



Chapel Hill: Office Market Overview

JLL Research – Simon Copeland

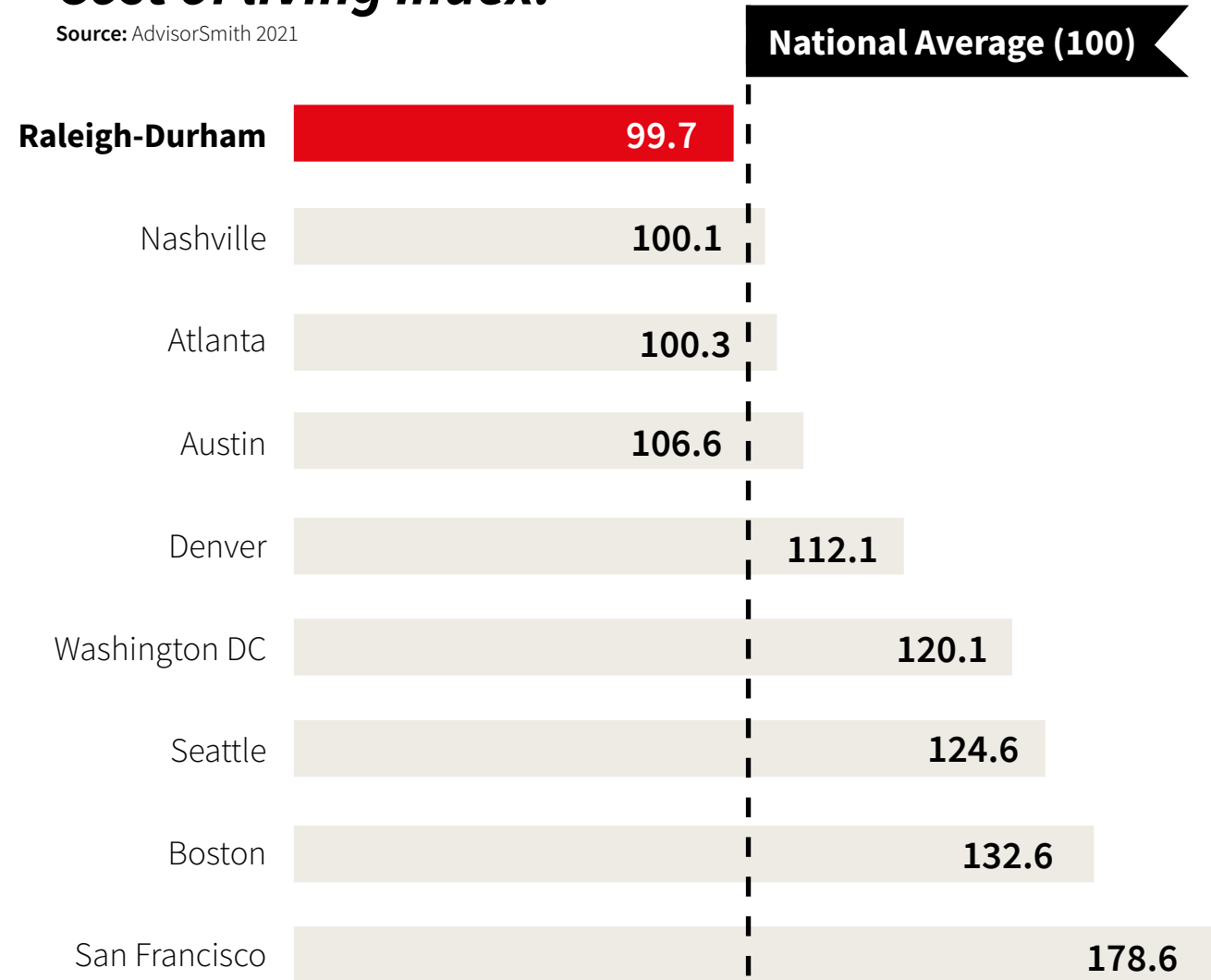
June 3rd, 2022



Lifestyle & personality

Cost of living index:

Source: AdvisorSmith 2021



Raleigh-Durham's COL is **0.3%** below the national average

Apartment s.f. for **\$1,500**
a month in rent

Source: CoStar



Housing costs

Source: Redfin

City	Median home value
Atlanta	\$349,563
Raleigh-Durham	\$395,378
Nashville	\$411,675
Austin	\$481,670
Washington DC	\$479,950
Denver	\$537,088
Boston	\$583,975
Seattle	\$709,736
San Francisco	\$1,338,250

