

FIGURES | RALEIGH-DURHAM INDUSTRIAL | Q1 2026

# Industrial Construction Boosts Vacancy and Lifts Class A Asking Rents

▲ 9.1%

Vacancy Rate

▼ 184,000

SF Positive Net Absorption

▼ 1.3M

SF Construction Delivered

▲ 5.6M

SF Under Construction

▲ \$11.37

NNN/YR Direct Overall Lease Rate

Note: Arrows indicate change from previous quarter.

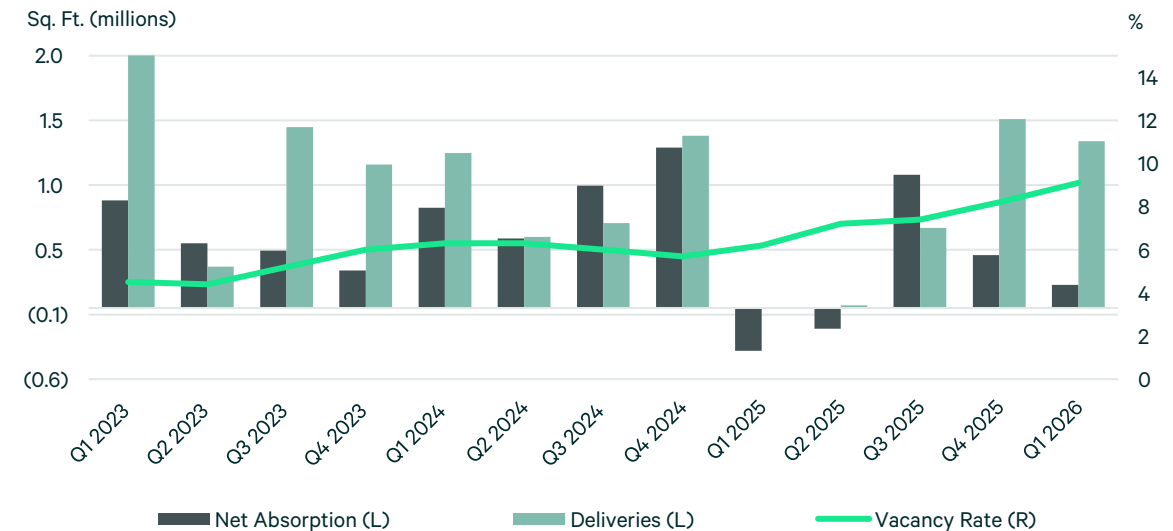
## Market Overview

Construction activity remains elevated across the market, gaining from 2.2 million sq. ft in Q4 2024 to 5.6 million sq. ft. in Q1 2026, with ongoing deliveries expanding supply and pushing availability higher. Leasing activity steadied later in the period, but vacancy continued to rise as added inventory outpaced absorption. On a year-over-year basis for Q1, vacancy rose 2.9% and availability increased 1.5%.

The RTP/I-40 Corridor recently showed increased leasing activity, reinforcing this submarket's fundamentals and critical position within the Raleigh-Durham market, while Eastern Wake County distinguished itself through tightening availability and notable absorption tied to several large occupancies.

Pricing trends reflected the changing supply mix. Overall quarter-over-quarter asking rates faced some downward pressure as Class B and C properties made up a larger share of available space. Asking rates have increased by 7.0% year-over-year market-wide. Cary sustained the highest asking rents, while Granville County remained among the most affordable, underscoring growing differentiation across submarkets as the market adjusts to elevated supply.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q1 2026

## Availability Rate

Warehouse availability within the market was at 8.8%, an increase of 50 basis points (bps) quarter-over-quarter and an increase of 140 bps year-over-year. Class C warehouse had a 130 bps increase in availability quarter-over-quarter with an increase of 300 bps year-over-year resulting in an availability rate at 7.4%. Class B warehouse space had an availability rate at 6.2%, decreasing quarter-over-quarter by 40 bps and decreasing year-over-year by 110 bps.

