

GLOBAL SPOTLIGHT

Raleigh, North Carolina



Raleigh is part of North Carolina's Research Triangle, a primary center in the United States for high-tech and biotech research as well as textile development.

- The Raleigh/Durham area has a strong, diverse economic climate, high quality of life, skilled workforce and acclaimed universities. Located in the center is the Research Triangle Park, one of the most successful R&D centers in the world, featuring microelectronics, environmental sciences, pharmaceuticals, and biotechnology companies.
- There are no predominant signs of investor disinterest in the income property market and capital continues to flow into the area. Rising rental rates helped offset low cap rates, and tighter building management efforts continued to increase net income.
- Despite uncertainty about the U.S. economy, the office market experienced a slight drop in vacancy. Rental rates continued to rise in 2007 despite slowing absorption and a projected 2.9 million SF under construction.
- The multipurpose sector continues to improve with steady absorption yielding a decrease in vacancy, and limited new construction forecasted. As construction continues on the Outer Loop (I-540) around Raleigh, new retail opportunities are being opened at major interchanges. Over 1 million SF of retail space was under construction for 2006-2007 and an additional 1.6 million SF are planned. Generally 50% of the constructed retail projects are preleased.
- The single-family and attached residential market saw a steady climb in homes sales from 2001-2006. However, 2007 brought a slowdown with production builders providing incentives to clear inventory. Though not a record breaker, the residential market has remained strong despite the national housing crisis. Solid job growth continues to help fuel the economy with an estimated 20,000+ jobs added in 2007.

Raleigh At A Glance

Population	367,995
Location	Capital of the State of North Carolina, USA
Interest	3.87% (US 10yr Treasury Note)
Unemployment	4.7%

Property	Rent/SF/Year Low	High	Effective Avg.	Vacancy Rate
Downtown Office Class A	\$18	\$23	\$20	7%
Suburban Office Class A	\$19	\$25	\$22	11%
Industrial Bulk Warehouse	\$3.75	\$4.75	\$4.25	11%
Retail Shopping Centers	\$8	\$21	\$14.50	7%

NAI Carolantic Realty, Inc. offers local market expertise in Raleigh, Durham, NC including counties of Chatham, Johnston, Lenoir, Edgecombe, Durham, Lee, Orange, Wilson, Wayne and Wake.

About NAI Global:

NAI Global is one of the world's leading providers of commercial real estate services. We bring together people and resources wherever needed to deliver outstanding results for our clients.

At A Glance

375	Offices
55	Countries
8,000	Professionals
\$45 billion	Annual Transaction Volume
250	MSF of Property Management

For more information about NAI Global please visit www.naiglobal.com or call 609.945.4000

January 2007



Commercial Real Estate Services, Worldwide.

Build on the power of our network.™