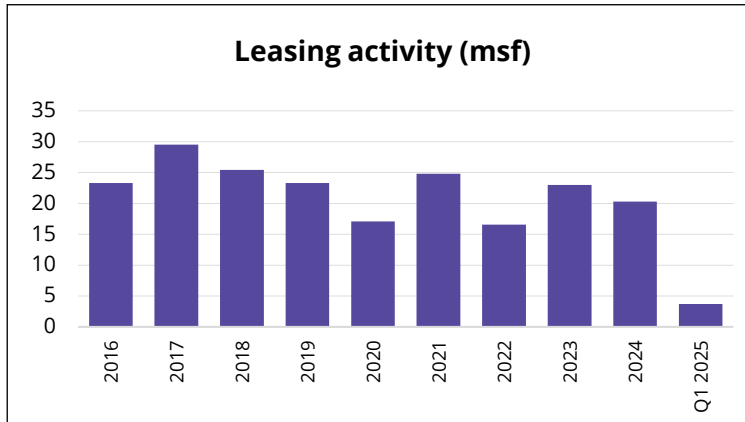


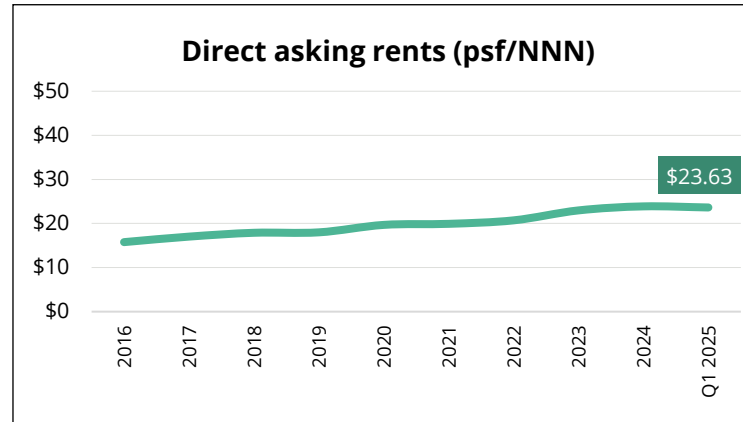
Raleigh-Durham

Retail market snapshot | Q1 2025



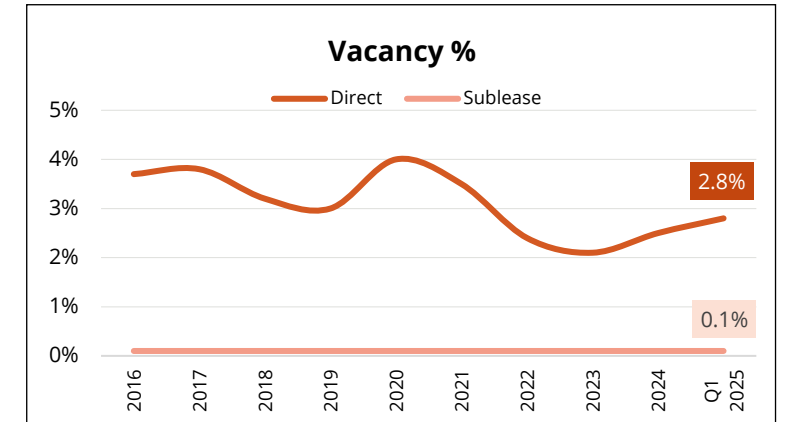
Leasing activity dips during Q1

The Raleigh-Durham retail market began 2025 on a subdued note, reflecting broader national trends in the retail sector. Leasing activity declined by 17.3% year-over-year, with approximately 370,000 square feet leased in Q1. The market also experienced negative net absorption of 170,262 square feet—the lowest level recorded in the past two years. This reduction in occupancy has contributed to a rise in both availability and vacancy rates across the region.



Direct asking rents remain stable

While the market is showing early signs of softening, rental rates have remained stable, posting a 2.8% year-over-year increase. However, with more space becoming available in Q1, average asking rents dipped by 100 basis points compared to Q4 2024. The moderation in rent growth is a key trend to monitor throughout 2025, especially as tariff discussions continue to surface and retailers maintain a cautious approach amid ongoing economic uncertainty.



