

# Raleigh-Durham

Office market snapshot | Q4 2024

Although the Raleigh-Durham office market has seen past years with higher leasing volume and lower availability, 2024 has been a year where conditions have undoubtedly improved from the lows of years past, and uncertainty has decreased from its post-pandemic highs. This change in sentiment for both occupiers and landlords has translated into improved overall leasing volumes from 2021 and 2022, and higher asking rents for best-in-class office products. Class c availability is the lowest of all product classes at 5.4%, suggesting that tenants in these properties can likely find opportunities in securing higher quality space at bargain prices by working with class a and b landlords on new deals instead of renewing in their same spaces, but choose not to now because of the economic benefits class c spaces offer. Trophy property rates continue to be significantly higher than class a space. Despite availability for trophy properties being high at 44.5%, asking rental rates are unlikely to come down for trophy properties in 2025 as owners are still hoping to make their office investments work.

## 38.9%

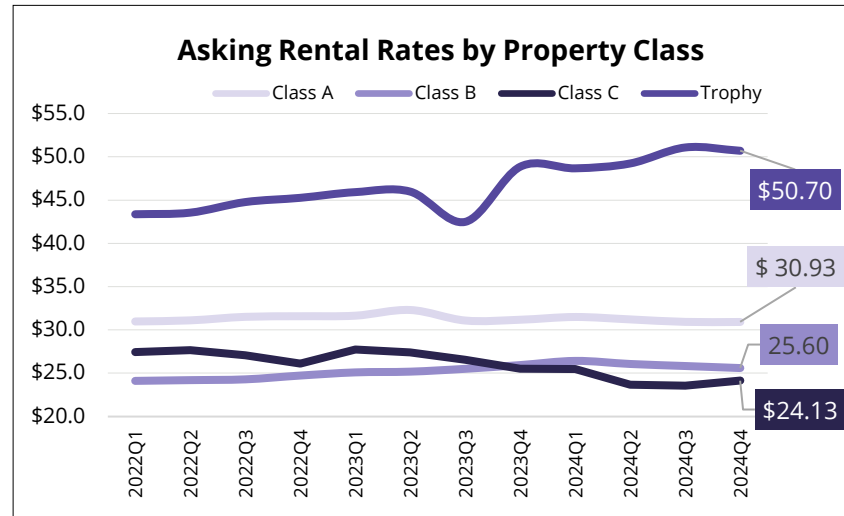
Difference between average trophy asking rental rates, and average class a asking rental rates. This difference is more than any other class asking rental rate difference.

## 49k sf

Difference between 2022 leasing volume, and 2024 leasing volume, falling short of improving volumes from year end 2023.

## 8.25m sf

Of available class a office space in the triangle. Not far from the all time high of 8.5m sf the market saw in Q3 of 2023.



The gap between class a and trophy is the largest of all product classes. Class a is usually much higher quality than class b, yet only 20.0% more expensive on average compared to 38.9% difference between a and trophy.

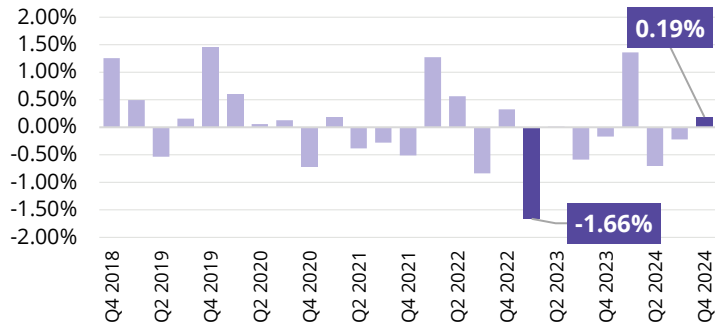


Leasing volume is an excellent measure in quantifying office demand. Although Q4 2024 disappointed, when all other quarters combined are observed year by year, 2024 fared better than every year since 2018.

