals were signed. Local brokers largely attribute this to specific spaces aligning well with tenant needs rather than a broader shift in tenant preference. 581,000 sq. ft. of Class A space was renewed in the quarter.

Figure 6: Leasing Activity Trend



Source: CBRE Research, Q2 2026

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



Source: CBRE Research, Q2 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Confidential Tenant	298,000	Renewal	3875 Senator Ralph Scott Pkwy	Southeast Alamance
Vivet	264,000	Renewal	1150 Pleasant Ridge Rd	Airport
PrimeSource Building Products	156,000	Renewal	7220 US Highway 158	North Guilford
PLI Fabrication	144,000	New Lease	2611 Lavista Dr	Southwest Alamance
Stiles Machinery	136,000	New Lease	719 North Regional Rd	Airport
Fortis Gypsum Supply	79,000	New Lease	1708 Fairfax Rd	South Greensboro
Confidential Tenant	68,000	New Lease	201 Cobb Ave	North Alamance
PODS Enterprises	60,000	New Lease	653 Brigham Rd	Airport

Source: CBRE Research, Q2 2026

Market Statistics by Product Type

Figure 9

Product Type	NRA (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate ($/SF NNN/YR)	Q2 2026 Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Distribution/Logistics	85.15M	8.1	10.0	9.5	0.5	6.75	178,000	1.35M	300,000	3.37M
Manufacturing - General	36.48M	4.4	7.5	7.1	0.3	5.25	137,000	258,000	-	380,000
R&D/Flex	5.59M	8.6	9.8	9.2	0.6	11.51	27,000	46,000	-	187,000
Total	**127.22M**	**7.1**	**9.3**	**8.8**	**0.5**	**6.63**	**343,000**	**1.65M**	**300,000**	**3.93M**

Source: CBRE Research, Q2 2026

Market Statistics by Size

Figure 10

Size Range (SF)	NRA (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate ($/SF NNN/YR)	Q2 2026 Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Below 50K	21.00M	3.8	5.6	5.3	0.3	8.26	79,000	43,000	-	177,000
50K-99,999	21.44M	5.7	8.8	8.1	0.7	7.17	85,000	137,000	-	148,000
100K-249,999	36.87M	9.6	12.3	11.4	1.0	6.41	296,000	430,000	-	1.18M
250K-499,999	24.95M	11.1	11.6	11.3	0.2	6.90	(118,000)	220,000	300,000	730,000
500K-749,999	8.65M	0.8	8.0	8.0	-	4.47	-	579,000	-	600,000
750,000+	14.32M	4.3	4.3	4.3	-	5.95	-	242,000	-	1.10M
Total	**127.22M**	**7.1**	**9.3**	**8.8**	**0.5**	**6.63**	**343,000**	**1.65M**	**300,000**	**3.93M**

Source: CBRE Research, Q2 2026

Market Statistics by Class

Figure 11

Property Class	NRA (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate ($/SF NNN/YR)	Q2 Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	25.74M	10.9	11.6	11.0	0.6	8.19	(231,000)	529,000	300,000	3.93M
Class B & C	101.48M	6.1	8.7	8.2	0.5	6.09	574,000	1.12M	-	-
Total	**127.22M**	**7.1**	**9.3**	**8.8**	**0.5**	**6.63**	**343,000**	**1.65M**	**300,000**	**3.93M**