Flex total availability sits at 10.1% up 80 bps from last quarter, with a year-over-year increase of 100 bps. Class A flex availability is 19.1%, up 70 bps from last quarter and 490 bps from Q1 2025. Flex Class B has increased in availability from last quarter 60 bps and increased year-over-year by 10 basis points.

New construction drove increased availability and vacancy this quarter as more than 200,000 sq. ft. delivered vacant in Johnston County and another 350,000 sq. ft. delivered vacant in North Durham. This new vacancy numerically overshadowed recent successful leasing captured in other submarkets, increasing overall net availability in Q1 to 9.0%.

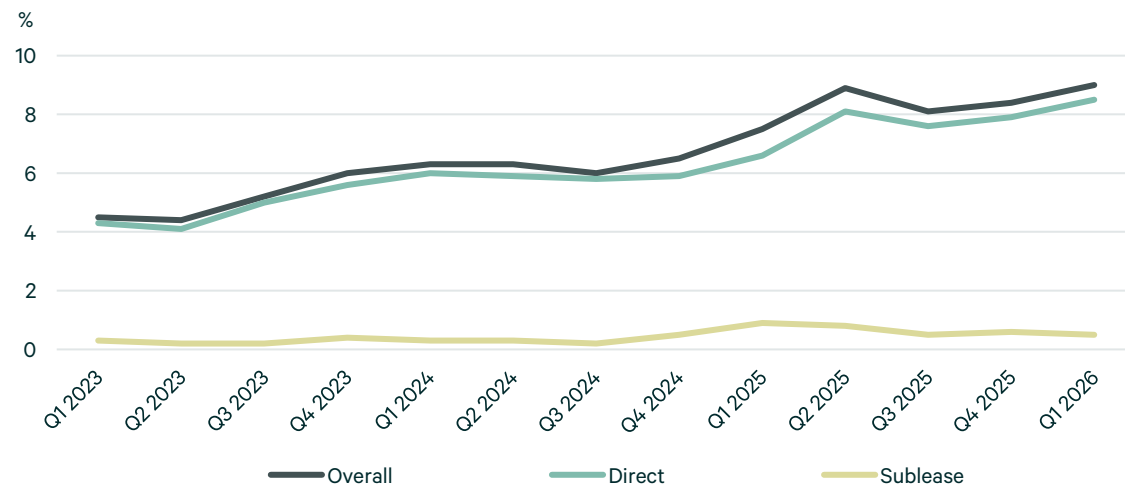
## Asking Rent

The market-wide average asking rent reached \$11.37 per sq. ft. in Q1 2026. This represented a 3.4% increase quarter-over-quarter and a 7.0% increase year-over-year.

Flex asking rates went to \$17.79, a roughly 1.0% increase quarter-over-quarter and a 1.4% increase year-over-year. Warehouse rates experienced higher rent growth, with a 6% increase quarter-over-quarter. Overall warehouse rates year-over-year increased by 10%, pulled upward by Class A rent growth. Class A warehouse are now \$10.48, a 16.8% price increase year-over-year, predominantly caused by new construction premiums lifting top-of-market rents.

