Vacancy declines sharply as market benefits from occupancy gains

▼23.2%	▲315,000	▶0	▶0	▶127,000
Vacancy Rate	SF Net Absorption	SF Construction Delivered	SF Construction Delivered	SF Under Construction

Note: Arrows indicate change from previous quarter.

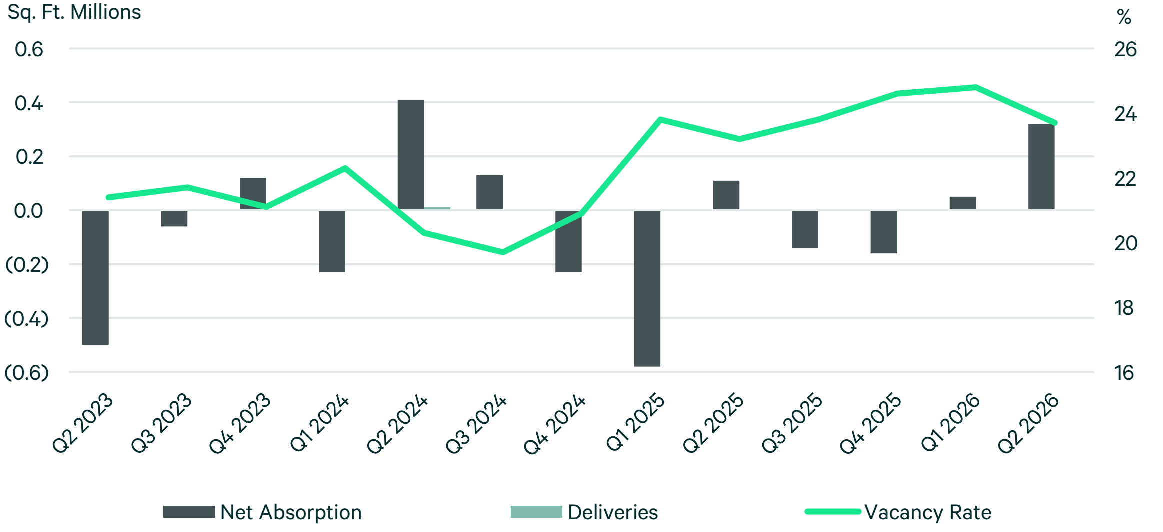
Market Overview

Market fundamentals improved substantial in Q2 2026 as the market recorded 315,000 sq. ft. of positive net absorption, an increase of nearly 690,000 sq. ft. from the previous quarter. Stronger demand drove overall vacancy down 160 basis points quarter over quarter, while availability declined by 350 basis points over the same period.

The quarter’s performance was primarily driven by an uptick in leasing activity, with 420,000 sq. ft. of new deals signed. The largest lease was a confidential tenant's 177,000 sq. ft. full-building commitment in Southeast Guilford, followed by Kaiser Permanente's 74,000 sq. ft. full-building lease in Southwest Greensboro. Together, these transactions contributed to the market's strongest quarterly demand performance since Q2 2024 and reinforced improving occupier activity across the region.

In addition to increased leasing activity, Hobby Lobby's $8 million purchase of the former Hanes Brands global headquarters, a two-building, 429,000 sq. ft. campus in North Forsyth, removed a glut of available space from the market. Hobby Lobby has not announced any long-term plans for the buildings.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q2 2026

Vacancy

Overall vacancy was 23.2% in Q2, down 24.8% from the prior quarter. Class A vacancy fell slightly to 28.5% and has remained in this range for the past year and a half. Similarly, Class C vacancy decreased modestly to 8.3% but remains elevated above its low of 5.2% in Q2 2024. While Class A and C are somewhat stuck in a holding pattern, Class B vacancy saw a 220 bps decrease quarter-over-quarter and sits at 22.1%, the lowest since Q4 2024.