Source: CBRE Research, Q2 2026

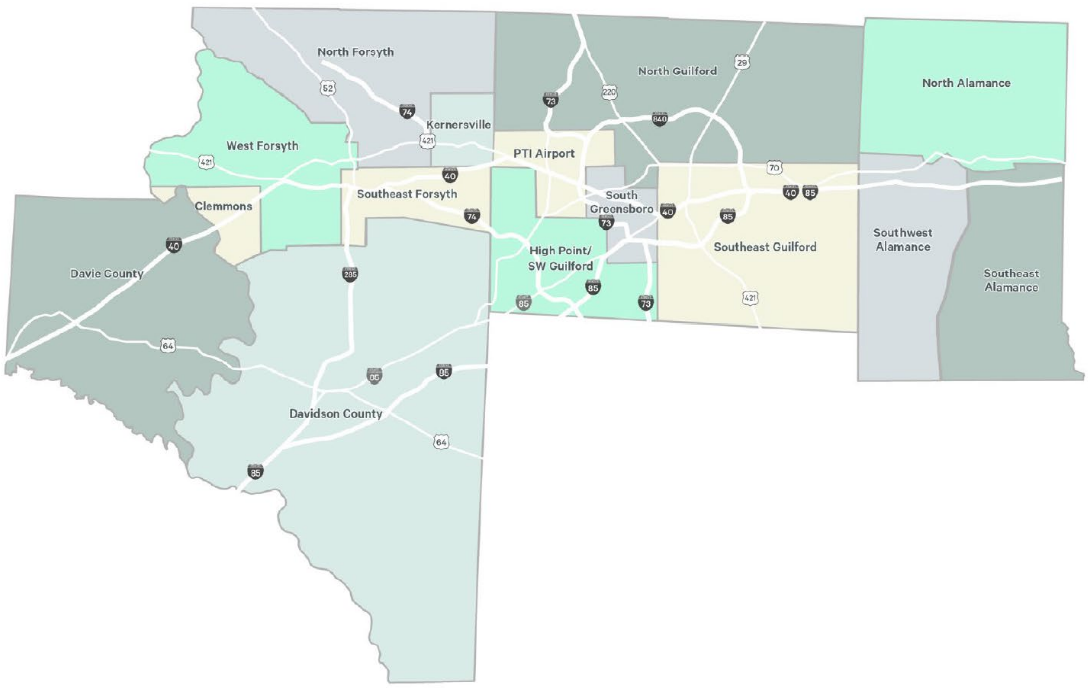
Market Statistics by Submarket

Figure 12

Submarket	NRA (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate ($/SF NNN/YR)	Q2 Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Airport	21.40M	7.5	9.5	9.4	0.2	8.13	4,000	237,000	-	422,000
Clemmons	577,000	8.7	26.0	26.0	-	6.33	-	-	-	-
Davidson County	24.53M	6.1	7.5	6.4	1.1	4.75	(34,000)	(24,000)	-	-
Davie County	8.46M	3.2	5.2	5.2	-	6.10	-	298,000	-	44,000
High Point/SW Guilford	8.31M	1.8	5.4	5.3	0.1	5.95	48,000	(29,000)	-	-
Kernersville	4.42M	2.6	3.7	3.5	0.2	10.38	(6,000)	(17,000)	-	380,000
North Alamance	4.66M	2.8	2.8	2.8	-	3.60	121,000	121,000	-	-
North Forsyth	8.12M	7.3	11.2	10.8	0.3	6.36	(17,000)	37,000	-	-
North Guilford	7.86M	2.3	2.3	2.3	-	7.90	-	10,000	-	-
South Greensboro	7.47M	9.9	11.1	11.1	0.1	8.00	71,000	129,000	-	550,000
Southeast Alamance	6.81M	17.1	18.3	17.6	0.6	7.25	-	484,000	-	643,000
Southeast Forsyth	6.88M	6.3	7.3	6.4	0.8	8.00	-	-	300,000	90,000
Southeast Guilford	7.29M	4.2	6.2	4.2	1.9	7.75	-	104,000	-	1.80M
Southwest Alamance	5.35M	9.1	22.1	21.9	0.2	4.96	144,000	(12,000)	-	-
West Forsyth	5.09M	25.0	25.0	25.0	-	6.10	12,000	311,000	-	-
Total	**127.22M**	**7.1**	**9.3**	**8.8**	**0.5**	**6.63**	**343,000**	**1.65M**	**300,000**	**3.93M**

Source: CBRE Research, Q2 2026

Market Area Overview



CBRE | Triad

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Survey Criteria

Includes all industrial and flex buildings 20,000 sq. ft. and greater in size in Alamance, Davidson, Davie, Forsyth, and Guilford counties. Only buildings that have commenced construction, as evidenced by site excavation or foundation work, are included.

Methodology Update

Beginning in Q4 2025, adjustments were made to the underlying statistical property set used in this report. These changes reflect the removal of properties that no longer meet current survey criteria. As a result, certain historical metrics may differ from values published in prior quarters. These revisions are intended to enhance data accuracy and ensure the most consistent market representation going forward.

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