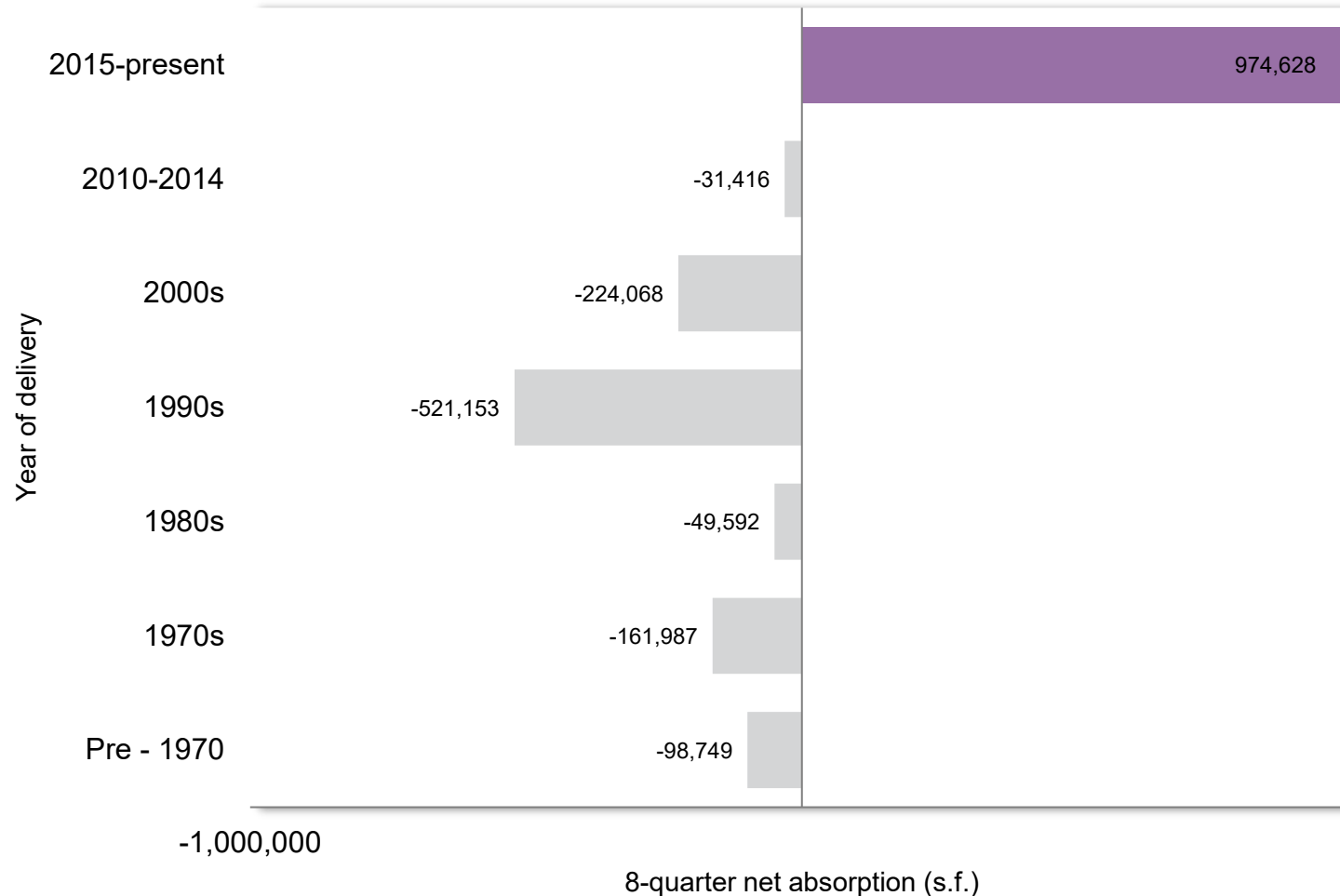
#1 Top Metro with the Lowest
Jobs-Housing Imbalance
Manhattan Institute | 2021

#1 City with the fewest homeowners
severely housing cost-burdened
Smartasset | 2021

#3 Best place to rent
in America
Forbes | 2021

#4 Top Emerging Housing
Markets for Fall 2021
Realtor.com | 2021

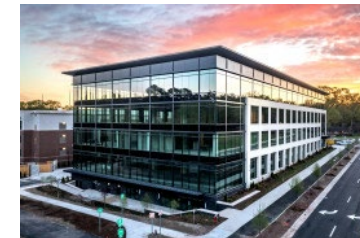
Flight to quality continues to intensify, leading to wide divergence in occupancy growth by building age.



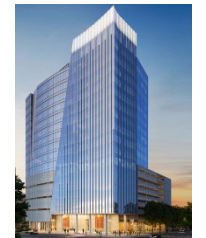
Bloc 83
DT Raleigh
Envestnet, McAdams
281,634 s.f.



Smoky Hollow
DT Raleigh
Clark Nexsen, Clancy & Theys
255,000 s.f.

