

FIGURES | RALEIGH-DURHAM OFFICE | Q1 2026

Continued Positive Absorption and Leasing Drive Vacancy Lower

▼ 20.2%

Vacancy Rate

▲ 238,000

SF Net Absorption

▶ 0

SF Construction Delivered

▶ 0

SF Under Construction

▼ \$31.18

FSG/YR Direct Lease Rate

Note: Arrows indicate change from previous quarter.

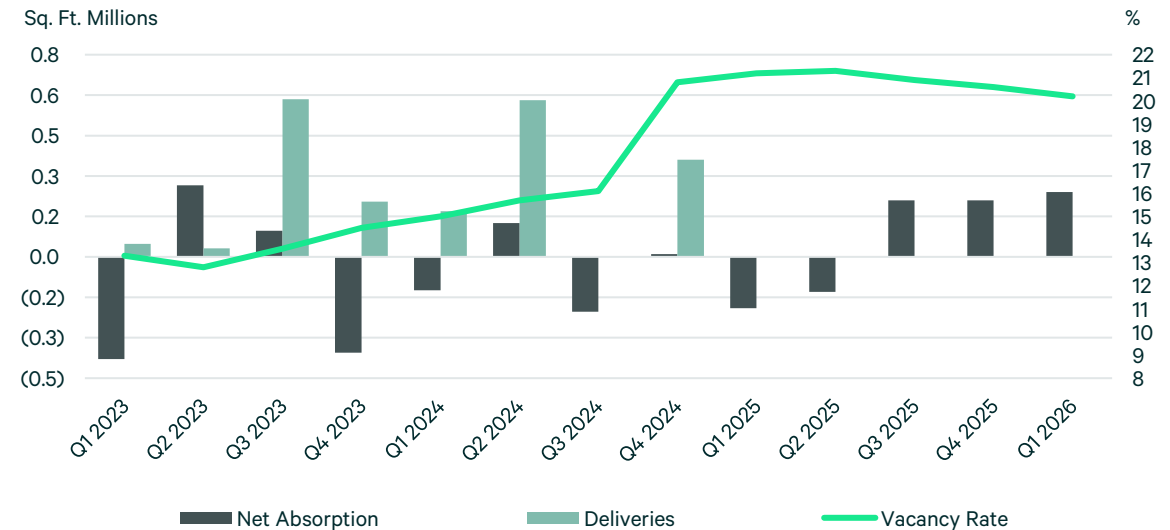
Market Overview

Raleigh-Durham's stalled office construction pipeline has allowed the market to capture increased demand and improve fundamentals since early 2025. In the second half of 2025, absorption meaningfully increased, most predominantly in Class A and prime office in the Midtown and RTP/I-40 Corridor submarkets, where sizable tenants have occupied new space.

Q1 2026 captured 238,000 sq. ft. of net absorption, reducing vacancy another 40 basis points (bps) quarter-over-quarter to 20.2%. Successful leasing velocity continues to tighten vacancy at a more accelerated pace for Class A space, while functional obsolescence lowers the competitiveness of Class B space and increases its vacancy. Similarly, asking rents for Class A have increased modestly, with organic rent growth being incrementally offset by successful lease-up of available space. Overall vacancy remains most heavily weighted in RTP/I-40 Corridor where large-block availabilities have then longer to backfill.

Recent new job announcements - like Aspida, General Atomics, and Ralliant Corporation - in Raleigh-Durham point to the region's foothold as a mecca of top talent, and new tenants are commonly competing for the market's tightening availability in well-located, modern properties.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q1 2026

Vacancy

Vacancy in the Raleigh-Durham office market continued to improve this quarter, with total vacancy declining to 20.2%, reflecting both quarter-over-quarter and year-over-year improvement. Class A performance drove the trend, with vacancy falling to 22.5%, dropping 150 bps year-over-year, supported by recent successful move-ins for RTP/I-40 Corridor Class A and Central Durham prime assets. Class B vacancy remained relatively stable while Class C vacancy has increased 390 bps year-over-year, signaling continued challenges for older, less competitive assets.

Vacant available direct space in Raleigh-Durham is currently 15.9%, or 8.8 million sq. ft. with only 1.1 million sq. ft. remaining of prime office space. Only 692,000 sq. ft. of vacant prime office built since 2022 is available, a direct result of the flight to quality by office occupiers needing modern offices and amenities. RTP/I-40 Corridor currently has the largest share of vacant available space, with 2.5 million sq. ft. on the market.