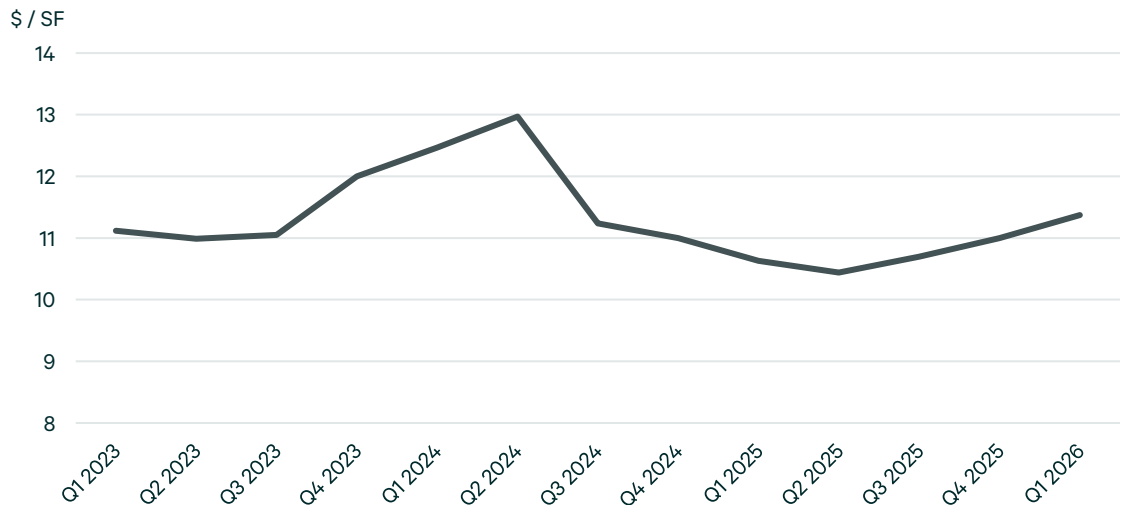
Manufacturing asking rates currently average at \$6.89 in the Raleigh-Durham market, and Distribution/Logistics facilities average at a rate of \$9.98.

Figure 2: Availability Rates



Source: CBRE Research, Q1 2026

Figure 3: Average Direct Asking Rate



Source: CBRE Research, Q1 2026

## Net Absorption

Net absorption totaled positive 184,000 sq. ft. in Q1 2026, below the 412,000 sq. ft. recorded in Q4 2025. The Q1 2026 result exceeded the negative 326,000 sq. ft. total from Q1 2025, marking a clear improvement from last year's contraction.

Flex space totaled positive 140,000 sq. ft. in Q1 2026. This is a large increase of 230,000 sq. ft. compared to last quarter, and an increase of 160,000 sq. ft. year-over-year. Warehouse space had 45,000 sq. ft. of positive absorption. A notable pending occupancy to lift absorption later in 2026 includes 501,000 sq. ft. at Crosspoint Logistics Center I in the Johnston County submarket, as the tenant prepares to move in later this year.

Net absorption for Q1 2026 was concentrated primarily in the Eastern Wake County submarket with 464,000 sq. ft. for the quarter. This was primarily caused by three large tenants occupying, together creating over 310,000 sq. ft. of positive absorption. One of the largest move outs of the quarter occurred in RTP-I/40 corridor from North State Express, Inc, creating 156,000 sq. ft. of negative absorption and offsetting some otherwise positive absorption in the submarket.