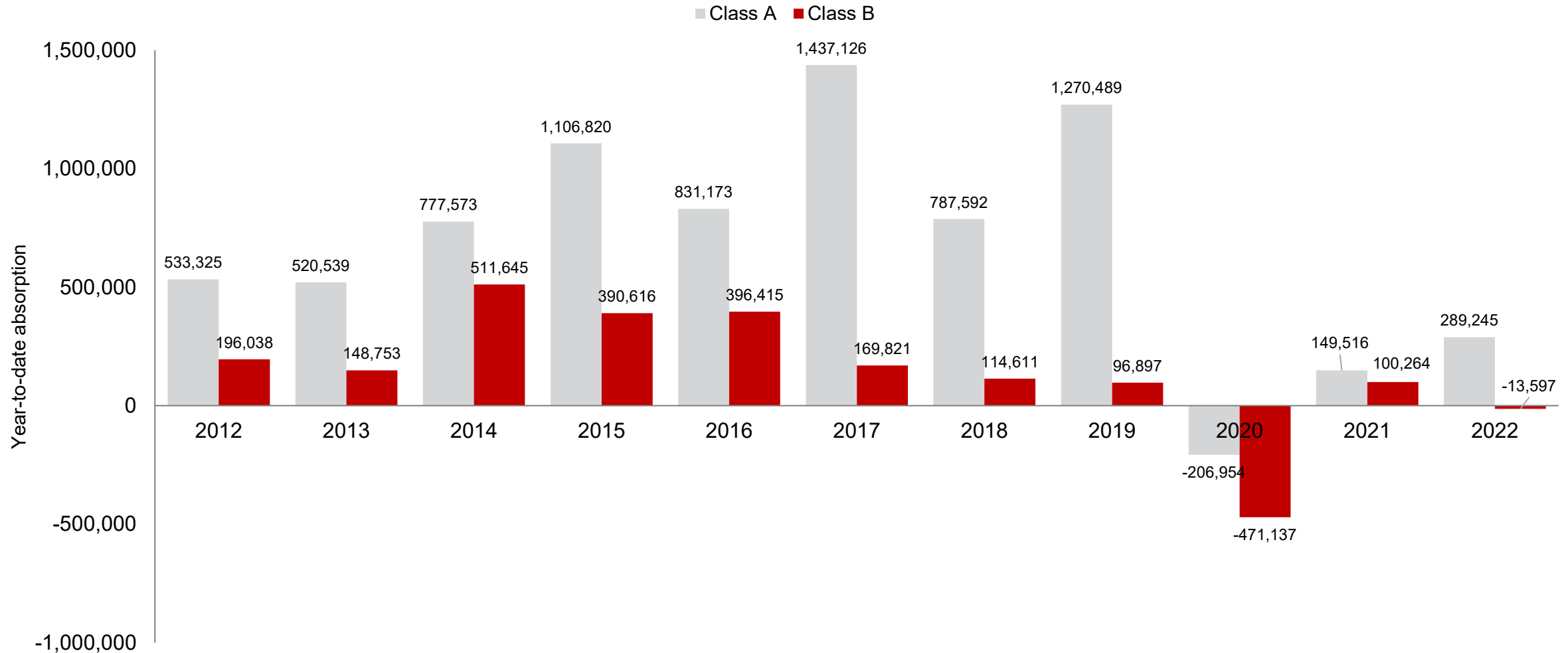


The Gwendolyn
Chapel Hill
Industrious
106,000 s.f.

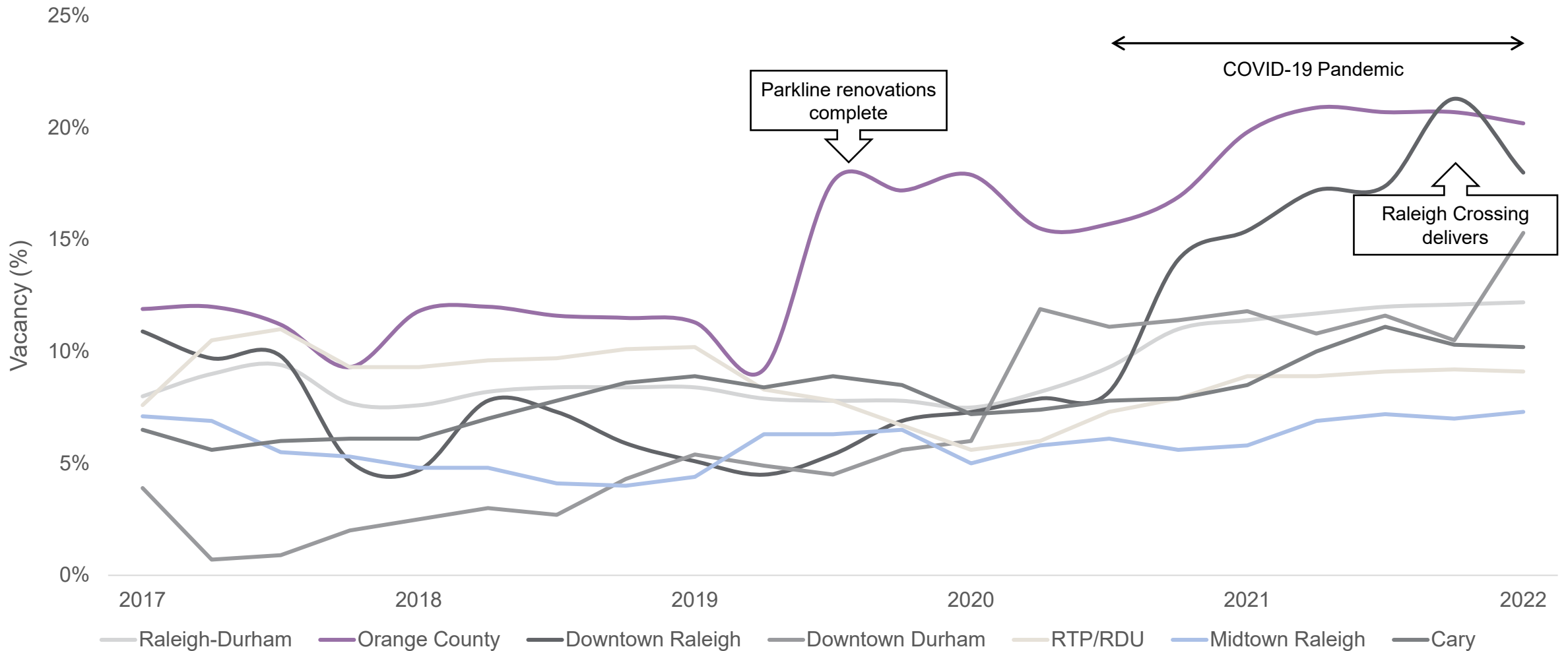


Raleigh Crossing
DT Raleigh
Pendo, Nelson Mullins
280,381 s.f.

