



# Market Vitals

## Quick facts

**6.4%**  
Vacancy

**\$86.5M**  
Sales Volume

**41,880 SF**  
Net Absorption  
(TTM\*)

## the Pulse



### SECOND QUARTER REBOUND

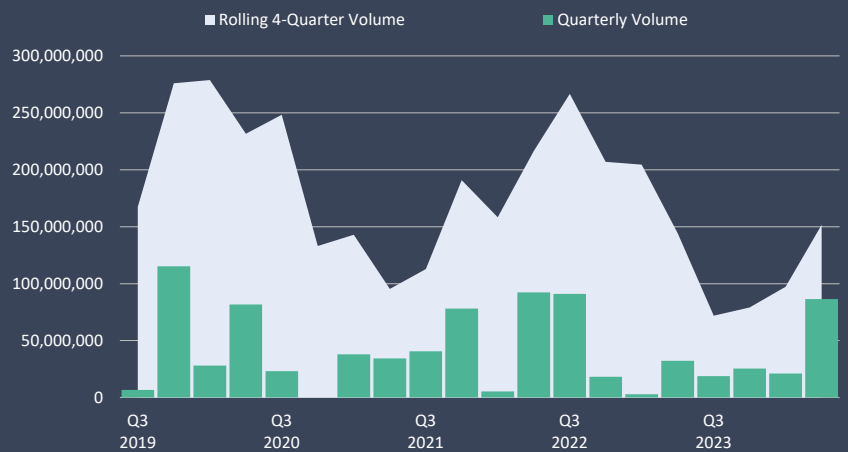
Medical office sales activity rebounded in the second quarter. Buoyed by institutional portfolio sales, pent-up demand from private capital investors pushed transaction volume more in line with historical quarterly volume.

In the largest sale of the quarter, Highwoods sold Rexwoods Center for \$62.5mm, which they owned for nearly three decades, as they continue to pare their portfolio to focus on core office assets.

While interest rates remain elevated, signs of inflation abating and a softening labor market have given optimism that we may be heading into a declining interest rate environment, which should prompt more investment activity.

