

RALEIGH-DURHAM OFFICE MARKET Yardi® Matrix

Market Analysis

Third Quarter 2018

Contacts

Jeff Adler

Vice President & General
Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(800) 866-1124 x2403

Jack Kern

Director of Research and
Publications
Jack.Kern@Yardi.com
(800) 866-1124 x2444

Chris Nebenzahl

Senior Analyst
Chris.Nebenzahl@Yardi.com
(800) 866-1124 x2200

Veronica Grecu

Senior Real Estate Market Analyst
Veronica.Grecu@Yardi.com
(306) 955-1855 x7583

Author

Timea-Erika Papp

Associate Editor
Timea-Erika.Papp@Yardi.com

Aggregated and anonymized
expense and lease expiration
data is available to Yardi Matrix
subscribers. Please contact us
for details!

For more information please contact:

Ron Brock, Jr.

Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x2404

Skilled Workforce Fuels Growth



Raleigh-Durham's strong economic fundamentals and **growing technology sector** are the foundation of a thriving office market. The Triangle area is on the shortlist for Amazon's second headquarters, and is also a top contender for Apple's next campus.

The metro added 23,100 jobs in the 12 months ending in May, led by professional and business services (7,300 jobs). Office-using employment is one of the Triangle's strong suits, expanding by more than 38% since the start of this economic cycle. Raleigh-Durham is home to a multitude of **startups** and several **prestigious universities**, such as North Carolina State University, Meredith College and Duke University. The metro's highly educated and talented labor pool plays an important role in attracting major employers.

With **strong demand for space**, developers are moving forward with projects. More than 2.6 million square feet of office space is under construction, which will add 6.2% to the inventory once delivered.

Leasing activity is robust, with companies focusing on centrally located Class A assets. The **Raleigh CBD** was the most expensive submarket, with an average price per square foot of \$31.90 as of June.

Property sales exceeded \$600 million in the first half of 2018, pointing toward a **solid year for investment**. Demand for assets in the market has picked up, as investors see Raleigh-Durham as a market with higher yields than they can get in primary markets, along with the potential to keep expanding.