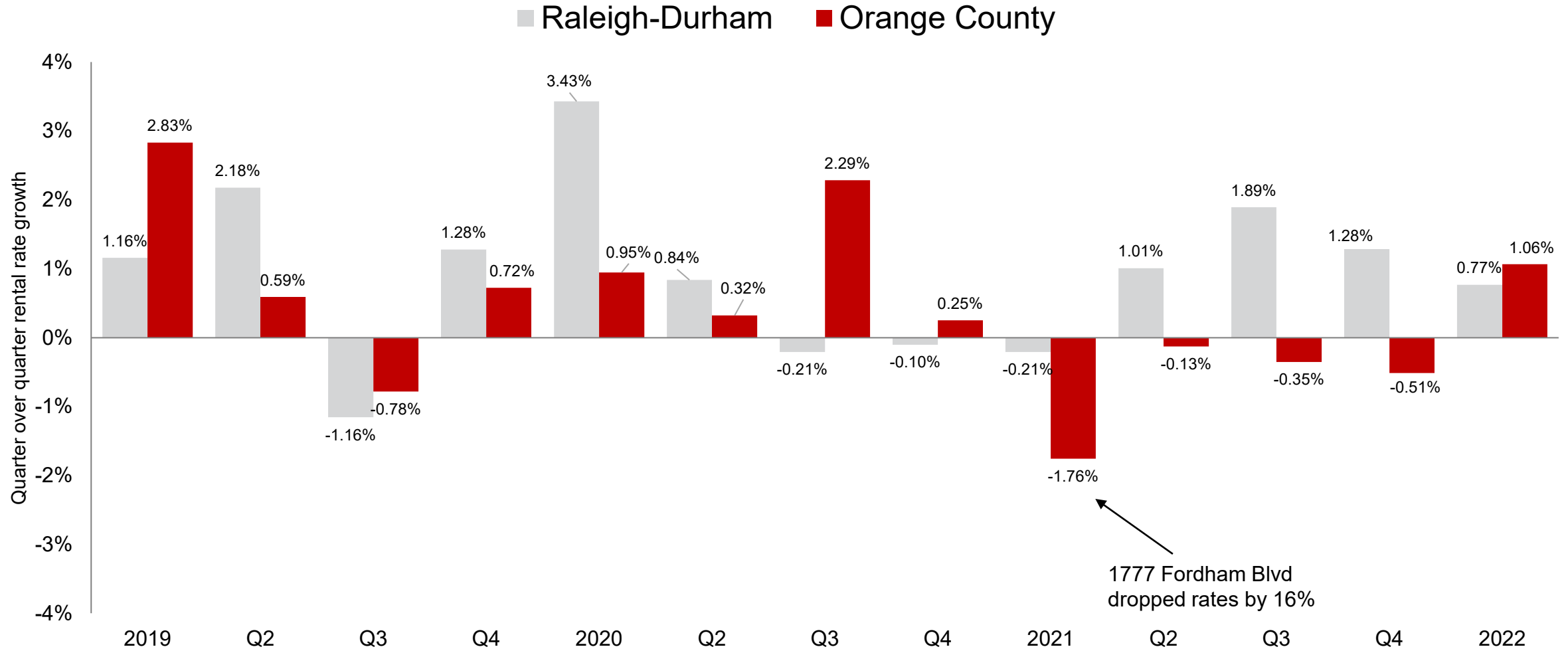
Class A space continues to see strong demand while questions emerge around Class B properties.



Orange County Vacancy vs. Major Submarkets



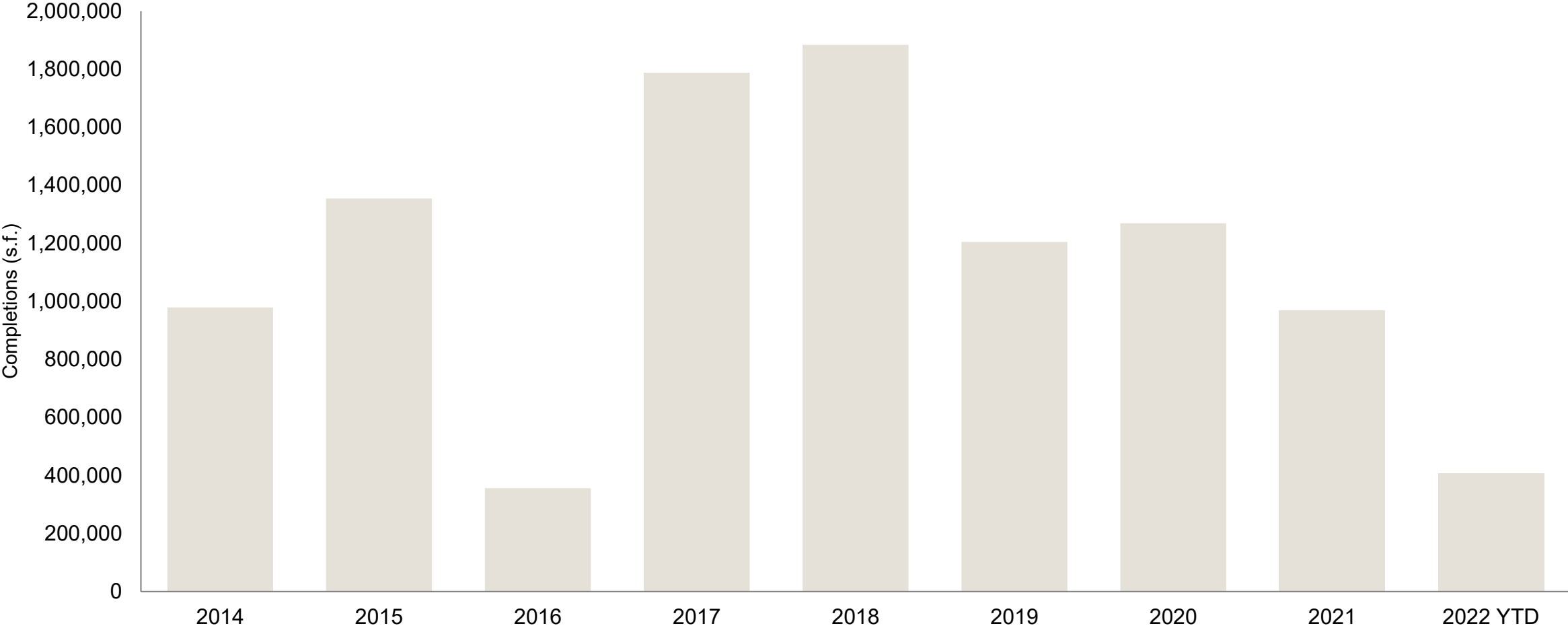
Orange County Rental Growth vs. RDU Market Average