Vacancy rates continue to rise

Total vacancy increased by 19% since Q4 2024 and is up 56% year-over-year. Over 400,000 square feet of newly available vacant space entered the market in Q1, significantly impacting the quarter's net absorption. A key contributor to the rising vacancy rate is the active development pipeline, with more than 130,000 square feet delivered during the first quarter alone. Vacancy levels may continue to climb throughout 2025, as over 500,000 square feet remains under construction and several additional projects are slated for delivery later this year.

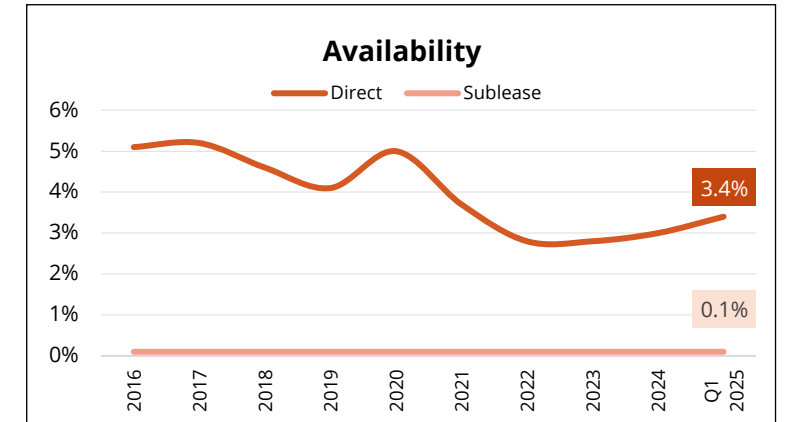
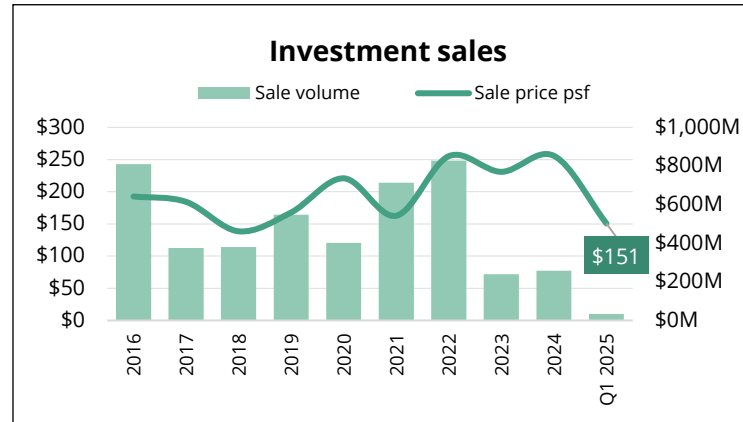
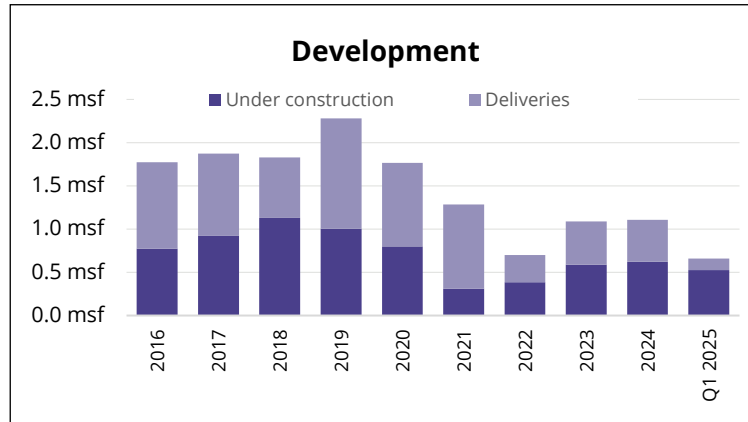
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Get in touch

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Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
Best Buy	5454-5458 New Hope Commons Dr	45,000	Renewal	Direct
Rally House	137 E Franklin St	19,085	New	Sublease
Unknown Tenant	8021-8231 Brier Creek Pky	12,000	New	Direct

Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
CityPlat	4500 Western Blvd	\$14.0M	\$119.21	Z.A. Sneed's Sons, Inc.
Mj2 Holdings	225 N Salem St	\$4.50M	\$205.68	Realty Resource Capital
Centennial Real Estate Company	4125-4142 Durham Chapel Hill Blvd	\$3.09M	\$184.41	Uni-can Corporation