



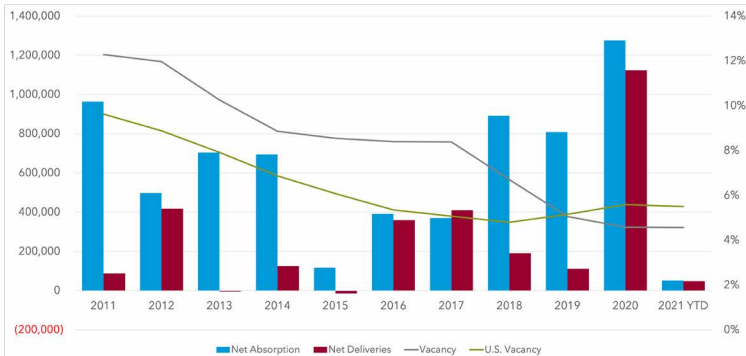
INDUSTRIAL MARKET OVERVIEW

MARLENE SPRITZER, SIOR, CCIM, J.D., *Vice President*

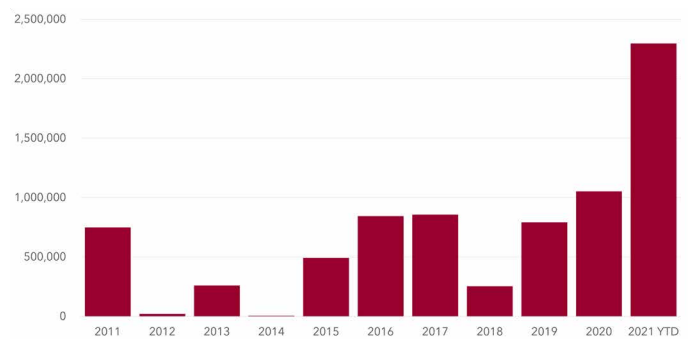
Vacancies in the Durham industrial market remain low and stable with the demand and limited supply for logistics/warehouse leasing for the e-commerce sector. The region is the 5th largest Life Science Cluster in the US and continues to attract pharmaceutical, life science and biotechnology companies such as Pfizer, Merck, Zoetis, Grail and Audentes Therapeutics. Access to the area's highly educated workforce and its top-tier educational institutions is key. Investors have shown strong interest in the market, including the purchase of existing properties with plans for conversions into lab space, as well as new construction for pharmaceutical manufacturing facilities.

MARKET INDICATORS	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
▼ Net Absorption SF	829,583	1,276,444	799,878	664,070	735,898
▲ Vacancy Rate	5.5%	4.6%	5.0%	5.0%	4.9%
▲ Avg NNN Asking Rate	\$8.53 PSF	\$8.42 PSF	\$8.32 PSF	\$8.25 PSF	\$8.17 PSF
▲ SF Under Construction	2,297,590	1,052,240	1,424,179	1,513,689	1,350,402
▲ Inventory SF	44,016,172	43,967,522	43,586,583	43,326,583	42,860,993

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
224 N Hoover Road Durham, NC	249,640 SF	\$20,309,500 \$83.36 PS	Brookfield Properties NorthBridge NorthBridge	3 Star Ind Dist
144 Old Lystra Road Chapel Hill, NC	143,800 SF	\$5,200,000 \$36.16 PSF	Cary-Raleigh Realty J&B Importers, Inc.	3 Star Ind Dist
2300 Old Durham Road Roxboro, NC	131,025 SF	Undisclosed	Undisclosed Loxcren Co., Inc.	3 Star Ind Mfr

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2910 Weck Drive Durham, NC	168,847 SF	Rialto Capital Mgmt	Undisclosed	Undisclosed
2710 Weck Drive Durham, NC	107,968 SF	Rialto Capital Mgmt	Global Electric Electronic Processing	Admin/Support Svcs
11011 Longistics Way Morrisville, NC	25,680 SF	Plaza Associates	Rentokil	Prof/Scientific/Tech Services



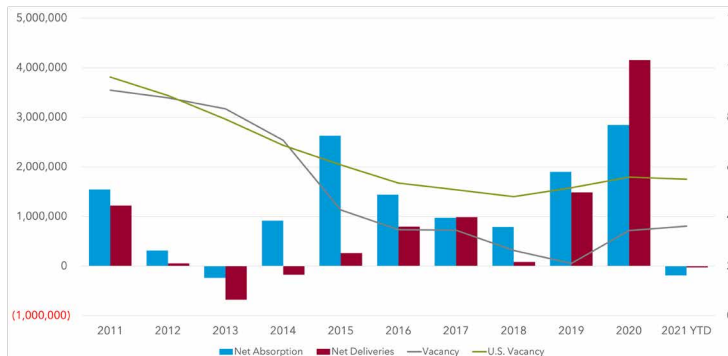
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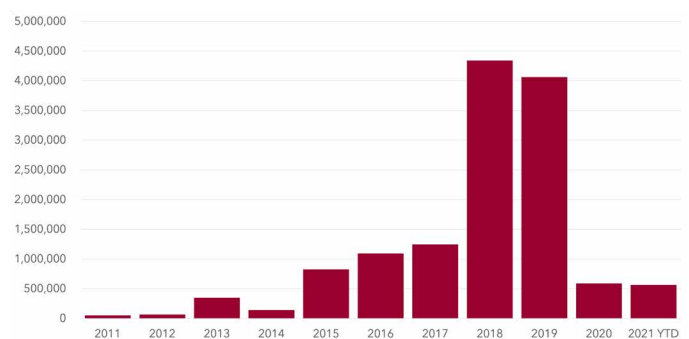
Raleigh's industrial market remains strong and continues to attract tenants in the logistics, clean-tech, retail, pharmaceutical and life science industries. Market vacancies are near record lows despite recent deliveries of new space. There have been several build-to-suit projects including Novo Nordisk's manufacturing facility in Clayton and the Ashley Furniture Distribution Center in Four Oaks. The demand for life science space continues as is evidenced by the recent acquisitions of several large buildings and flex parks slated for redevelopment for biotechnology, pharmaceutical and medical distribution uses. Raleigh continues to attract investment with its rapidly growing population, talent pool and access to other major markets.

MARKET INDICATORS	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
▲ Net Absorption SF	3,056,514	2,843,409	2,544,040	339,923	1,247,922
▲ Vacancy Rate	3.7%	3.4%	3.9%	3.4%	3.1%
▲ Avg NNN Asking Rate	\$8.62 PSF	\$8.53 PSF	\$8.43 PSF	\$8.34 PSF	\$8.27 PSF
▼ SF Under Construction	564,795	590,139	1,053,704	3,761,981	3,718,381
▼ Inventory SF	92,505,358	92,530,030	91,821,430	88,971,453	88,821,453

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
120 Trans Air Drive Morrisville, NC	164,005 SF	\$16,100,000 \$98.17 PSF	Exeter Property Group Northstar Real Estate Income II, III	4 Star Ind Whse
1040 Corporation Pky Raleigh, NC	49,746 SF	\$5,410,000 \$108.75 PSF	Obmorgan Properties Ltd Equus Capital Partners Ltd	3 Star Ind Whse
915 Withers Road Raleigh, NC	46,309 SF	\$2,350,000 \$50.75 PSF	Calip Dairies Inc ND Properties, LLC	

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
385 Spectrum Drive Knightdale, NC	70,050 SF	Trinity Capital	Undisclosed	Undisclosed
375 Spectrum Drive Knightdale, NC	59,776 SF	Undisclosed	Undisclosed	Undisclosed
360 Spectrum Drive Knightdale, NC	43,131 SF	Trinity Capital	Undisclosed	Undisclosed