Notable submarket vacancy changes include Southern Wake County, which reduced to 1%, down 260 bps from last quarter. Cary held the highest vacancy rate among all property classes this quarter at 24.3% vacancy, rising from the prior quarter by 1.3 percentage points due to a few large move outs in Class A properties.

Asking Rent

The overall direct asking lease rate in Q1 2026 is \$31.18 per sq. ft., edging down 0.5% from \$31.35 per sq. ft. in the prior quarter, a 0.4% decrease year-over-year. Class B and Class C availabilities in the market have increased notably since Q1 2025, applying downward pressure to average rates and stifling overall market rent growth.

Class A office asking rents increased from \$33.08 per sq. ft. to \$33.56 per sq. ft. quarter-over-quarter, a 1.5% gain, but are still 0.4% under Q1 2025 levels. Prime rent growth has decreased by \$0.32 year-over-year by, due to availability decreases for top-of-market new construction. The current high watermark asking rent in Raleigh-Durham sits above \$50.00 in the Midtown submarket but has decreased as available space has leased. The discrepancy in prime office and Class A asking rents is largely driven by the scarcity of prime inventory, compounded by its geographic concentration and tightening availability, though a spillover into older Class A is inevitable as leasable space is taken off-market. This upcoming boost to Class A leasing will lift Class A rates through organic rent growth as owners find their assets increasingly more competitive in site selection.

Figure 2: Vacancy Rates by Class



Source: CBRE Research, Q1 2026

Figure 3: Average Direct Asking Rate by Class



Source: CBRE Research, Q1 2026

Net Absorption

Total net absorption in Q1 2026 reached 238,000 sq. ft., exceeding Q4 2025's 213,000 sq. ft. by 25,000 sq. ft.. Class A posted 114,000 sq. ft., up 18.8% from the prior quarter. Class B and C absorption tightened with 124,000 sq. ft., up 6.0% year-over-year. Class A net absorption rose 39,000 sq. ft., or 52.0%, from 75,000 sq. ft. in Q1 2025, and all other classes improved from negative 268,000 sq. ft. to 124,000 sq. ft., turning overall absorption from negative 193,000 sq. ft. to 238,000 sq. ft.

Absorption for Q1 2026 was notably driven by RTP/I-40 Corridor, with North Raleigh also outperforming this quarter. Cary and West Raleigh were the lowest absorption submarkets, of the quarter, with one large moveout in West Raleigh and multiple medium-sized new vacancies in Cary.

New occupancies (positive absorption) include LexisNexis for more than 60,000 sq. ft. in West Raleigh, Tanium taking roughly 50,000 sq. ft. in West Raleigh, and Eaton moving into their North Raleigh office for almost 40,000 sq. ft.. The positive absorption by LexisNexis, however, is offset by their contraction from over 120,000 sq. ft. in the West Raleigh submarket.

Construction Activity

Construction activity in the Raleigh-Durham office market remained muted this quarter, reflecting a continued pause in new supply additions. No buildings broke ground during the period, and there were no construction completions. Developers have remained cautious in recent years amid broader market recalibration, with existing inventory continuing to absorb tenant demand.

As occupier demand remains fixated on modern, newly built space, developers are revisiting the proposed pipeline and refreshing underwriting assumptions. Select build-to-suit site options have gained recent interest with a project or two likely to break ground later in 2026. Though office speculative construction has been nonexistent post-COVID, owners with entitled, infill sites should consider their timing and dust off stalled plans. Many proposed office properties today require 50-60% preleasing in order to commence.