Combined Greensboro and Winston-Salem CBD vacancy fell for the third consecutive quarter and are now 17.4%, 370 bps lower than their high of 21.1% in Q1 2024. Since Q1 2025, Greensboro CBD has seen an uptick in demand, and vacancy has fallen 310 bps in that same time frame. While submarket vacancy has been trending positively, most of this improvement can be singularly attributed to Arch U.S. Mortgage Insurance Services taking 81,000 sq. ft. of space at Renaissance Plaza in Q4 2025. Winston-Salem CBD vacancy, at 21.5% in Q2 2026, has been relatively stable over the past year and a half.

Within the suburban submarkets, Northeast Guilford recorded the lowest overall vacancy in Q2 2026 at 4.8%, followed by High Point at 12.2%. Southeast Guilford posted the highest vacancy of the period at 57.4%, though it saw drastic quarter-over-quarter improvement as 162,000 sq. ft. of vacant space was removed from the market.

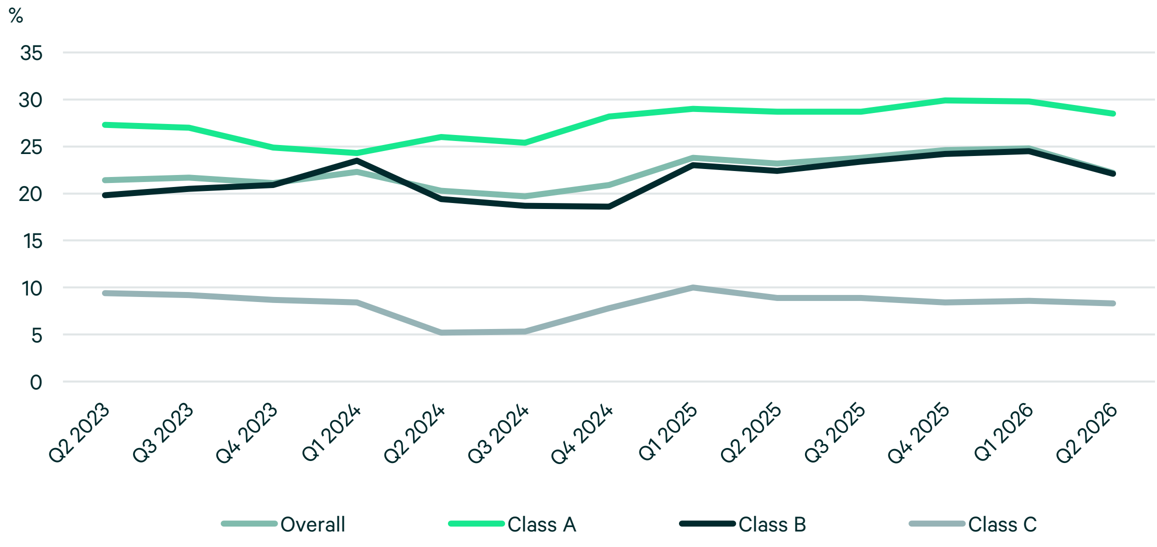
Asking Rent

Average overall asking rent decreased 4.8% from Q1 to $20.03 per sq. ft. and is down 6.1% from $21.33 per sq. ft. one year ago. Despite these recent declines, overall asking rents remain above historical levels, increasing 3.4% from $19.38 per sq. ft. in Q2 2023.

Class A asking rents averaged $22.21 per sq. ft. in Q2 2026, representing a 7.5% decline from $24.00 per sq. ft. in the prior quarter and a 3.4% decrease from $23.00 per sq. ft. in Q2 2025. Class A rents have risen 5.8% since Q2 2023, with Class A properties consistently commanding a premium over the broader market during this period. The successful leasing of high-dollar availabilities adjusts the weighted calculation of rent and contributed to the lower rental rate averages in Q2; base rent for Q2 leases averaged $21.67 per sq. ft. - above the market average.

In Q2 2026, Greensboro CBD and Northeast Guilford were the highest-priced areas, at $25.57 and $23.52 per sq. ft., respectively. Northwest Guilford and Airport also posted higher averages, at $22.56 and $21.15 per sq. ft., while Southwest Greensboro, West Forsyth, and Winston-Salem CBD were in the high-teens, between $18.29 and $19.70 per sq. ft. North Forsyth and High Point were the lowest-priced submarkets, at $14.00 and $15.50 per sq. ft., respectively.