Chapel Hill accounts for 5.4% of new construction since 2014.



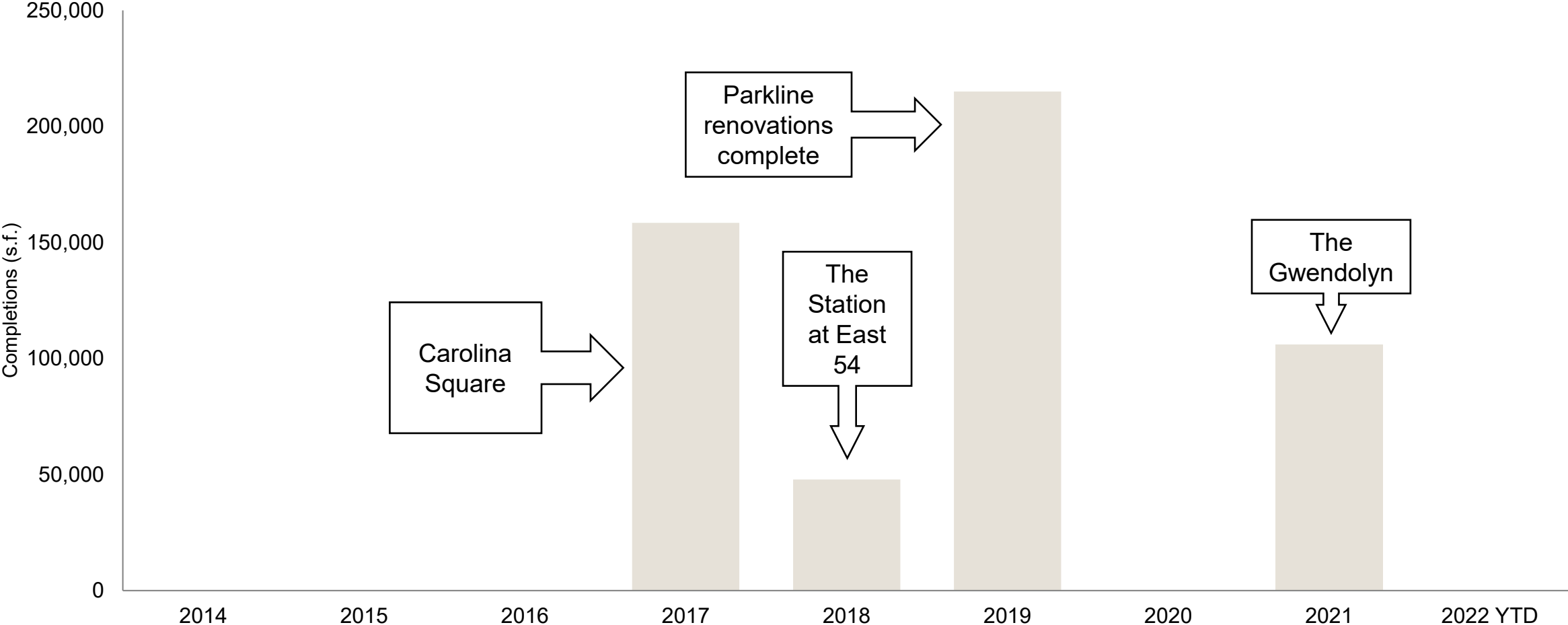
Raleigh-Durham Completions



Chapel Hill accounts for 5.4% of new construction since 2014.