### Sales Volume (\$)

Source: MSCI Real Capital Analytics

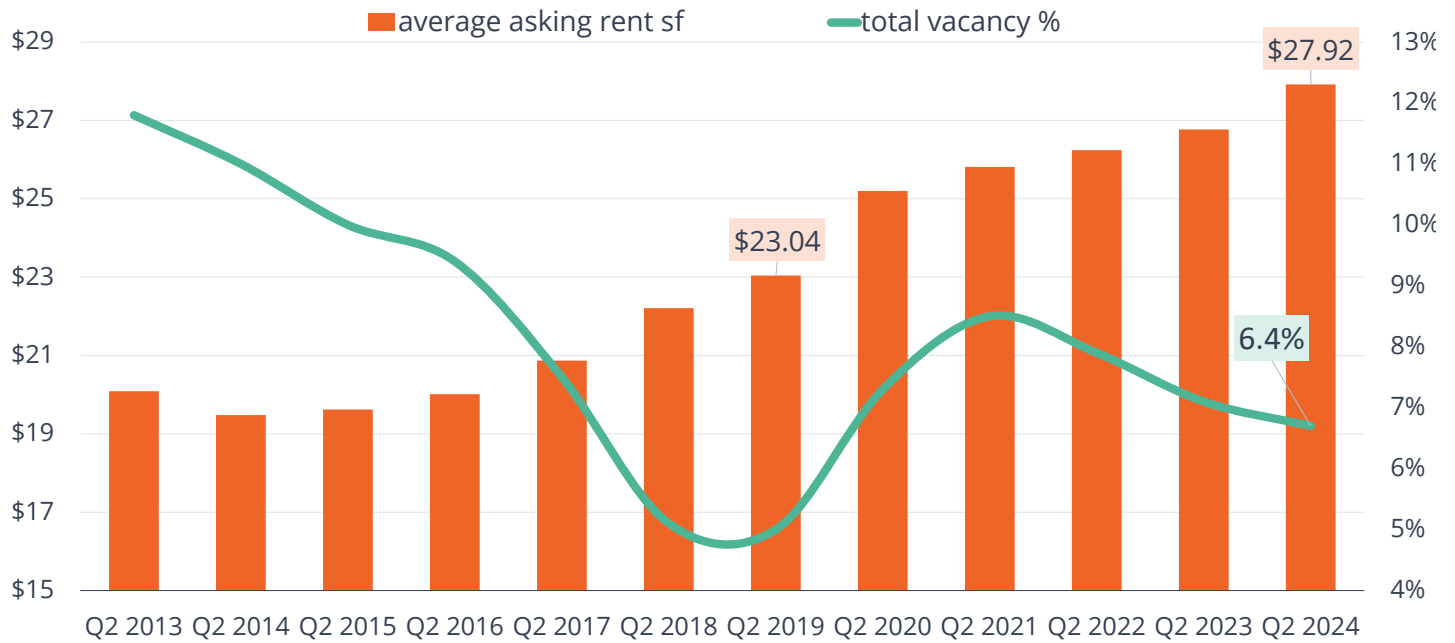


Note: This report is exclusive of health system- and other owner-occupied buildings

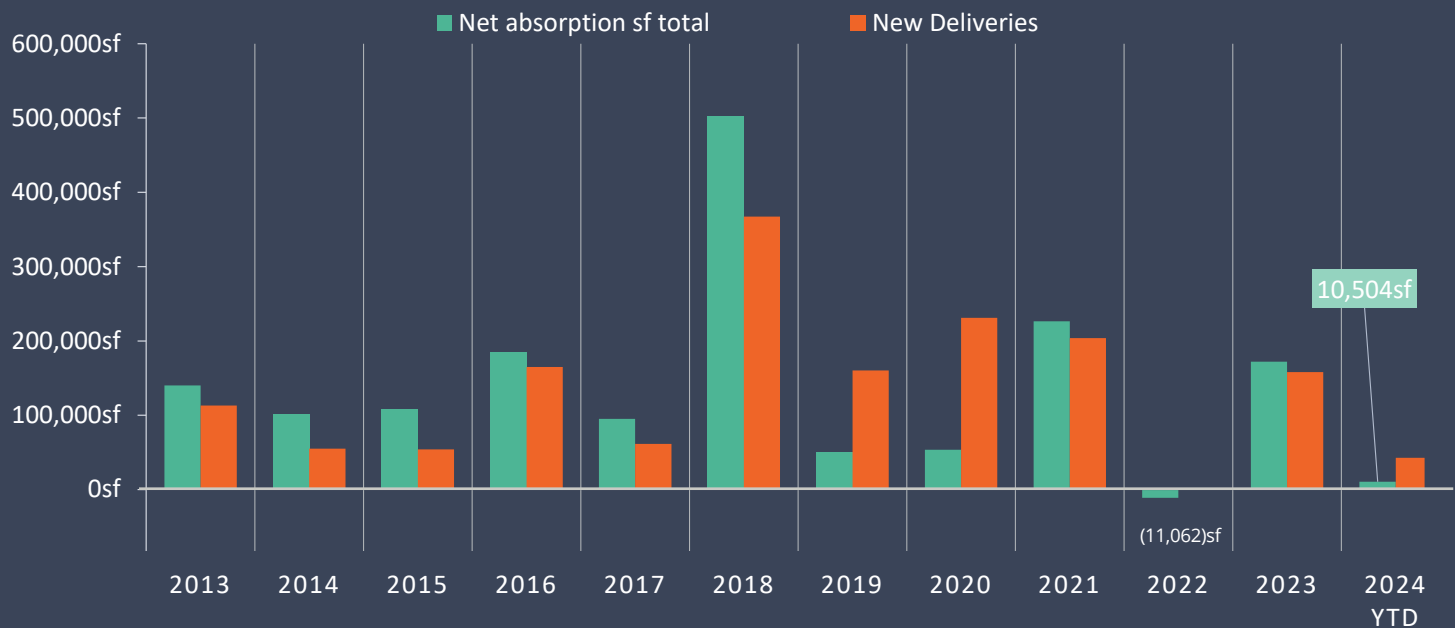
\* Trailing Twelve Months (TTM)



