

Raleigh-Durham retail market trends

Fourth Quarter 2021

The Raleigh-Durham retail market is showing signs not only of recovering from the height of COVID-19 restrictions, but also of stabilizing in the face of ongoing structural changes related to e-commerce and shifting consumer preferences.

The painful wave of store closures that unfolded in 2020 opened up opportunities, many in centers where availability is typically scarce, for retailers seeking to enter or expand in the market as restrictions eased. The availability of second-generation restaurant space in particular presented tenants with an opportunity to get up and running with limited upfit costs.

The re-purposing of obsolete space has also positively impacted the market. Epic Games is moving forward with plans to redevelop Cary Towne Center into a new corporate campus, and the former JCPenney at North Hills was

demolished to make way for mixed-use development. In the fourth quarter, Sonic Automotive leased the recently renovated former Crossroads Ford dealership in Cary for the region's first EchoPark Automotive location.

Retail investors picked up the pace in 2021 with sales totaling \$809 million, the highest volume registered since 2016. Cary's oldest mall, South Hills Mall and Plaza, was sold to Loden Properties and NorthPond Partners for \$38.4 million. The new owners are working on redevelopment plans for the property.

While persistent inflation, supply chain issues and labor shortages remain of concern, Raleigh-Durham's retail sector is proving to be resilient in the face of these challenges. The region's outstanding economic recovery and continued torrid population growth are expected to support solid tenant demand in 2022.

Quick stats

	Q4 2021	Q4 2020
Vacancy	6.6%	8.2%
Absorption (TTM)	693,129 sf	-48,374 sf
Deliveries (TTM)	469,058 sf	261,917 sf
Under construction	466,388 sf	973,644 sf
Avg. asking rate (NNN)	\$20.45 psf	\$20.36 psf
Unemployment	2.7%	5.4%

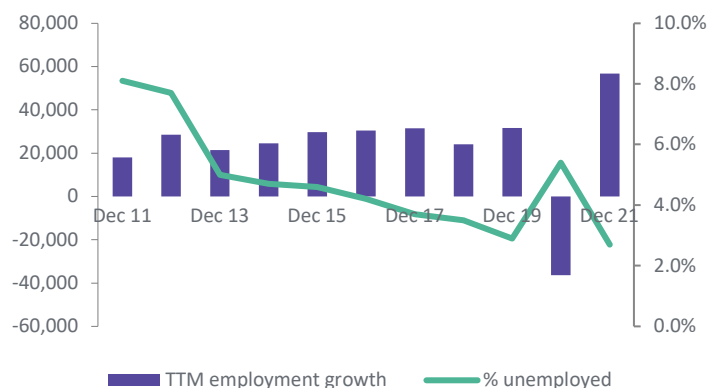
Ranked #3

In January 2022, Zillow ranked Raleigh-Durham the third-hottest housing market in the U.S.

Vacancy and absorption (trailing 12 months)



Raleigh-Durham employment (trailing 12 months)



Get more market information

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Market by the numbers

BY SUBMARKET	VACANCY			NET ABSORPTION		
	Inventory	Vacant SF	Vacant %	4Q21	Last 12 Mos.	SF Underway
West Raleigh	957,651	56,531	5.9%	2,047	9,851	-
US 70/Glenwood Avenue	5,012,103	415,645	8.3%	38,903	(14,955)	11,000
Six Forks Road	1,967,153	122,083	6.2%	(92)	(11,702)	6,627
Wake Forest/Falls of Neuse Road	2,498,952	156,908	6.3%	17,436	12,345	-
US 1/Capital Boulevard	6,548,754	420,622	6.4%	22,850	159,825	123,703
Downtown Raleigh	847,913	153,654	18.1%	24,106	17,467	52,300
Village District	635,120	10,737	1.7%	21,523	37,403	-
Eastern Wake	3,553,956	197,397	5.6%	68,500	89,754	33,053
Southern Wake	4,264,515	172,407	4.0%	6,065	48,947	24,538
Cary	6,851,452	423,001	6.2%	158,781	185,040	199,854
I-40/RTP	1,014,662	43,263	4.3%	895	25,688	9,613
Central Durham	924,726	172,943	18.7%	(2,525)	(35,475)	5,700
North Durham	3,535,699	254,493	7.2%	26,566	39,064	-
South Durham	5,153,914	276,544	5.4%	32,097	27,322	-
Orange County	2,786,054	184,149	6.6%	39,512	102,555	-
Totals	46,552,624	3,060,377	6.6%	456,664	693,129	466,388

[View submarket map](#)

New/expanding retailers

Tenant	Submarket	Comments
Publix	Eastern Wake	Opened ninth Triangle Store at Wendell Falls.
Food Lion	Eastern Wake	Purchased 6.73 acres for future store at 9400 Poole Road in Knightdale.
Starbucks	Eastern Wake	Will open first Wendell location at Treelight Square at Wendell Falls.
Sonic Automotive	Cary	Leased former Crossroads Ford location in Cary for new EchoPark dealership.
Paragon Theaters	Cary	Paragon taking over former Frank Theaters at Parkside Town Commons following renovations.
Archer Paper Goods	Cary	Signed lease at Fenton for first Triangle location.
Club Pilates	Cary	Signed lease at Fenton for ninth Triangle location.
Vestique	Cary	Local clothing boutique signed lease for new location at Fenton.
Las Ramblas	Six Forks Road	New concept from local restaurateur George Bakatsias announced for North Hills.
Giorgio Pizza Bar	Six Forks Road	New concept from local restaurateur George Bakatsias announced for North Hills.
Aldi	Orange County	Backfilling former Stein Mart at Eastgate Crossing for first Chapel Hill location.
Raising Cane's	Orange County	Louisiana-based restaurant purchased former Spanky's building on Franklin Street in Chapel Hill.
Crumbl Cookies	South Durham	Opened first Durham location, fourth Triangle location, at Renaissance Village.
First Watch	Downtown Raleigh	Leased space at Bloc[83] for tenth Triangle location.