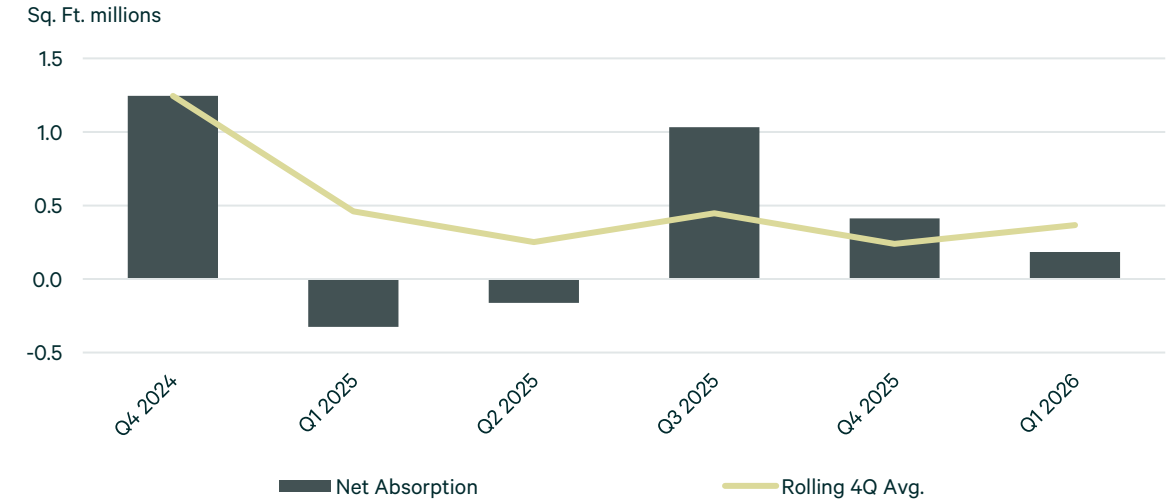
## Construction Activity

In Q1 2026, the market recorded 1.3 million sq. ft. of industrial deliveries while 5.6 million sq. ft. remained under construction. The active construction pipeline grew 0.8% quarter-over-quarter and 23.6% year-over-year.

Over 1.1 million sq. ft. of warehouse space was completed this quarter with Crossroads Trade Center Building 2, Durham Logistics Center, and US 1 North Commerce Center Building 5 delivering. Among all warehouse space delivered in Q1 2026, 50% has been preleased. Three flex buildings delivered over 170,000 sq. ft. combined, with 23% preleased. The largest flex delivery was Wake Forest Exchange Building A delivered in US 1/Capital Boulevard submarket.

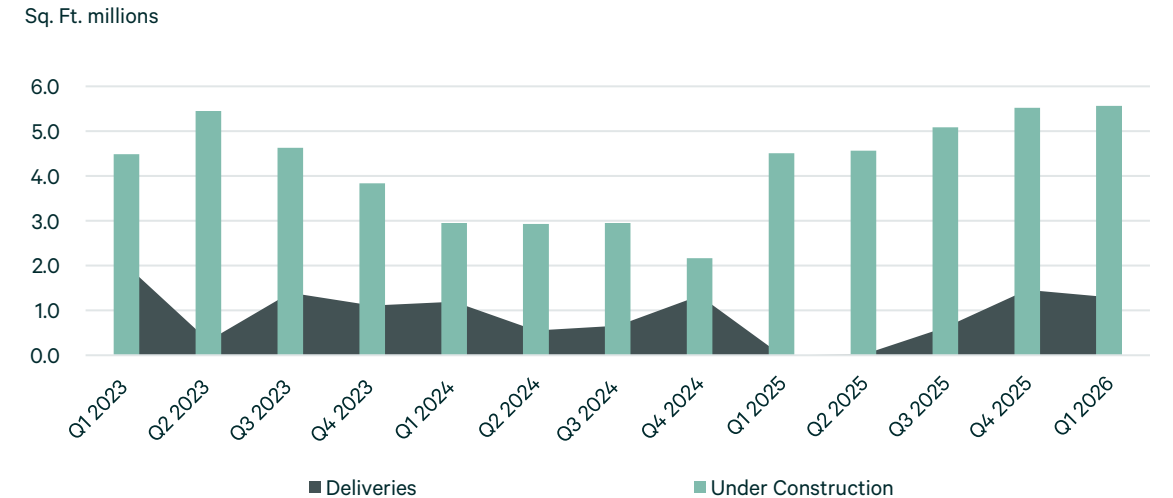
Meaningfully in Q1, Garner Commerce Center – a 2023 built, three-building flex portfolio in Eastern Wake County - sold to Rockpoint at \$284/SF as part of a larger portfolio sale within North Carolina. This transaction underscores how premium construction costs continue to significantly influence both sale and lease rates, driving top-of-market pricing for new, high-quality assets.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q1 2026

