

# 7 commercial real estate

Largest Class A Office Space and Warehouse Space | Largest Retail Centers in the Triangle

## Slump difficult to absorb

If you're thinking about leasing office, flex or warehouse space in the Triangle area, now might be a good time to sign on the dotted line.

The region is still struggling to gain traction after a three-year stretch that saw companies dump big chunks of space back on the market. The tech-heavy Research Triangle Park area was especially hard hit, with office and flex vacancies of close to 25 percent and warehouse vacancy of more than 35 percent in the second quarter, according to *Triangle Business Journal's* quarterly Space survey.

Office vacancy in Wake, Durham and Orange counties topped 17 percent in the second quarter, with flex vacancy at almost 22 percent and warehouse at nearly 29 percent. All that empty space has many landlords offering generous lease amenities and concessions.

The bright light in the market has been retail, which has kept vacancy rates at a healthy 6 percent or lower despite the addition of two, 1.3-million-square-foot malls and two other major retail centers since the beginning of 2002 (see retail list and map, page 51).

Fittingly, it is a retail center that tops the list of highest valued commercial real estate sales in the Triangle through the first eight months of the year (see list, page 50). Regency Centers of Florida bought Raleigh's Cameron Village from Branch Properties in August for \$118.3 million. The 56-year-old shopping center is the oldest in the Southeast.



Raleigh officials hope the new Progress Energy building, Two Progress Plaza, will help spark downtown revitalization efforts.

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