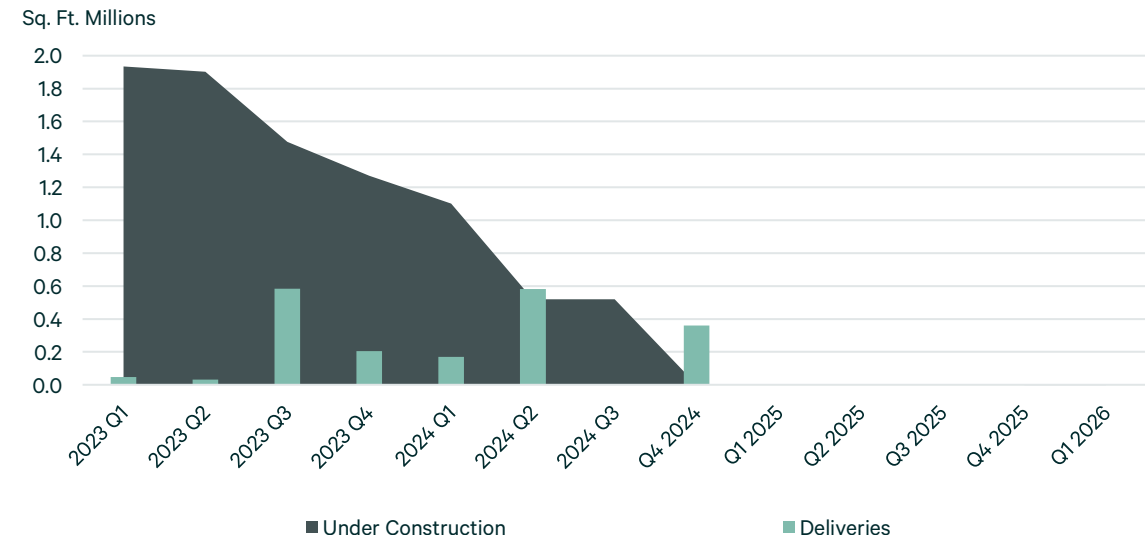
CBRE Research is currently tracking 2.9 million sq. ft. of active tenant demand in Raleigh-Durham, with an average deal size of roughly 40,000 sq. ft.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q1 2026

Figure 5: Construction Activity



Source: CBRE Research, Q1 2026

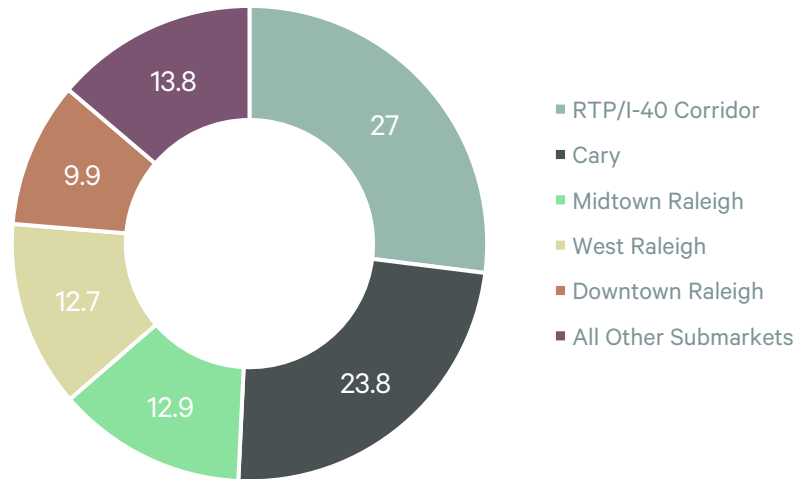
Leasing Activity

Total leasing activity reached 675,000 sq. ft. in Q1 2026 and 2.7 million sq. ft. over the last four quarters. On a quarterly basis, Q1 2026 volume declined by 383,000 sq. ft. from Q4 2025 and was 216,000 sq. ft. or 24.3% below Q1 2025. Leasing in Q1 2026 was concentrated in the RTP/I-40 Corridor and Cary submarkets, which recorded 182,000 sq. ft. and 161,000 sq. ft. of transactions, respectively. 88% of total leasing volume in Q1 2026 was comprised of Class A space.

Tenant-in-the-market demand for office space is up to 2.9 million sq. ft., an increase of 18% quarter-over-quarter. The industries with the highest demand include Technology, Financial Services, Government, and Legal Services. For reference, the Raleigh-Durham market has 2.7 million sq. ft. of vacant available Class A space in buildings less than twenty years old, indicating that future leasing may have a spillover into older assets as the newest, most amenitized spaces are leased.

Occupiers are increasingly focused on leasing ready-made spaces and direct space where tenant improvement allowances are most generous. Well-located properties continue to capture the most leasing success, with high quality, modern assets having many prospects.