Figure 5: Construction Activity



Source: CBRE Research, Q1 2026

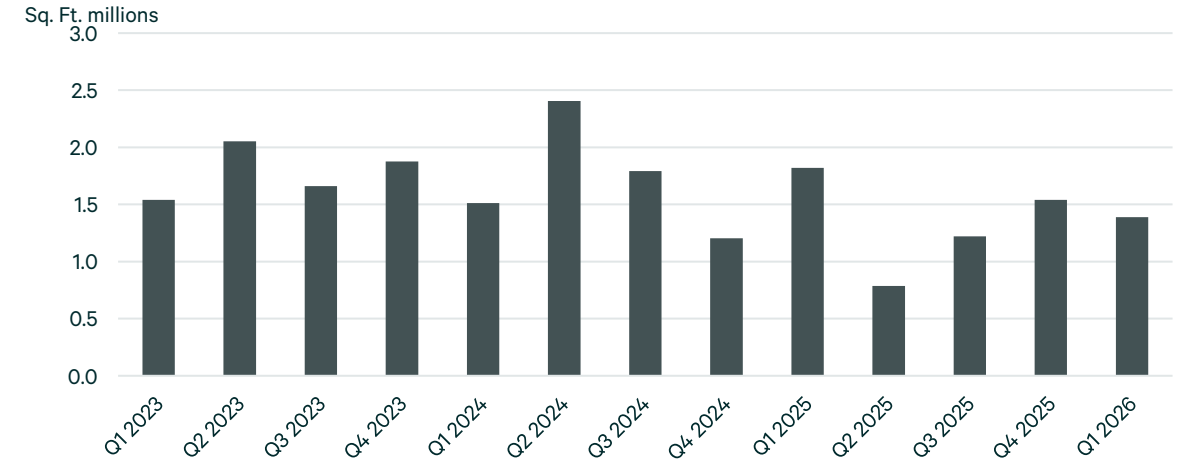
## Leasing Activity

At the close of Q1 2026, leased area totaled 1.4 million sq. ft., down 9.6% quarter-over-quarter. Across the last 3 years the market has averaged 1.6 million sq. ft. per quarter, with only 1.3 million sq. ft. on average quarterly in 2025. Therefore, Q1 2026 is currently tracking below the three-year trend but higher than 2025 quarterly averages. In Q1 2026 specifically, the average lease size was around 40,000 sq. ft..

The largest submarket for leasing activity was the RTP/I-40 Corridor. The RTP submarket was outpaced by Eastern Wake County during 2025, but due to Eastern Wake County’s now-lower availability, leasing velocity has begun to slow comparatively.

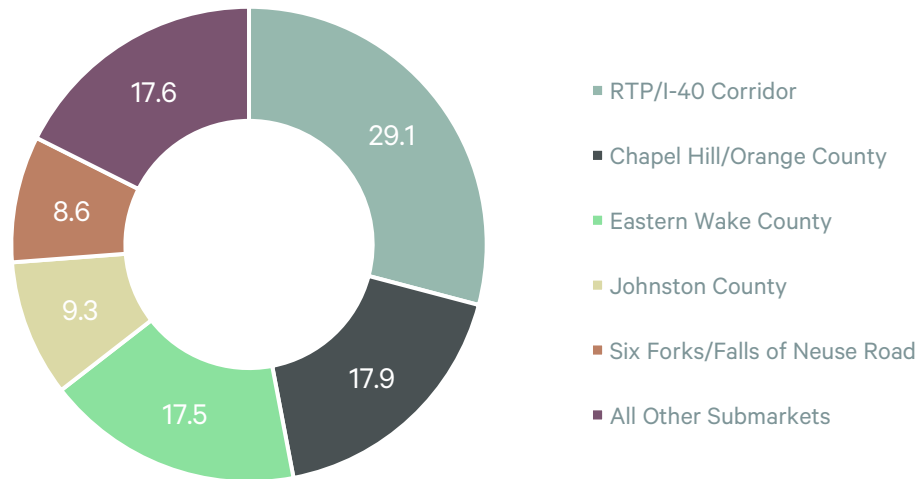
Tenants-in-the-market demand has spiked due to a multiple tenants looking for 250,000 sq. ft. or more of space. Bulk requirements represent 45% of the demand in the market. A stark bifurcation, nearly 12% of demand is for a smaller footprint, where tenants are seeking space under 50,000 sq. ft..