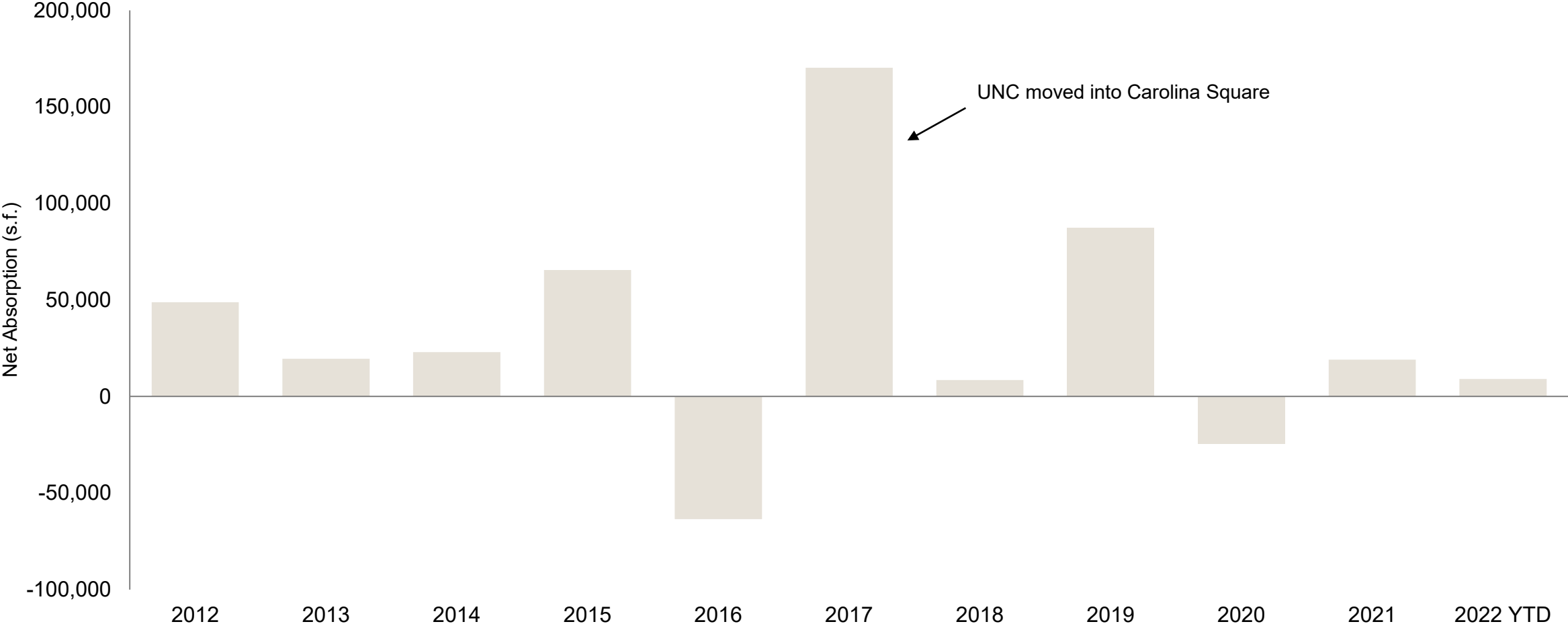
Chapel Hill Completions



Orange County Office Leasing Activity 2012-2022



Orange County Absorption



Major Submarkets Comparison



Orange County



21-Quarter Net
Absorption (s.f.):
269,821
Avg. Asking Rate:
\$31.32/p.s.f.

Downtown Raleigh



21-Quarter Net
Absorption (s.f.):
880,718
Avg. Asking Rate:
\$36.61/p.s.f.

Downtown Durham



21-Quarter Net
Absorption (s.f.):
429,900
Avg. Asking Rate:
\$34.60/p.s.f.

Cary



21-Quarter Net
Absorption (s.f.):
538,620
Avg. Asking Rate:
\$30.32/p.s.f.

RTP



21-Quarter Net
Absorption (s.f.):
1,574,032
Avg. Asking Rate:
\$27.36/p.s.f.

Midtown Raleigh



21-Quarter Net
Absorption (s.f.):
574,385
Avg. Asking Rate:
\$36.93/p.s.f.