Figure 2: Vacancy Rates by Class



Source: CBRE Research, Q2 2026

Figure 3: Average Direct Asking Rate by Class

Source: CBRE Research, Q2 2026

Net Absorption

In Q2 2026, the market recorded total net absorption of 315,000 sq. ft., marking the strongest quarterly demand since Q2 2024, and bringing the year-to-date total to 366,000 sq. ft. The sharp quarter-over-quarter improvement was primarily driven by Class B space which accounted for 165,000 sq. ft., or 52.4% of the total. It's also worth noting that Class A space contributed 141,000 sq. ft. of positive absorption in the quarter marking the first time since Q4 2023 that Class A absorption has been over 100,000 sq. ft..

At the submarket level, Southeast Guilford was the driving force of positive absorption, adding 162,000 sq. ft. through a confidential tenant's full-building lease of 5450 Millstream Road. The building formerly housed LabCorp but has been mostly vacant since they moved out in early 2023. Southwest Greensboro, Greensboro CBD, and High Point contributed a combined 108,000 sq. ft. to the total, with each submarket accounting for more than 30,000 sq. ft..

Airport was the only submarket with negative net absorption, caused by a mix of smaller tenants changing space.

Figure 4: Net Absorption Trend

Source: CBRE Research, Q2 2026

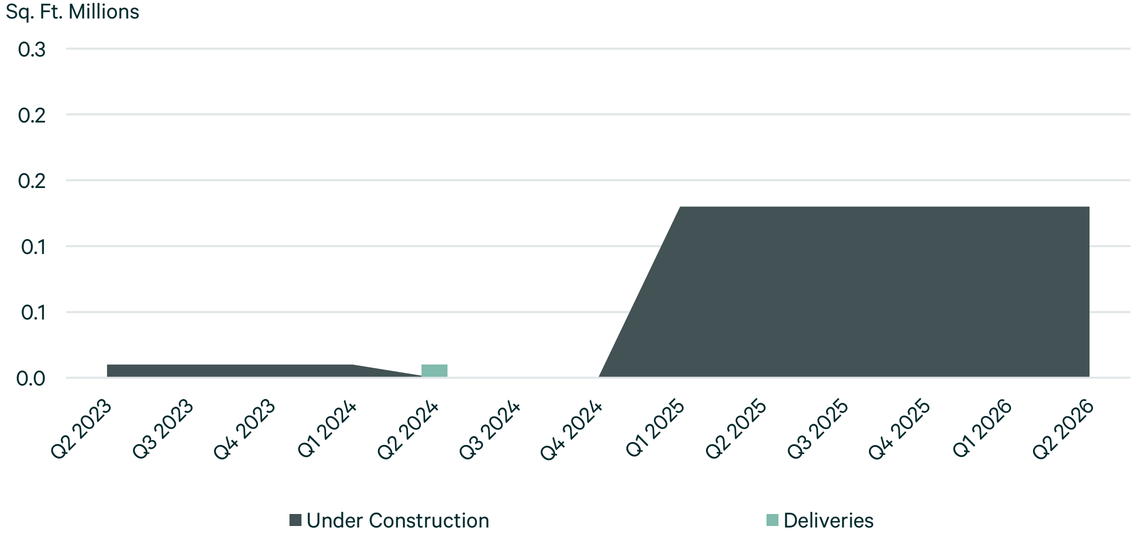
Construction Activity

The broader development landscape remains relatively subdued, with no significant speculative office projects breaking ground during the quarter. The market's only property under construction today is The Grounds, a 127,000 sq. ft. build-to-suit Class A office within a larger mixed-use development by Carter and Front Street Capital. Wake Forest University intends to fully lease the building upon delivery, and the project was designed specifically to accommodate its administrative functions to optimize on-campus space for academic use.

A unique outlier, JetZero has begun extensive renovations at 725 North Regional Road, a 108,000 sq. ft. building they leased earlier this year from Piedmont Triad Airport Authority. Once complete, the space will accommodate the company's engineering, executive, and administrative teams. As a government owned property, the facility is not tracked in CBRE's statistical inventory and development pipeline.