Figure 6: Leasing Activity Trend



Source: CBRE Research, Q1 2026

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



Source: CBRE Research, Q1 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Confidential Life Science	129,000	Renewal	834 Brogden Rd	Johnston County
Millennium Print Group	119,000	Renewal	10900 World Trade Boulevard	RTP/I-40 Corridor
JB Hunt Transportation	106,000	Renewal	3006 Industrial Drive	Six Forks/Falls of Neuse Road
Confidential Tenant	101,000	New Lease	831 Arrowrock Road	Eastern Wake County
Confidential Tenant	93,000	New Lease	900 Mattress Factory Road	Chapel Hill/Orange County
Anduril	74,000	New Lease	619 Distribution Drive	RTP/I-40 Corridor
JD Service	46,000	New Lease	2311 Englert Drive	RTP/I-40 Corridor

Source: CBRE Research, Q1 2026

## Market Statistics by Size

Figure 9

Size Range	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Q1 Net Absorption (SF)	YTD Net Absorption (SF)	Under Construction (MSF)	Deliveries (MSF)
Under 100,000 sq. ft.	40.10	5.4	6.3	5.5	0.8	15.15	245,000	245,000	0.99	0.18
100,000-199,999 sq. ft.	29.51	8.0	8.4	7.8	0.6	10.86	112,000	112,000	2.91	-
200,000-299,999 sq. ft.	15.75	19.6	22.2	21.5	0.6	9.90	(172,000)	(172,000)	1.67	0.21
300,000-499,999 sq. ft.	11.95	11.3	9.7	9.7	-	8.69	-	-	-	0.35
500,000-749,999 sq. ft.	7.64	16.2	5.2	5.2	-	11.50	-	-	-	0.55
750,000 sq. ft.	6.54	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>111.49</b>	<b>9.1</b>	<b>9.0</b>	<b>8.5</b>	<b>0.5</b>	<b>11.37</b>	<b>184,000</b>	<b>184,000</b>	<b>5.57</b>	<b>1.29</b>

Source: CBRE Research, Q1 2026

## Market Statistics by Product Type

Figure 10

Product Type	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Q1 Net Absorption (SF)	YTD Net Absorption (SF)	Under Construction (MSF)	Deliveries (MSF)
Distribution/Logistics	71.65	10.4	10.3	9.7	0.5	9.98	329,000	329,000	4.79	1.11
Manufacturing - General	19.09	5.1	4.1	4.1	-	6.89	(284,000)	(284,000)	0.21	-
R&D/Flex	18.91	9.2	10.1	9.1	1.0	17.79	139,000	139,000	0.44	0.18
Other Industrial	1.84	-	-	-	-	-	-	-	0.13	-
<b>Total</b>	<b>111.49</b>	<b>9.1</b>	<b>9.0</b>	<b>8.5</b>	<b>0.5</b>	<b>11.37</b>	<b>184,000</b>	<b>184,000</b>	<b>5.57</b>	<b>1.29</b>

Source: CBRE Research, Q1 2026

## Market Statistics by Class

Figure 11

Property Class	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Q1 Net Absorption (SF)	YTD Net Absorption (SF)	Under Construction (MSF)	Deliveries (MSF)
Class A	36.22	17.7	13.7	12.8	0.9	17.36	277,000	277,000	5.57	1.29
Class B & C	75.27	5.0	6.8	6.4	0.4	11.08	-93,000	-93,000	-	-
<b>Total</b>	<b>111.49</b>	<b>9.1</b>	<b>9.0</b>	<b>8.5</b>	<b>0.5</b>	<b>11.37</b>	<b>184,000</b>	<b>184,000</b>	<b>5.57</b>	<b>1.29</b>