Top Talent

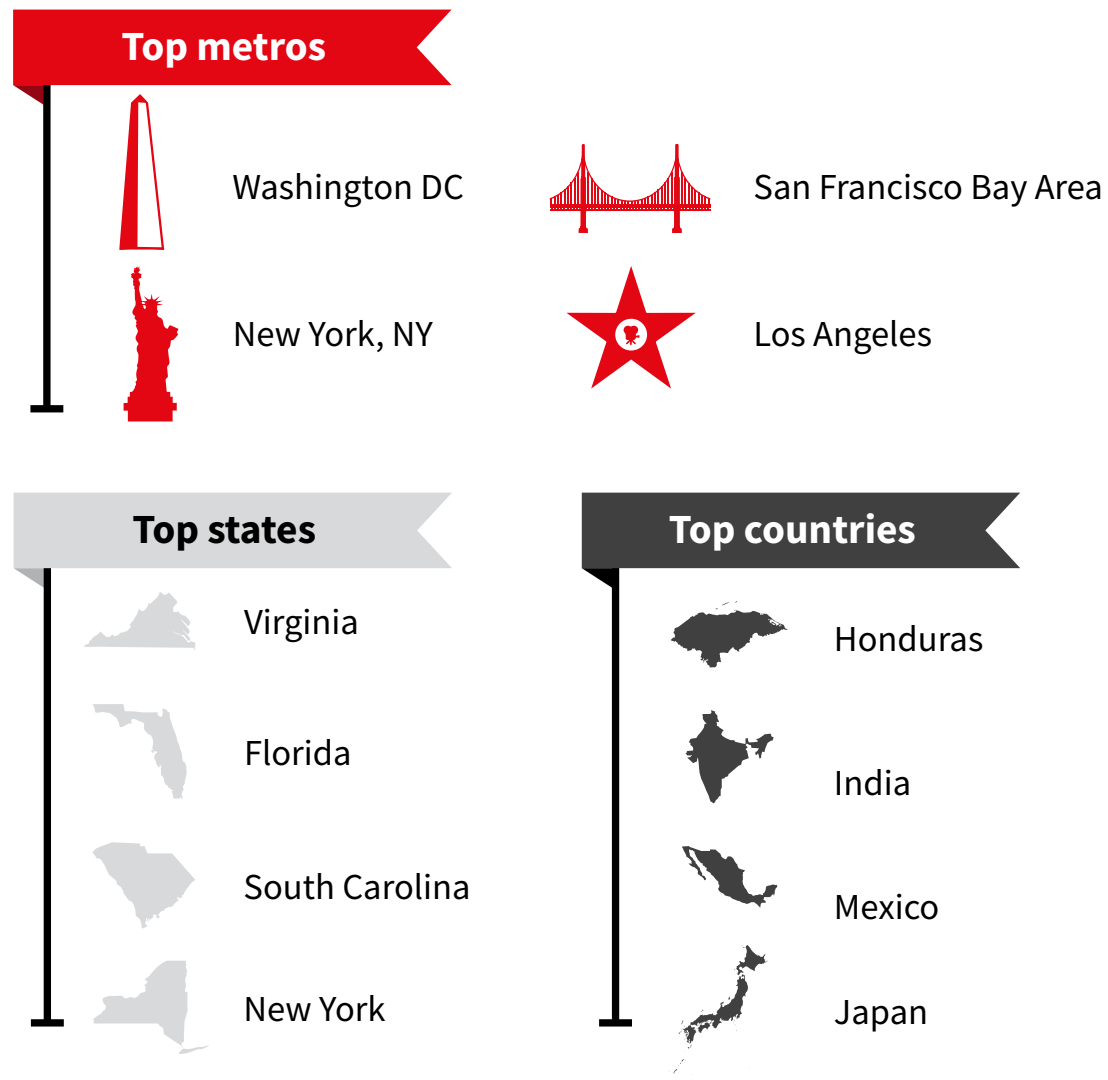
27

average age of movers to the area

36.9

Median age of current residents

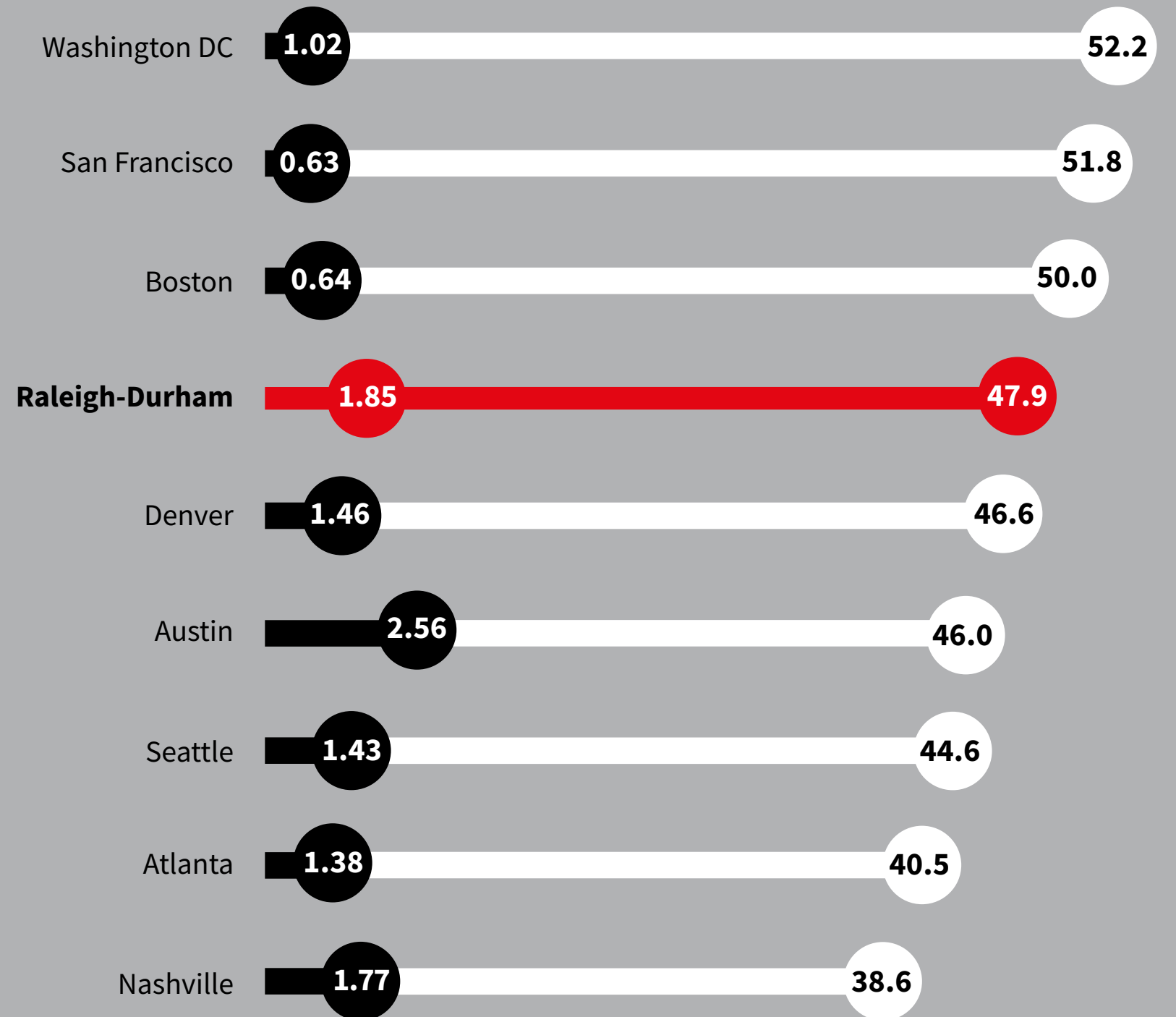
Top Metros talent is coming from?