Overall, the market's development pipeline remains limited, helping to moderate new supply pressures and allowing vacancy to continue stabilizing in the near term.

Figure 5: Construction Activity



Source: CBRE Research, Q2 2026

Leasing Activity

Total leasing activity was 477,000 sq. ft. in Q2 2026, bringing the year-to-date total to 685,000 sq. ft. The largest deal of the quarter was in Southeast Guilford, where a confidential tenant signed for the entire building at 5450 Millstream Road. If we remove this lease from the total, due to it being an outlier and the largest deal in the market in more than 8 years, total leasing activity was still substantially above-average at 300,000 sq. ft.

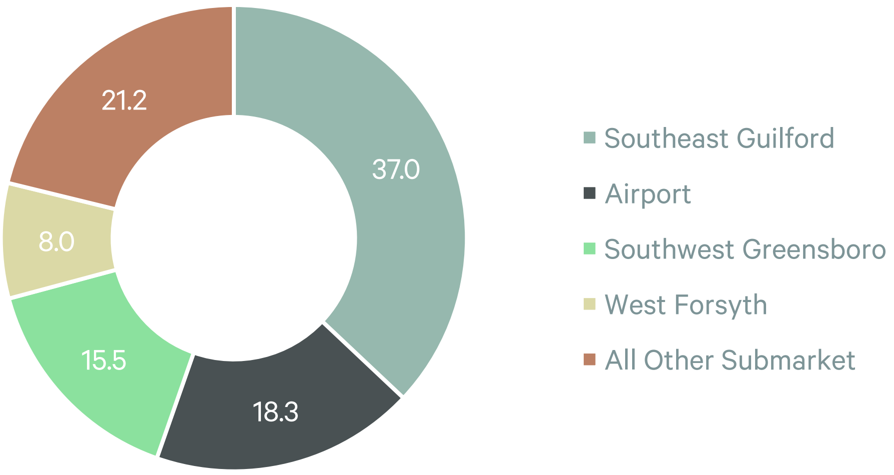
By submarket, Southeast Guilford recorded the highest total leasing activity in Q2 2026 with 177,000 sq. ft. of commitments, followed by Airport with 88,000 sq. ft., then Southwest Greensboro with 74,000 sq. ft. of signings. Aside from these submarkets, leasing activity was most concentrated in West Forsyth, High Point, and Northwest Guilford which combined for 98,205 sq. ft. of activity.

The uptick in leasing brought the trailing-twelve-months total to 931,000 sq. ft., up 404,000 quarter-over-quarter and 780,000 sq. ft. year-over-year.

Figure 6: Leasing Activity Trend

Source: CBRE Research, Q2 2026

Figure 7: Leasing 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	177,000	New Lease	5450 Millstream Rd	Southeast Guilford
Kaiser Permanente	74,000	New Lease	4620 Grandover Pkwy	Southwest Greensboro
CACI	39,000	Renewal	4090 Premier Dr	Airport
Environmental Air Systems	33,000	New Lease	1829 Eastchester Dr	High Point
Confidential Tenant	24,000	New Lease	7025 Albert Pick Rd	Airport
High Point University Health	13,000	New Lease	806 Green Valley Rd	Northwest Guilford

Source: CBRE Research, Q2 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)	Q2 2026 Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	7.35M	28.5	28.7	27.6	1.2	22.21	141,000	152,000	-	127,000
Class B	10.00M	22.1	19.4	17.9	1.5	19.28	165,000	202,000	-	-
Class C	1.89M	8.3	11.7	11.6	0.2	14.91	9,000	12,000	-	-
Total	**19.24M**	**23.2**	**22.2**	**21.0**	**1.2**	**20.03**	**315,000**	**366,000**	**-**	**127,000**

Source: CBRE Research, Q2 2026

Figure 10: 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)	Q2 2026 Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	3.74M	31.7	32.2	30.2	2.0	20.67	127,000	128,000	-	127,000
Class B	7.81M	21.4	22.6	20.7	2.0	18.95	126,000	144,000	-	-
Class C	1.10M	7.2	13.1	13.1	-	15.10	7,000	8,000	-	-
Total	**12.65M**	**22.8**	**24.6**	**22.8**	**1.8**	**19.28**	**260,000**	**280,000**	**-**	**127,000**

