



Q1
2026

Retail Market Outlook

PIEDMONT TRIAD

MESSAGE FROM THE CEO

Q1 2026 RETAIL MARKET REPORT



Jon A. Good, SIOR
*Chief Executive Officer &
Shareholder*

Q1 2026 CRE Outlook - Stability Returns to a Growth Market

The commercial real estate market across the Southeastern United States is transitioning into a period of stabilization and measured growth. After a prolonged stretch of elevated interest rates and constrained deal flow, capital markets are beginning to reopen as borrowing costs ease, and buyer-seller expectations realign. This shift is driving a meaningful uptick in transaction activity throughout 2026. The Southeast remains particularly well-positioned, supported by sustained population growth, corporate migration, and a relative cost advantage that continues to attract both investors and occupiers.

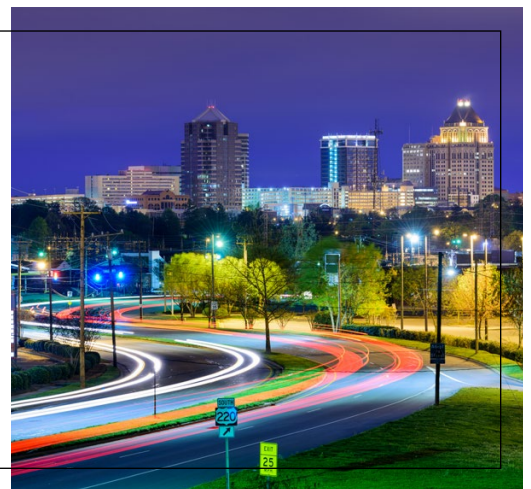
At the asset level, industrial remains a foundational sector, though it has shifted from rapid expansion to a more balanced phase. Vacancy is stabilizing, new development is moderating, and demand is being driven by longer-term structural trends such as reshoring, logistics optimization, and data center growth. Retail has proven more resilient than anticipated, especially in high-growth Sun Belt markets, where well-located, experience-oriented centers are outperforming. Office demand continues to evolve, with a clear flight to quality favoring newer, highly amenitized spaces, while older inventory faces ongoing pressure.

From an economic standpoint, the outlook for the Southeast remains constructive, albeit more disciplined. Moderate GDP growth, steady consumer spending, and continued business investment are providing a stable foundation, even as inflation and labor dynamics introduce some uncertainty. What differentiates this region is its underlying momentum, including favorable demographics, pro-business environments, and infrastructure investment, which continues to outpace much of the country. As a result, we see a market that is no longer defined by volatility, but by selective opportunity, where success will hinge on asset quality, strategic positioning, and long-term vision.

ABOUT NAI PIEDMONT TRIAD

NAI Piedmont Triad (NAIPT) has been one of the Triad's most respected brokerage firms for more than three decades. With three offices covering Greensboro, Burlington, High Point, and Winston-Salem, its presence is far reaching and committed to quality client services and proven results. NAIPT's team is comprised of the area's leading commercial real estate experts who thrive in a culture based on collaborative efforts and shared success. Focused on client success and committed to the community, NAIPT continues to improve the Triad's commercial real estate landscape with a progressive vision and trusted experience.

For more information visit www.naibt.com.



BY THE NUMBERS

Q1 2026 RETAIL MARKET REPORT

MARKET INDICATORS

Piedmont Triad MSA*

	Inventory	Vacancy	Net Absorption	Market Rent	Availability	Under Construction	Delivered
Current Quarter 1Q26	82,255,916	4.1%	(190,405)	\$15.05	3,200,496	396,777	16,228
Previous Quarter 4Q25	82,242,442	3.9%	(226,384)	\$15.49	2,992,315	328,788	27,109
Previous Year 1Q25	82,112,704	3.6%	(165,313)	\$14.90	2,598,799	232,983	115,763

* Guilford, Alamance and Forsyth Counties

Source: CoStar

SUBMARKET TRENDS

GREENSBORO CBD, W GUILFORD COUNTY & NW GUILFORD COUNTY | INVENTORY 10.5 MSF

VACANCY Q1: 4.2% Q4: 3.6% RENTAL RATE Q1: \$23.79 Q4: \$23.26 ABSORPTION Q3: (61.1K) SF Q2: (61.4K) SF

WINSTON-SALEM CBD & NW FORSYTH | INVENTORY 36.6 MSF

VACANCY Q1: 9.0% Q4: 8.5% RENTAL RATE Q1: \$12.71 Q4: \$12.42 ABSORPTION Q3: (81.5K) SF Q2: (823K) SF

KERNERSVILLE | INVENTORY 13 MSF

VACANCY Q1: 3.1% Q4: 3.3% RENTAL RATE Q1: \$13.02 Q4: \$12.77 ABSORPTION Q3: 175K SF Q2: 81.8K SF

BURLINGTON & NW ALAMANCE | INVENTORY 6.5 MSF

VACANCY Q1: 5.0% Q4: 5.1% RENTAL RATE Q3: \$9.16 Q2: \$8.85 ABSORPTION Q3: 19K SF Q2: (176K) SF

Source: CoStar

KEY TAKEAWAYS



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The commercial real estate market across the Southeast is entering a period of measured growth as 2026 progresses, with the Triad emerging as a resilient secondary market. Supported by regional population growth and easing borrowing costs, retail fundamentals in Greensboro, Winston-Salem, and Burlington remain strong, characterized by vacancy rates in the mid-to-high single digits. Leasing activity is largely driven by service-oriented and necessity-based tenants—such as medical retail, fitness, and quick-service restaurants—which continue to backfill second-generation space. High-traffic corridors like Greensboro’s Friendly Center and Winston-Salem’s Hanes Mall Boulevard are seeing modest rent growth, particularly for shop spaces under 3,000 square feet. While new development remains limited due to elevated construction costs, this supply constraint has bolstered the performance of existing assets. On the investment front, transaction activity is accelerating as buyer-seller expectations align, with cap rates for stabilized centers settling between 6.75% and 7.75%. Private investors and 1031 exchange buyers remain the primary drivers of the market, targeting well-located centers with sustainable upside. Ultimately, the Triad offers a stable, constructive trajectory for the remainder of the year, defined by asset quality and a tenant mix that reflects evolving consumer preferences.

