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**Editors/Reporters**

• Please click on link to view and download Avison Young's Q3 2015 Triangle Office Market Report:

[http://www.avisonyoung.com/fileDownloader.php?file=files/market-intelligence/Office%20-%20Q15%20-%20RDU\\_0.pdf](http://www.avisonyoung.com/fileDownloader.php?file=files/market-intelligence/Office%20-%20Q15%20-%20RDU_0.pdf)

**Raleigh-Durham commercial real estate tenants facing fewer options and historically high rental rates**

***Avison Young releases its Third Quarter 2015 Triangle Office Market Report***

**Raleigh, NC** — Demand for office space in the Raleigh-Durham market remains strong; however, with a lack of supply, tenants are experiencing sticker shock when confronted with rising rental rates.

The average class A asking rate at the end of the third quarter of 2015 was \$23.24 per square foot (psf), a record high for the Triangle. While average rates have made modest gains to date in 2015, with rates for class A and B space rising by 1% and 1.7%, respectively, rates have increased significantly when compared with 24 months ago. The class A average rental rate has risen by 8% since the third quarter of 2013. Rate increases have been even more dramatic in select submarkets, including Downtown Raleigh, where rates are up by 23.7% year-over-year.

Given the modest construction activity, Avison Young expects rates market-wide to increase more sharply in 2016. Properties scheduled for completion in 2016 and 2017 have posted asking rates north of \$33 psf, which is likely to drive rates higher in existing properties. Barring unforeseen shocks to the national economy, tenants should expect to face fewer leasing options and rising occupancy costs through at least 2016.

“The Triangle office market is firing on all cylinders,” comments **John Linderman**, Avison Young Principal and Managing Director of the company's Raleigh-Durham office. “Supply is down and demand is up, which has put landlords in the driver's seat for the first time in many years.”

*Avison Young is the world's fastest-growing commercial real estate services firm. Headquartered in Toronto, Canada, Avison Young is a collaborative, global firm owned and operated by its principals. Founded in 1978, the company comprises 2,000 real estate professionals in 71 offices, providing value-added, client-centric investment sales, leasing, advisory, management, financing and mortgage placement services to owners and occupiers of office, retail, industrial and multi-family properties.*

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