



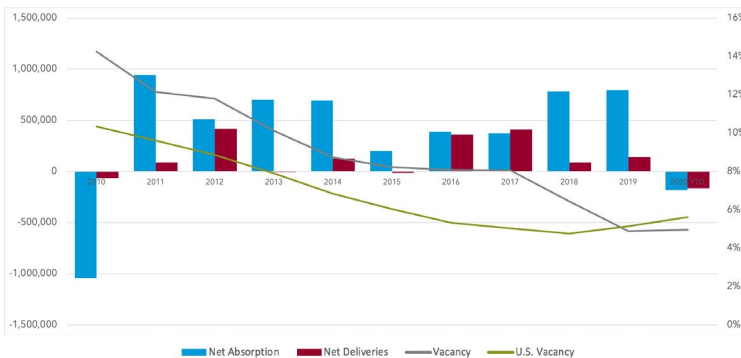
INDUSTRIAL MARKET OVERVIEW

MARLENE SPRITZER, J.D., CCIM, *Senior Director*

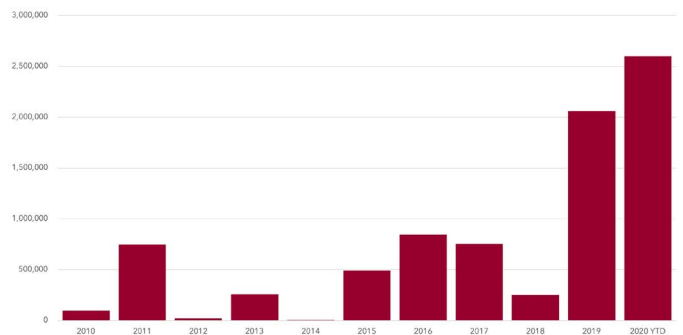
The Triangle Region is widely known for its large base of biotechnology, life science, and pharmaceutical companies. Despite the pandemic, the local pharmaceutical industry is still expanding. This June, the California-based biotech company, Grail, announced an investment of over \$100 million to build a state-of-the-art laboratory bringing around 400 new jobs to the area over the next few years. Firms are drawn to Durham for its established community of life science-related firms and skilled workforce. The Durham metro also has a diverse industrial tenant base, including Amazon, that recently leased several huge blocks of warehouse space.

MARKET INDICATORS	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019
▼ Net Absorption	87,444 SF	159,072 SF	795,152 SF	1,331,875 SF	1,134,411 SF
▼ Vacancy Rate	5.0%	6.2%	4.9%	5.0%	5.3%
▲ Avg NNN Asking Rate	\$8.07 PSF	\$8.02 PSF	\$7.96 PSF	\$7.88 PSF	\$7.76 PSF
▼ Under Construction	2,601,315 SF	2,636,805 SF	2,059,190 SF	348,029 SF	100,178 SF
▼ Inventory	42,939,228 SF	43,118,638 SF	43,101,838 SF	43,086,199 SF	43,018,460 SF

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
4016, 4020, 4022 Stirrup Creek Dr Durham, NC	270,607 SF	\$36,000,000 \$133.03 PSF	TPG Finance Trust, Inc. Alidade Capital	3-Star Flex
1515 Coleman Loop Rd Hillsborough, NC	39,464 SF	\$1,750,000 \$44.34 PSF	Jay Mebane Ennis, Inc.	2-Star Industrial
2717 Weck Dr Durham, NC	33,764 SF	\$2,300,000 \$68.11 PSF	Stackhouse Properties Fujitsu America	3-Star Industrial

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1275 Person St Durham, NC	410,000 SF	Triangle Converting Corp	Amazon	Retailers/Wholesalers
47 National Way Durham, NC	187,312 SF	Strategic Capital Partners	KBI	Retailers/Wholesalers
1200 Innovation Ave Morrisville, NC	175,000 SF	Duke Realty	Amazon	Retailers/Wholesalers



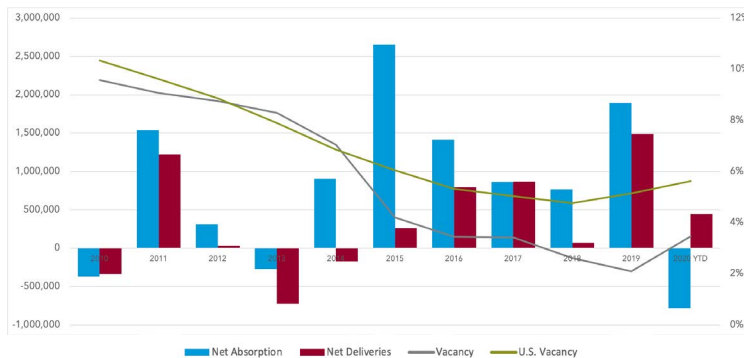
INDUSTRIAL MARKET OVERVIEW

SCOTT HADLEY, *Senior Director*

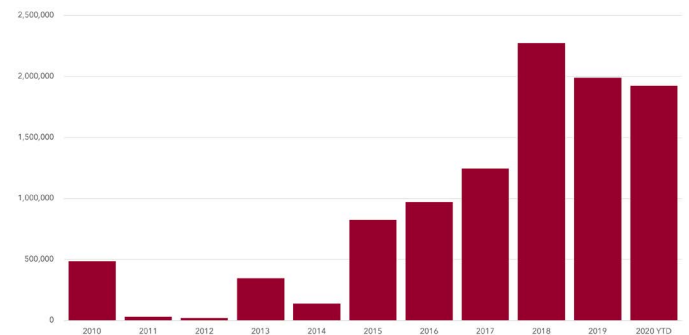
The Raleigh Industrial Market continues to see strong demand in spite of the COVID-19 strain on activity. Population growth to the area is very strong and e-commerce is continuing to grow in the area with Amazon taking another 200,000 SF in the market this quarter. Vacancies are low and demand is creating growth into outlying areas. There is an expectation that COVID-19 will impact demand and rents at some point, but it has not shown any ill effects in the current market.

MARKET INDICATORS	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019
▼ Net Absorption	328,354 SF	1,250,297 SF	1,894,459 SF	1,171,381 SF	1,408,201 SF
▲ Vacancy Rate	3.3%	3.1%	2.1%	1.8%	2.0%
▲ Avg NNN Asking Rate	\$8.39 PSF	\$8.34 PSF	\$8.28 PSF	\$8.21 PSF	\$8.08 PSF
▲ Under Construction	1,924,106 SF	1,892,106 SF	1,989,909 SF	2,864,988 SF	2,360,558 SF
◀▶ Inventory	89,020,166 SF	89,020,166 SF	88,577,063 SF	87,527,063 SF	87,550,840 SF

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
115 Legacy Crest Court Zebulon, NC	74,750 SF	Undisclosed	Undisclosed Undisclosed	Class B
1685 S. Brightleaf Blvd Smithfield, NC	45,900 SF	\$1,200,000 \$26.14 PSF	Coltrane, Donald L KLT Management	Class B
1685 S. Brightleaf Blvd Smithfield, NC	44,520 SF	\$1,225,000 \$27.52 PSF	Coltrane, Donald L United Parcel Service, Inc.	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3401 Gresham Lake Rd Raleigh, NC	98,205 SF	Hamilton Partners	Undisclosed	Undisclosed
208 S. Rogers Ln Raleigh, NC	58,926 SF	Gladstone Commercial Corporation	Elster Electricity, LLC	Manufacturing
205 S. Rogers Ln Raleigh, NC	44,888 SF	Keystone Park Associates, LLC	Undisclosed	Undisclosed