Source: CBRE Research, Q1 2026

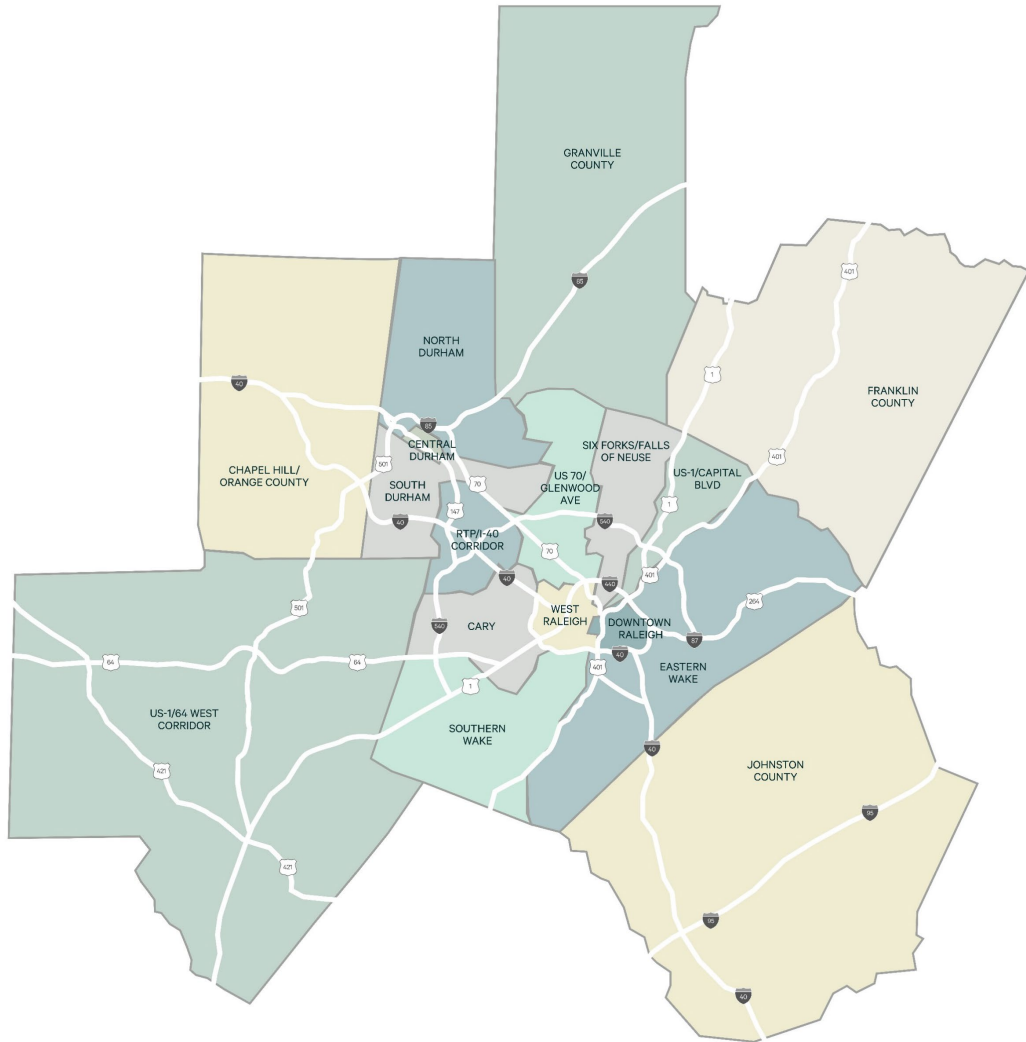
## Market Statistics by Submarket

Figure 12

Submarket	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Q1 Net Absorption (SF)	YTD Net Absorption (SF)	Under Construction (MSF)	Deliveries (MSF)
Cary	2.49	2.3	2.3	1.1	1.2	19.04	15,000	15,000	-	-
Chapel Hill/Orange County	6.09	12.5	11.6	11.6	-	9.41	2,000	2,000	0.33	-
Eastern Wake County	23.66	4.1	4.0	3.7	0.3	11.12	464,000	464,000	1.21	0.06
Franklin County	4.65	24.0	13.7	13.7	-	11.04	15,000	15,000	0.11	0.55
Granville County	5.59	2.2	3.1	3.1	-	7.14	-	-	-	-
Johnston County	10.22	10.4	6.7	6.7	-	13.18	63,000	63,000	1.07	0.27
North Durham	3.67	30.2	31.4	31.4	-	10.76	(188,000)	(188,000)	0.20	0.35
RTP/I-40 Corridor	22.78	8.2	10.9	9.4	1.6	13.63	(92,000)	(92,000)	0.73	-
Six Forks/Falls of Neuse Road	2.57	10.8	10.4	9.1	1.2	10.42	(1,000)	(1,000)	-	-
South Durham	1.25	3.6	3.4	3.4	-	16.65	(5,000)	(5,000)	-	-
Southern Wake County	6.48	12.3	12.5	12.4	0.1	10.90	21,000	21,000	1.53	-
US 1/Capital Boulevard	7.87	6.4	9.6	9.0	0.6	16.24	-	-	-	0.06
US 1/Highway 64 West	10.12	14.0	11.5	11.5	-	7.64	(96,000)	(96,000)	0.40	-
US 70/Glenwood Avenue	2.67	1.8	2.4	1.8	0.6	15.81	(23,000)	(23,000)	-	-
West Raleigh	1.38	3.0	6.7	6.0	0.7	18.45	11,000	11,000	-	-
<b>Total</b>	<b>111.49</b>	<b>9.1</b>	<b>9.0</b>	<b>8.5</b>	<b>0.5</b>	<b>11.37</b>	<b>184,000</b>	<b>184,000</b>	<b>5.57</b>	<b>1.29</b>

Source: CBRE Research, Q1 2026

## Market Area Overview



### CBRE Industrial

#### CBRE | Raleigh

555 Fayetteville Street, Suite 800  
Raleigh, NC 27601