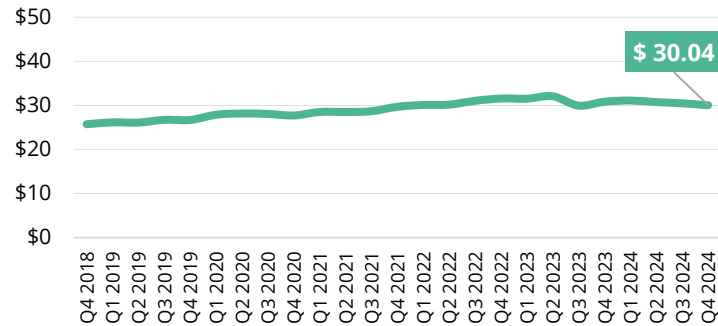
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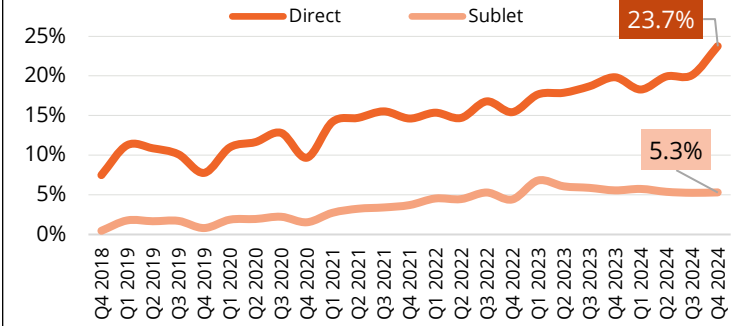
Net absorption as a % of inventory



Direct asking rents (psf/FS)



Availability



Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
Oracle	5200 E Paramount Pky	154,852	Renewal	Direct
GFL Environmental	1000 Social	92,301	New	Direct
ManpowerGroup	701 Corporate Center Dr	66,606	New	Direct
Williams Mullen	301 Fayetteville St	54,939	Renewal	Direct

Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
Duy Khuong Ong	4800 Falls of Neuse Rd.	\$21,350,000	\$125.45	Highwoods Properties
Edgewater Ventures	4601 Six Forks Rd.	\$21,300,000	\$127.81	BGO
Ventas, Inc	6101 Quadrangle Dr.	\$12,100,000	\$401.70	Alexandria Real Estate Equities
LiveSwitch	209 N Salem	\$12,000,000	\$360.75	Oppidan

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## Get in touch

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	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct availability	Sublet availability	Total availability	Total availability change (YoY)	Net absorption % of inventory (QTD)	Net absorption % of inventory (YTD)	Annual direct asking rent psf FS
I-40/RTP	13,692,917	35,000	480,000	3,252,444	1,435,358	4,454,771	(374,642)	1.56%	1.41%	\$ 27.92
Downtown Raleigh	8,117,411	207,000	0	1,191,518	491,537	1,540,401	(14,629)	(1.19%)	(0.72%)	\$ 33.75
West Raleigh	6,670,906	120,694	0	1,361,673	58,631	1,420,304	(271,028)	(0.79%)	2.39%	\$ 28.73
Six Forks Road	4,825,549	689,032	0	824,653	189,534	1,014,187	(140,834)	0.42%	0.83%	\$ 38.66
Downtown Durham	4,199,224	0	0	508,325	262,051	770,376	61,143	0.17%	0.39%	\$ 35.34
Cary	4,098,301	0	217,548	551,074	111,881	662,955	(4,304)	(0.97%)	(0.94%)	\$ 30.00
Glenwood/Creedmoor	3,680,425	0	0	603,549	45,457	649,006	(27,754)	(0.92%)	0.50%	\$ 33.80
Southern Wake County W	3,008,653	0	22,600	967,558	124,491	1,088,750	227,063	(3.46%)	(10.43%)	\$ 27.30
Falls of Neuse Road	2,964,536	325,839	0	601,652	47,746	649,398	(1,381)	2.99%	1.28%	\$ 27.30
US 1/Capital Boulevard	2,660,316	0	0	655,299	174,368	765,542	(225,253)	(0.98%)	4.99%	\$ 32.88
South Durham	1,957,557	0	0	320,540	137,527	458,067	(87,519)	6.67%	3.37%	\$ 28.16
Chapel Hill/Carrboro	1,882,702	0	0	379,346	46,561	422,306	21,083	0.30%	1.70%	\$ 29.16
North Durham	630,135	0	0	138,354	0	138,354	(8,811)	(0.37%)	12.25%	\$ 19.63
Southern Wake County E	484,119	0	0	0	0	0	0	0.00%	0.00%	--
East Raleigh	222,467	0	0	0	0	0	0	0.00%	0.00%	--
Market total	59,095,218	1,377,565	720,148	11,355,985	3,125,142	14,034,417	(848,866)	0.2%	0.6%	\$30.04

Source: Avant by Avison Young, CoStar.

