

Raleigh-Durham

Industrial market snapshot | Q1 2025

The Raleigh-Durham industrial market shows signs of stability heading into the second quarter. While Q1 2025 was modest from a leasing perspective, some large move-ins, including Wolfspeed moving into their 2 msf manufacturing plant, have provided a solid basis for the rest of the year. Asking rents have flattened, as the market continues to absorb large quantities of supply delivered in 2022 and 2023. Construction starts continue to slow following a drop off early in 2024, while vacancy rates have risen slightly owing to those deliveries. Raleigh-Durham is a strong market for tenants, with large volumes of vacant, class A space available. Moderate, but consistent leasing may result in an increase in vacancy and a lowering in rates.

3.8 msf

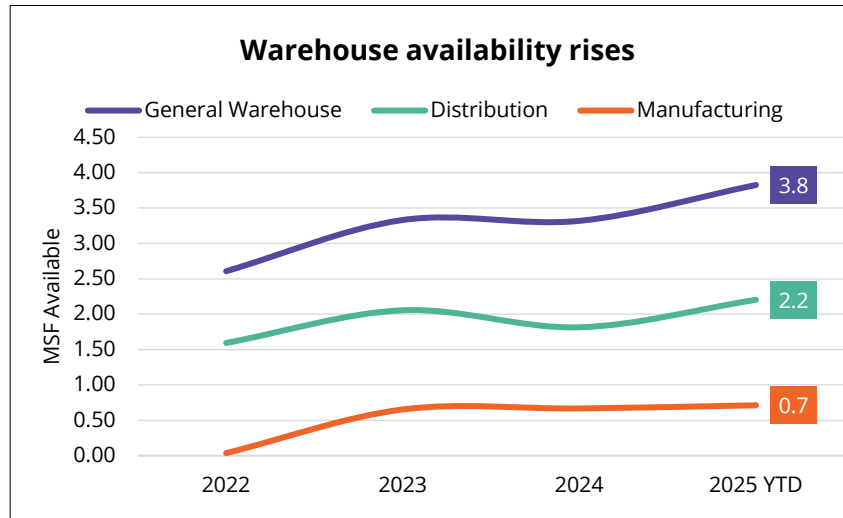
Warehouse availability is **3.8 msf**. This is a 15% increase from 2024, with large quantities of deliveries hitting the market in recent years.

5.4 msf

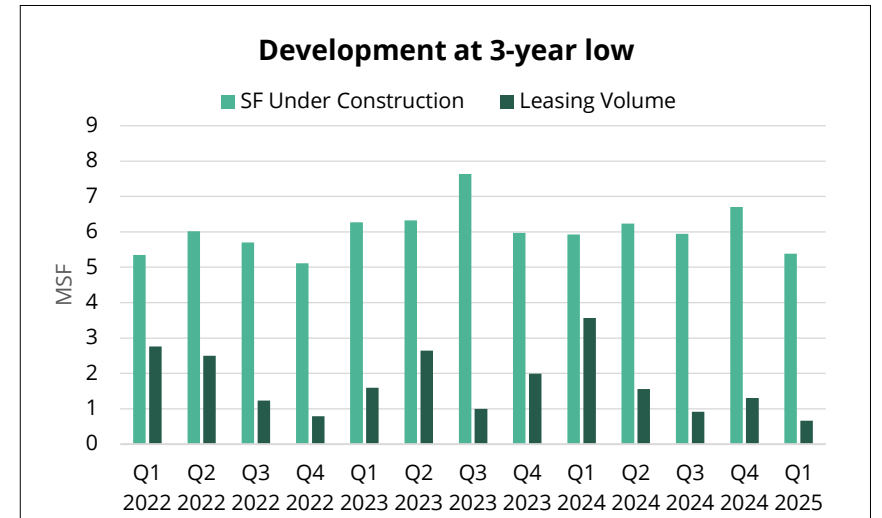
Under construction inventory sits at **5.4 msf**. This is the lowest point since Q4 2022 yet is 15% higher than the past 5-year average.

6.3%

Total vacancy has risen 123 basis points QoQ in Q1 2025. With a slowing development pipeline and strong demand, expect this rate to flatten moving forward.



Over 3.8 msf of warehouse space is available. This is the most amount of space amongst subtypes, while manufacturing has the least with 712k.