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



Source: CBRE Research, Q1 2026

Figure 6: Leasing Activity Trend



Source: CBRE Research, Q1 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Biologics Inc.	67,000	Renewal	11800 Weston Parkway	Cary
Victra	44,000	New Lease	4820 Emperor Blvd	RTP/I-40 Corridor
Confidential Tenant	34,000	New Lease	1501 Nowell Road	West Raleigh
Robinson Bradshaw	31,000	New Lease	4820 Emperor Blvd	RTP/I-40 Corridor
Confidential Tenant	28,000	New Lease	1225 Crescent Grn	Cary
Confidential Tenant	24,000	New Lease	1309 Annapolis Drive	Village District
NVR	22,000	New Lease	3020 Carrington Mill Blvd	RTP/I-40 Corridor

Source: CBRE Research, Q1 2026

Market Statistics

Figure 9: Suburban Market Statistics by Class

Property Class	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Q1 Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	24.66	22.6	26.8	20.5	6.3	30.72	2,000	2,000	-	-
Prime	1.00	12.9	11.2	11.2	-	46.99	4,000	4,000	-	-
Other Class A	23.66	23.0	27.5	20.9	6.6	30.35	(2,000)	(2,000)	-	-
Class B	15.18	17.7	21.2	18.7	2.4	25.55	163,000	163,000	-	-
Class C	0.89	6.2	6.4	6.4	-	19.82	(1,000)	(1,000)	-	-
Total	40.73	20.4	24.3	19.5	4.7	28.90	164,000	164,000	-	-

Source: CBRE Research, Q1 2026

Figure 10: Urban Market Statistics by Class

Property Class	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Q1 Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	10.18	21.4	23.4	17.0	6.4	41.95	112,000	112,000	-	-
Prime	4.73	29.2	30.9	22.2	8.7	46.09	75,000	75,000	-	-
Other Class A	5.45	14.6	16.9	12.5	4.5	35.70	36,000	36,000	-	-
Class B	3.93	16.3	21.5	14.9	6.6	30.28	(23,000)	(23,000)	-	-
Class C	0.70	12.4	11.0	11.0	-	27.31	(15,000)	(15,000)	-	-
Total	14.81	19.6	22.3	16.2	6.2	38.69	73,000	73,000	-	-

Source: CBRE Research, Q1 2026

Figure 11: Metro Market Statistics by Class

Property Class	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Q1 Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	34.84	22.2	25.8	19.5	6.4	33.56	114,000	114,000	-	-
Prime	5.72	26.4	27.4	20.3	7.2	46.18	79,000	79,000	-	-
Other Class A	29.11	21.4	25.5	19.3	6.2	31.00	35,000	35,000	-	-
Class B	19.11	17.4	21.3	18.0	3.3	26.39	139,000	139,000	-	-
Class C	1.58	8.9	8.4	8.4	-	24.04	(15,000)	(15,000)	-	-
Total	55.54	20.2	23.8	18.6	5.1	31.18	238,000	238,000	-	-