MARKET MOMENTUM

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SIGNIFICANT TRANSACTIONS



SOLD

219 HIL STREET
ENGLEHARD, NC

5,002 SF / 7 Acres
Banks Handy



SOLD

2326 S. CHURCH STREET
BURLINGTON, NC

10,096 SF
Howard Hawks



LEASED

2322 N CHURCH STREET
BURLINGTON, NC

1,600 SF
Phil Tockman and
Elijah Knight

DEAL HIGHLIGHT Our client acquired a 7-acre improved property at 219 Hill Street in Engelhard, NC with a clear vision to unlock significant untapped value in one of the Outer Banks' quieter but increasingly promising coastal markets. Our client plans a comprehensive renovation of existing structures alongside targeted redevelopment across the site — a strategy designed to modernize the asset, broaden its appeal, and substantially elevate its long-term income potential. With ample acreage to execute on a phased repositioning plan and a leaseback arrangement providing seamless continuity during the transition, the deal positions our client to transform an underutilized property into a meaningfully higher-performing asset. (Banks Handy, Broker)

PROJECTS SHAPING OUR MARKET



Bailey Power Plant Phase II (Innovation Quarter)

In Q1 2026, this project continues to be a primary focus, adding new retail and entertainment footprints to the southern end of the Innovation Quarter. It's a prime example of adaptive reuse attracting "modern" retail tenants to historic industrial shells.

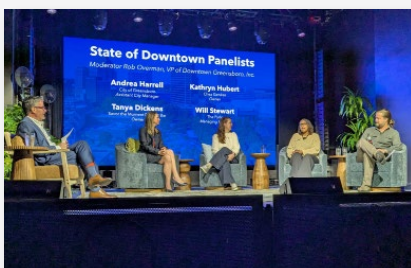
Source: Reedy NC



The retail story in Alamance County is heavily tied to the massive \$860 million Ahold Delhaize/Food Lion distribution center

Food Lion has deep roots in North Carolina, opening its first store in Salisbury in 1957. Since then, the company has expanded throughout the Northeast but has maintained a strong presence in North Carolina, with about half of its locations in the state and 23 stores in Guilford County alone.

Source: Elon News Network



Downtown Greensboro: The GSO35 Plan

The "State of Downtown Greensboro" address in March 2026 highlighted several "catalytic" retail-adjacent projects like Elm Street Modernization. Under the GSO35 10-year plan, there is a specific focus on "Energizing Elm Street" to reduce retail churn and boost storefront occupancy through modernized streetscapes.

Source: Government Market News

RETAIL ACTIVITY SNAPSHOT

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KEY RETAIL DEMAND DRIVERS IMPACTING OUR REGION

Fifth Third Bank is slated to open a new storefront in Greensboro by the end of the year as it begins a push into the Triad.

The Cincinnati-based bank plans to open a branch at 1951 Battleground Avenue in a building that formerly housed a Finks Jewelry store.

Tommy Lloyd, a senior vice president and the bank's N.C. retail executive, said the bank plans to open 10 new branches in the Triad within the next 18 to 24 months. It's part of the bank's Southeast growth strategy — the Charlotte Business Journal reported in December that the bank plans to add 60 new branches across the Carolinas by the end of 2028, including in Winston-Salem and Burlington.

Fifth Third launched its southeast expansion in 2018. Since then, the bank has opened 187 branches in the Southeast, with 100 branches in North Carolina. The bank has 45 branches in the Charlotte region, with plans to grow that number. It is also among the Triangle's 10 largest commercial lenders but does not have a major presence in the Triad.

Fifth Third Wealth Advisors, an affiliate of the Cincinnati-based bank, opened an office in Winston-Salem last year staffed with veterans of Truist Financial planning services in the Triad. It has had an office in Greensboro for commercial and private banking at 701 Green Valley Road Suite 202 for about a decade.

Source: Triad Business Journal

continue reading →



FIRST LOOK: NEW RETAIL OPPORTUNITIES



1304 S. SCALES ST

Reidsville, NC

±2,800 SF

Investment Opportunity

Sale Price
\$410,000



310 E THIRD ST

Winston-Salem, NC

±31,814 SF

Great Location

Sale Price
\$3,900,000



435 DOLLEY MADISON

Greensboro, NC

±4,450 SF

1 Space Available Now

Lease Rate
\$14.50 SF/YR



531 W MEADOWVIEW

Greensboro, NC

±2,520 - 20,000 SF

Busy Shopping Center

Sale Price/ Lease Rate
\$550,000

PROPERTY MANAGEMENT SPOTLIGHT



69,760 SF

8665 W Market St | Greensboro

This ownership is out of Australia and trusted our group to manage their asset. Cruz Foam occupied Building B and our leasing team has Building A for lease.



17,000 SF

2841 Lowery St | Winston-Salem

This property is home to Primo Water, a national tenant that trusted us to handle management at a high level. The owner made the move from accounting-only services to full-service management.