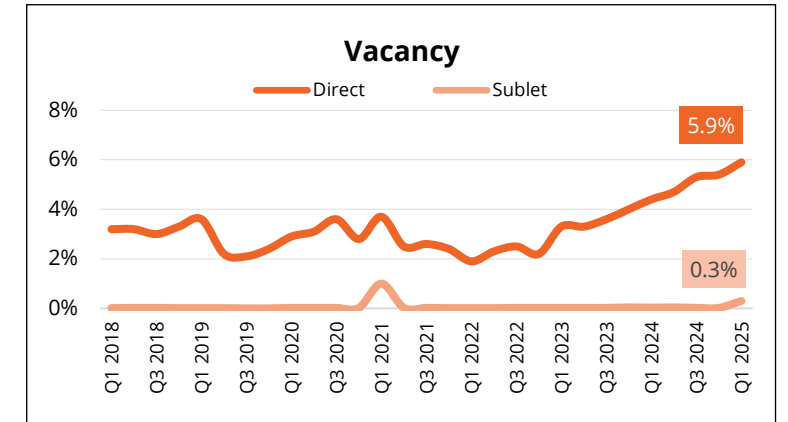
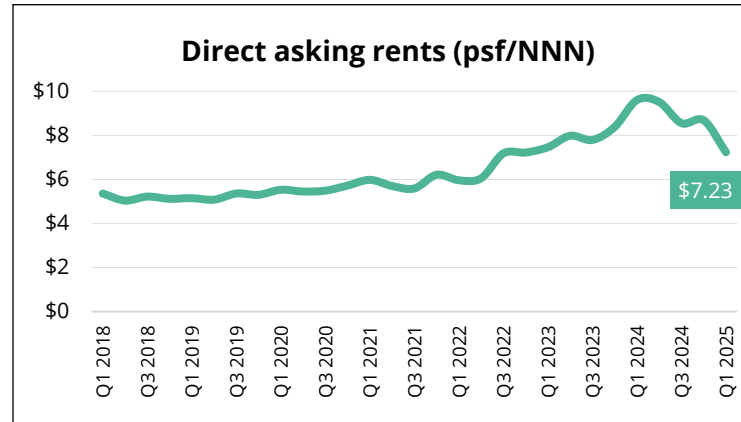
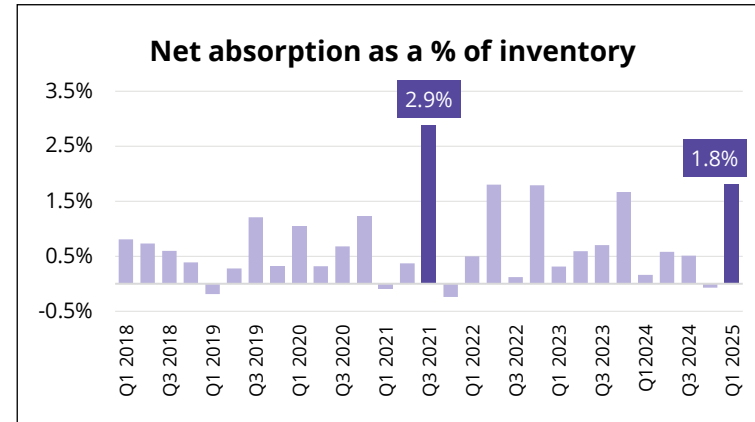


While development has slowed, leading to a 3-year low in under construction inventory, Raleigh remains an attractive market due to a business-friendly state and high-quality labor pool. While leasing has also slowed, it remains consistent YoY.

Source: Avison Young Market Intelligence, CoStar

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Recent leasing activity

Tenant	Address	Size (sf)	Transaction type	Lease type
TireHub	900 Aviation Pky	67,536	New Lease	Direct
Food Bank of Eastern and Central NC	1607 Hamlin Rd	64,000	New Lease	Direct
Central States Industrial	2 Freedom Ct	45,000	Renewal	Direct

Recent sales activity

Buyer	Address	Sale price	Sale price psf	Seller
Bluerock Real Estate	2080 Woodall Dairy Rd	\$28,000,000	\$86	Private Individual
Lightstone	810-880 Lufkin Rd*	\$16,335,500	\$108	LM Real Estate
Lightstone	35 Weathers St*	\$14,713,500	\$124	LM Real Estate

*Part of portfolio sale

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	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Total vacancy change (YoY)	Net absorption % of inventory (QTD)	Net absorption % of inventory (YTD)	Annual direct asking rent psf NNN
I-40/RTP	18,357,477	-	698,905	3.8%	0.9%	4.6%	3.0%	(1.3%)	(1.3%)	\$ 11.19
Johnston County	12,270,011	-	480,294	7.7%	0.0%	7.7%	(0.3%)	0.7%	0.7%	\$ 3.00
Southeast Wake	10,973,940	-	625,000	2.7%	0.3%	3.0%	(2.3%)	(0.1%)	(0.1%)	\$ 7.09
Northeast Wake	9,810,624	-	260,100	4.9%	0.0%	4.9%	1.1%	(1.0%)	(1.0%)	\$ 9.37
Orange County	5,651,738	-	-	13.8%	0.7%	14.5%	14.5%	(3.6%)	(3.6%)	\$ 5.59
US 1/Capital Boulevard	4,827,387	-	-	3.8%	0.0%	3.8%	1.0%	0.5%	0.5%	\$ 9.49
Southwest Wake	4,513,453	-	1,422,346	7.0%	0.0%	7.0%	2.9%	(2.9%)	(2.9%)	\$ 12.60
Chatham County	3,574,898	2,000,000	1,298,666	5.6%	0.6%	5.2%	(1.4%)	51.3%	51.3%	\$ 5.36
North Durham	3,206,501	392,400	600,630	11.5%	0.5%	11.9%	11.9%	0.3%	0.3%	-
Six Forks/Falls of Neuse Road	2,560,014	-	-	21.0%	0.6%	21.5%	13.1%	2.4%	2.4%	\$ 9.00
South Durham	2,460,744	-	-	2.2%	0.0%	2.2%	(0.4%)	1.6%	1.6%	\$ 5.00
US 70/Glenwood Ave	1,382,182	-	-	0.0%	0.0%	0.0%	(11.8%)	1.6%	1.6%	-
Cary	1,333,869	-	-	1.3%	0.0%	1.3%	-	0.0%	0.0%	-
East Raleigh	983,570	-	-	4.9%	0.0%	4.9%	(0.8%)	1.2%	1.2%	-
West Raleigh	820,097	-	-	0.0%	0.0%	0.0%	-	0.1%	0.1%	-
Market total	82,906,505	2,392,400	5,385,916	5.9%	0.3%	6.3%	2.3%	1.8%	1.8%	\$7.23

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Flex Industrial	12,457,728	-	120,240	8.3%	0.6%	8.9%	262,530	(1.28%)	(1.28%)	\$17.50

Note 1: All industrial product classes are included.
Note 2: Flex industrial is only included in the flex industrial row.
Source: Avison Young Market Intelligence, CoStar