Source: CBRE Research, Q1 2026

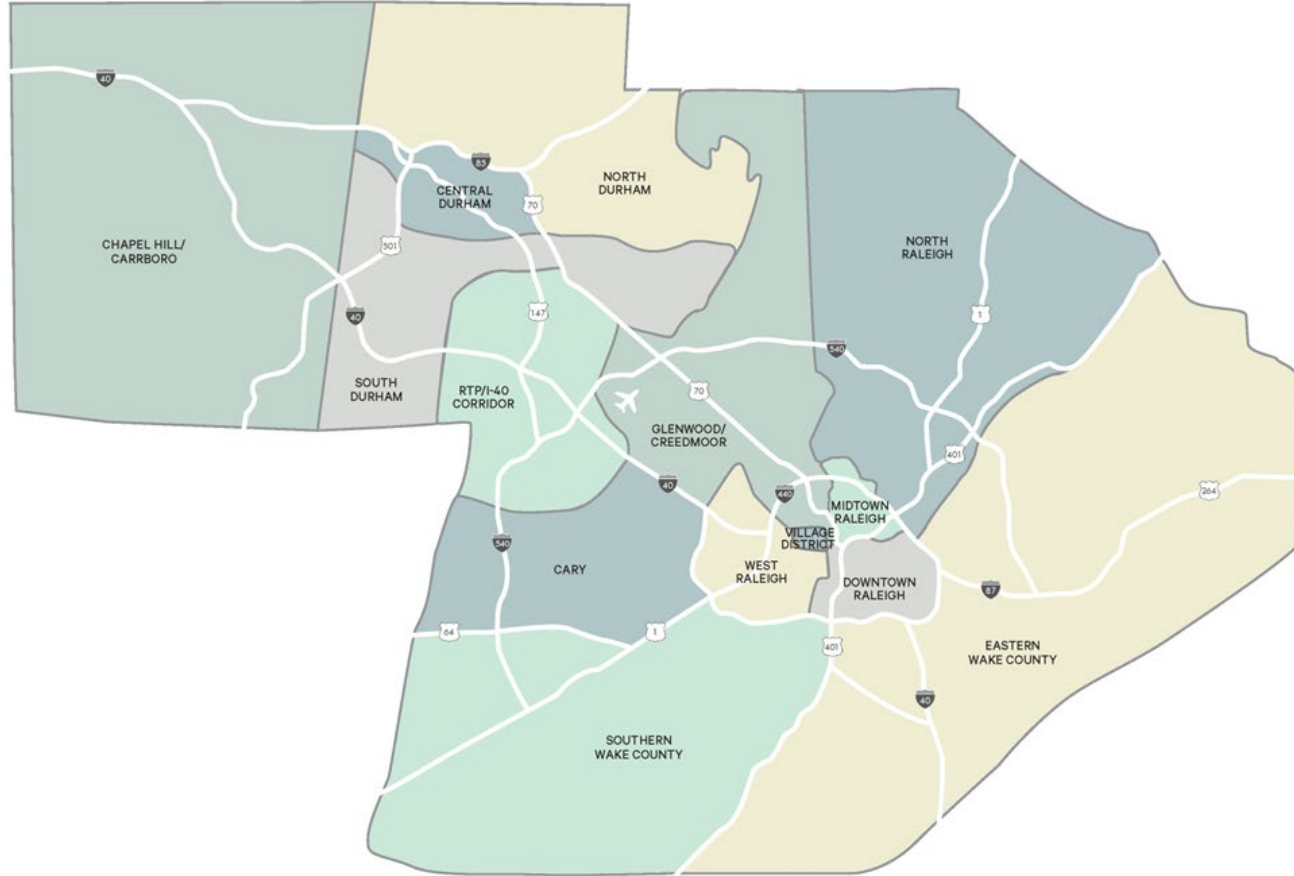
Market Statistics by Submarket

Figure 12

Submarket	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Q1 Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Cary	6.43	24.3	24.0	20.6	3.3	28.06	(78,000)	(78,000)	-	-
Central Durham	4.27	15.5	22.4	15.7	6.7	36.61	65,000	65,000	-	-
Chapel Hill/Orange County	2.00	15.8	21.4	19.4	2.0	30.38	(1,000)	(1,000)	-	-
Downtown Raleigh	6.41	20.2	22.8	15.0	7.8	36.50	(32,000)	(32,000)	-	-
Eastern Wake County	0.49	4.4	4.6	4.6	-	18.50	1,000	1,000	-	-
Glenwood/Creedmoor	4.13	19.1	22.5	18.1	4.4	30.41	20,000	20,000	-	-
Midtown Raleigh	4.12	22.9	21.4	18.5	3.0	43.13	40,000	40,000	-	-
North Durham	0.31	3.7	21.7	21.7	-	21.67	5,000	5,000	-	-
North Raleigh	5.67	15.4	19.1	14.8	4.3	28.27	80,000	80,000	-	-
RTP/I-40 Corridor	13.35	23.6	29.4	21.4	8.0	28.16	144,000	144,000	-	-
South Durham	1.62	23.9	33.4	25.3	8.1	27.96	16,000	16,000	-	-
Southern Wake County	0.30	1.0	1.5	1.5	-	25.01	8,000	8,000	-	-
Village District	0.38	13.4	11.9	7.2	4.7	22.81	7,000	7,000	-	-
West Raleigh	6.05	19.0	21.7	21.0	0.7	31.57	(37,000)	(37,000)	-	-
Total	55.54	20.2	23.8	18.6	5.1	31.18	238,000	238,000	-	-

Source: CBRE Research, Q1 2026

Market Area Overview



CBRE | Raleigh

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Raleigh, NC 27601

Survey Criteria

CBRE's competitive office inventory includes buildings with 10,000 sq. ft. or more of office space located within Wake, Durham, and Orange counties. Owner-occupied, medical and life science properties are excluded. Average asking rates are weighted by the amount of available space per building and are quoted on a full-service basis, per sq. ft. per year. Absorption is based on physical space occupancy, and leasing activity captures all leases signed at time of deal execution (including renewals). Demolitions and a cleanup of space no longer meeting statistical survey criteria led to a small reduction of inventory from the Q4 2025 period.

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