#### Survey Criteria

To more accurately reflect the dramatic growth in Raleigh-Durham's industrial market, CBRE has added Franklin and Granville counties to its geographical coverage area. Wake, Durham, Orange, Johnston, Chatham and Lee counties are also included.

CBRE's statistical industrial inventory includes warehouse buildings with 20,000 sq. ft. or more of building area and flex buildings with 10,000 sq. ft. or more of building area. Government-owned, medical and life science properties are excluded.

Average asking rental rates are weighted by the amount of direct available space per building and are quoted on a triple-net basis, per sq. ft., per year. Net absorption is based on physical occupancy timing. Leasing activity is based on deal execution timing.

### Contacts

#### Kenlie Chap

Associate Research Director  
+1 704 612 9102  
[kenlie.chap@cbre.com](mailto:kenlie.chap@cbre.com)

#### Kevin Thacker

Research Analyst  
+1 407 455 1959  
[kevin.thacker@cbre.com](mailto:kevin.thacker@cbre.com)

#### Tom Fritsch

Senior Managing Director  
+1 919 831 8200  
[tom.fritsch@cbre.com](mailto:tom.fritsch@cbre.com)

#### Ann-Stewart Patterson, SIOR

Executive Vice President  
+1 919 831 8207  
[ann-stewart.patterson@cbre.com](mailto:ann-stewart.patterson@cbre.com)

#### Austin Nagy

Senior Vice President  
+1 919 831 8197  
[austin.nagy@cbre.com](mailto:austin.nagy@cbre.com)

#### Michael Wallace, SIOR, CCIM

Vice President  
+1 919 831 8188  
[michael.wallace@cbre.com](mailto:michael.wallace@cbre.com)

#### John Hogan, III

Senior Associate  
+1 919 831 8264  
[john.hogan@cbre.com](mailto:john.hogan@cbre.com)