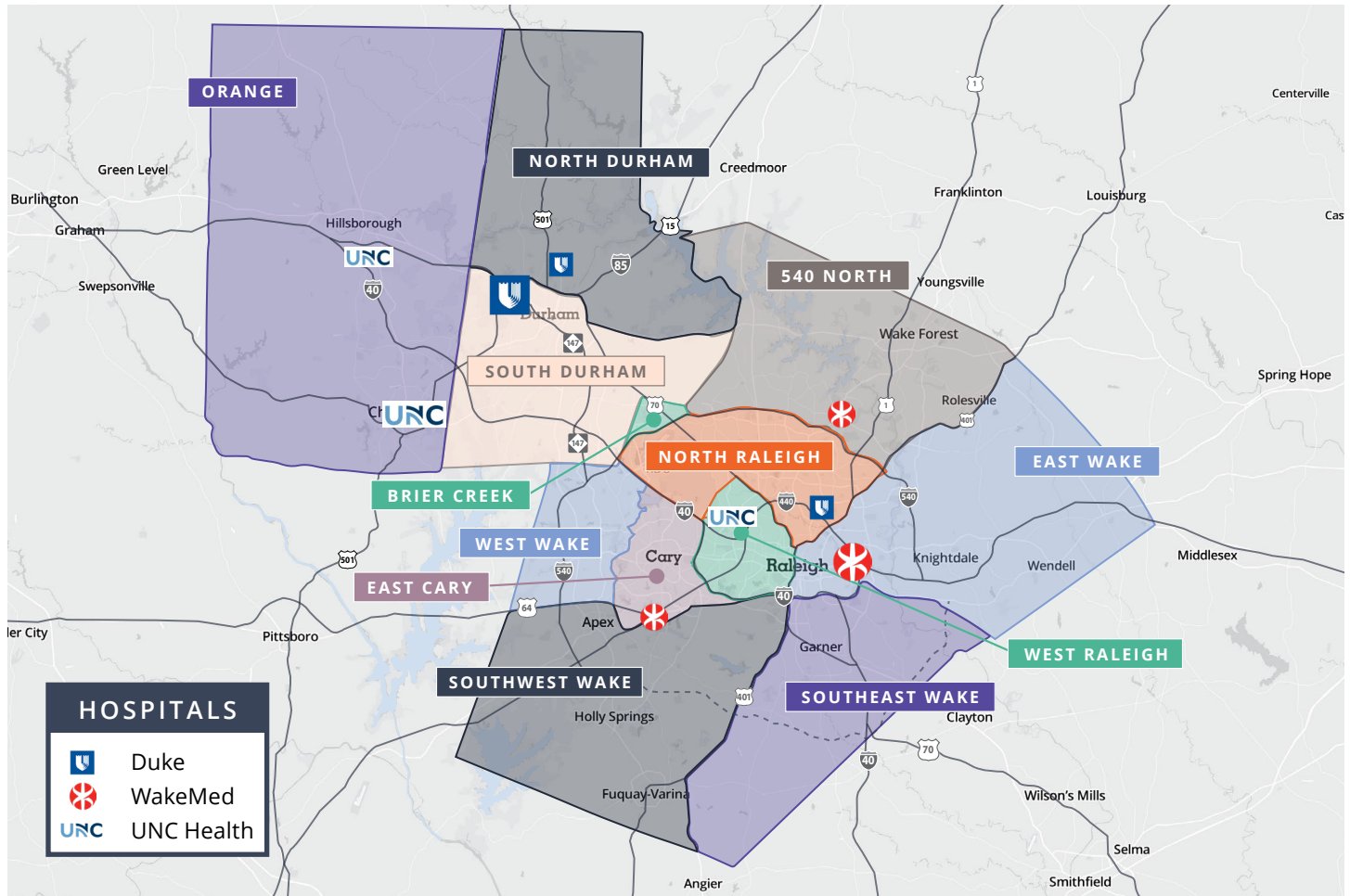
### Vacancy and Rental Rates



### Net absorption



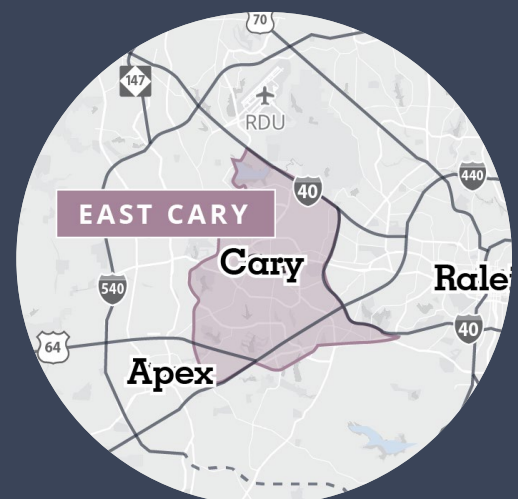
## Raleigh-Durham submarkets



## East Cary Submarkets

### SUBMARKET UNDER THE MICROSCOPE

The East Cary submarket is second largest with 1,059,645 square feet, slightly behind West Raleigh's 1,152,082 and far ahead of North Raleigh's 653,417. WakeMed Cary Hospital anchors this active medical community. The last five years have seen the hospital add 40 acute care beds, taking total beds to 208, and the addition of three new medical office buildings, Healthcare Realty's facility on campus and the twin HealthPark at Kildaire buildings across the street, together adding nearly 302,000 square of class A space.





Submarket	Existing inventory sf	YTD deliveries sf	Under development sf	Total availability sf	Total availability %	Net absorption sf (TTM)	Net absorption as a % of inventory (TTM)	Average full service asking rent (\$/sf)
Southwest Wake	331,805	0	0	13,860	4.20%	8,302	2.50%	\$35.89
Southeast Wake	143,399	0	0	1,584	1.10%	3,193	2.20%	\$23.21
Western Wake	236,833	0	0	42,118	17.80%	6,260	2.60%	\$28.17
