

# Raleigh

Industrial | Q2 2023 Market Report

## Quarterly Shifts

↓ Vacancy  
-0.2%

↓ Average Rent  
-\$0.36/SF

↑ Net Absorption  
470,563 SF

## Occupier's Perspective

The largest project underway is a speculative 500,000 SF distribution center in the Johnston County submarket, scheduled to deliver mid-2023.

Net absorption continues to be strong with just over 690,000 SF absorbed in the Raleigh market in 2Q 2023.

Raleigh's available workforce continues to attract technology and life-science employers. The three major universities in the area: Duke, NCSU and UNC Chapel Hill, continue to supply the highly educated workforce pool in the market.

## NC Economic Development

Raleigh's industrial vacancy has continued to rise over the past year from historic lows, to its current vacancy of 4.1%. **This lack of inventory continues to be a challenge for occupiers and is a main driver in continuing overall rent growth of 10%, year-over-year.**

The scarcity of land and development for the life science industry continues to impact available inventory. As a result, development activity continues to push outward from the market's center with industrial activity to the east, southeast and west along major interstate corridors. **Construction activity has grown to roughly 5.5M SF with about 35% pre-leased.** New large industrial developments are most active in the southern and eastern sides of the market.

## Submarket Movement

Vacancy Rate	QOQ Change	Direct Asking Rent (\$/SF)	Submarket
2.3%	2.3% ▲	\$10.70	East Raleigh
2.7%	-0.2% ▼	\$11.18	Northeast Wake County
4.1%	-1.2% ▼	\$12.10	Southeast Wake County
8.7%	-3.8% ▼	\$12.27	Southwest Wake County
2.8%	1.2% ▲	\$13.32	West Raleigh
2.3%	0.3% ▲	\$14.35	Route 1
5.0%	0.3% ▲	\$15.32	Glenwood/Creedmoor
3.3%	0.3% ▲	\$21.38	Six Forks/Falls of Neuse
6.7%	0.4% ▲	\$22.26	RTP/RDU
7.1%	0.6% ▲	\$25.24	Cary

**28,000**  
New Jobs  
Created

**\$19B+**  
Capital  
Investment

**\$1.55B**  
New Annual  
Payroll

Source: Economic Development Partnership of NC 2022 Annual Report