Source: CBRE Research, Q2 2026

Figure 11: 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)	Q2 2026 Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	3.61M	25.1	25.1	24.8	0.3	24.33	14,000	24,000	-	-
Class B	2.20M	7.6	8.2	8.2	-	21.05	39,000	58,000	-	-
Class C	781,000	9.8	9.8	9.4	0.4	14.75	2,000	4,000	-	-
Total	**6.59M**	**17.4**	**17.7**	**17.5**	**0.2**	**21.94**	**55,000**	**86,000**	**-**	**-**

Source: CBRE Research, Q2 2026

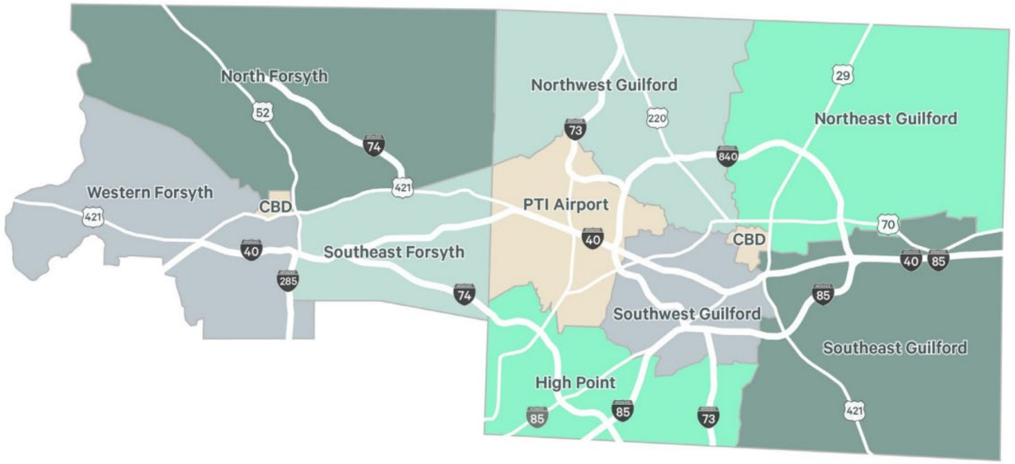
Market Statistics by Submarket

Figure 12

Submarket	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate ($/SF FSG/yr)	Q2 2026 Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Airport	3.01	25.6%	27.1%	25.1%	2.0%	$21.17	-4,000	11,000	-	-
Greensboro CBD	2.88	12.2%	12.8%	12.4%	0.3%	$23.67	33,000	42,000	-	-
High Point	659,000	12.2%	14.1%	12.3%	1.7%	$15.15	33,000	13,000	-	-
North Forsyth	2.13	40.6%	23.5%	23.5%	-	$14.00	-	-2,000	-	127,000
Northeast Guilford	536,000	4.8%	9.0%	9.0%	0.0%	$22.55	-	-10,000	-	-
Northwest Guilford	1.89	20.0%	21.0%	18.5%	2.5%	$22.60	15,000	42,000	-	-
Southeast Guilford	897,000	57.4%	58.1%	58.1%	-	-	162,000	159,000	-	-
Southwest Greensboro	1.61	22.3%	24.6%	24.6%	-	$17.70	43,000	45,000	-	-
West Forsyth	1.92	16.4%	17.9%	12.3%	5.6%	$20.16	12,000	22,000	-	-
Winston-Salem CBD	3.71	21.5%	21.5%	21.3%	0.1%	$20.61	21,000	44,000	-	-
Total	**19.24**	**23.2%**	**22.2%**	**21.0%**	**1.2%**	**$20.03**	**315,000**	**366,000**	**-**	**127,000**

Source: CBRE Research, Q2 2026

Market Area Overview



CBRE Offices

CBRE | Triad

101 Centreport Dr., Suite 160
Greensboro, NC 27409

Survey Criteria

CBRE's competitive office inventory includes buildings with 10,000 sq. ft. or more of office space located within Guilford and Forsyth 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.

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 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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