Eastern Wake	171,502	0	0	12,025	7.00%	(3,846)	(2.20%)	\$26.38
North Raleigh	653,417	75,000	55,000	112,196	15.80%	53,981	8.30%	\$31.28
West Raleigh	1,152,082	0	120,694	178,295	14.00%	(52,285)	(4.50%)	\$32.31
North Durham	639,842	0	0	27,354	4.30%	13,554	2.10%	\$29.93
South Durham	608,108	0	0	3,908	0.60%	(8,887)	(1.50%)	\$30.00
Orange County	227,242	0	0	4,182	1.80%	(4,182)	(1.80%)	\$32.50
Brier Creek	246,901	0	0	2,160	1.10%	(1,310)	(0.50%)	\$34.50
540 North	378,527	0	0	22,472	5.90%	12,537	3.30%	\$28.50
East Cary	1,059,645	0	0	115,918	10.90%	14,563	1.40%	\$34.00
<b>Market Total</b>	<b>5,849,303</b>	<b>75,000</b>	<b>175,694</b>	<b>536,522</b>	<b>9.20%</b>	<b>41,880</b>	<b>0.70%</b>	<b>\$32.23</b>

Submarket	Existing inventory sf	YTD deliveries sf	Under development sf	Total availability sf	Total availability %	Net absorption sf (TTM)	Net absorption as a % of inventory (TTM)	Average NNN asking rent (\$/sf)
New Construction (2022 - Present)	151,186	55,000	181,176	100,463	29.6%	14,000	8.9%	\$30.86

## Let's Connect.

### NORTH CAROLINA TEAM

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