Highly educated young talent

% Change in population ages 20-29 from 2021-2026

% Population 25+ years with bachelors degree in 2021



Business climate

5.2%

Personal income tax

2.5%

Corporate income tax

lowest in the US*

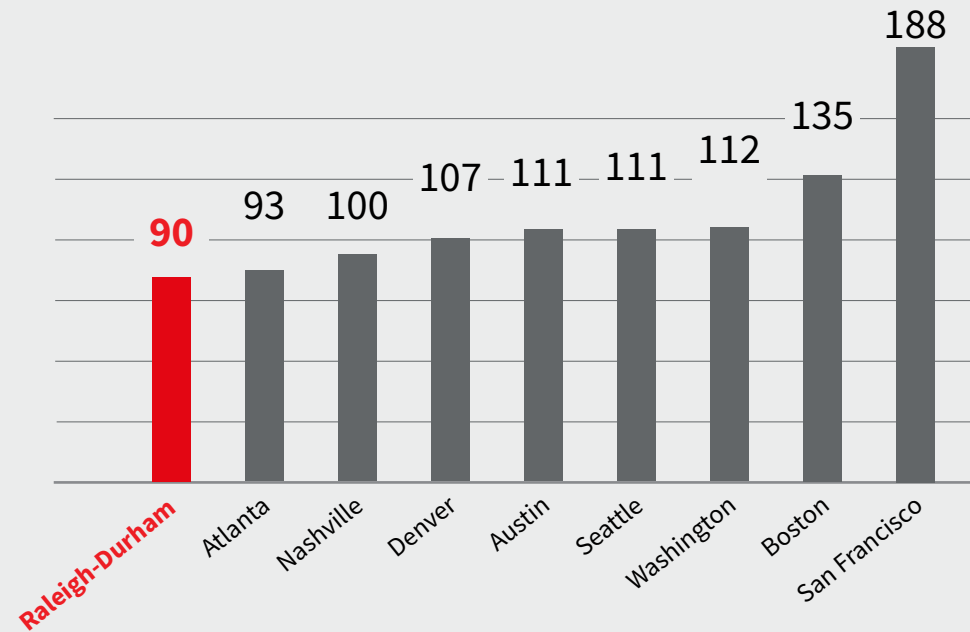
**With the exception of South Dakota and Wyoming, which have 0% corporate income tax.*

27.4min.

Average commute time to work

Cost of doing business

Raleigh-Durham is **10%** below the national avg. of 100



Source: Moody's Analytics | 2020

Incentives

Recent area case study of large tech company

 **3,000** new jobs

 **\$133,000** Minimum Salary

 **\$1B** in capital investments

\$845 million over a 12-year period

Source: News & Observer

Time in traffic

Hours spent in traffic each year, per person

 17:00

Raleigh-Durham: 17 hr

Nashville: **28 hr**

Seattle: **31 hr**

Denver: **26 hr**

Boston: **50 hr**

Austin: **41 hr**

Washington DC: **42 hr**

Atlanta: **37 hr**

San Francisco: **46 hr**

Source: Texas A&M Transportation Institute - Mobility Division

Diverse economy

Prof. Services: **24%**

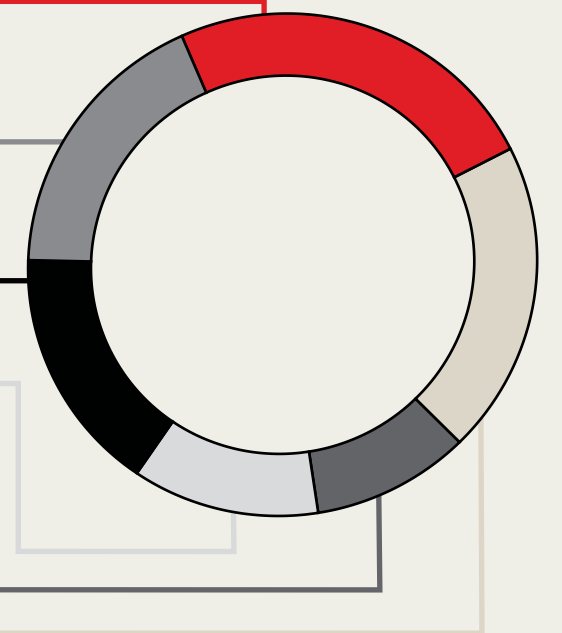
Healthcare: **18%**

Technology: **16%**

Life Sciences: **12%**

Financial: **10%**

Other: **20%**



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