



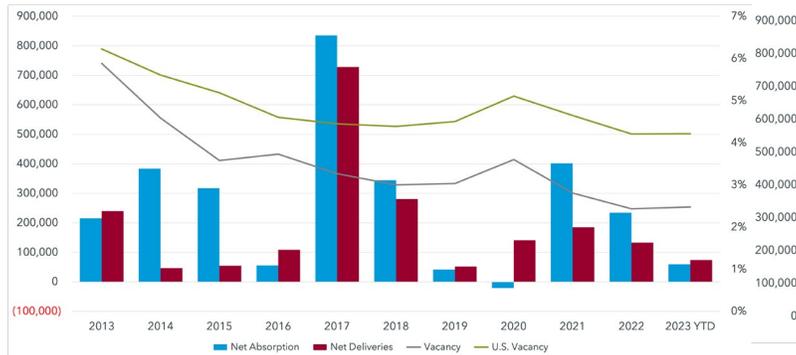
RETAIL MARKET OVERVIEW

CHARLES LANIER, MBA, CLS, CSM, CRX, *Vice President*

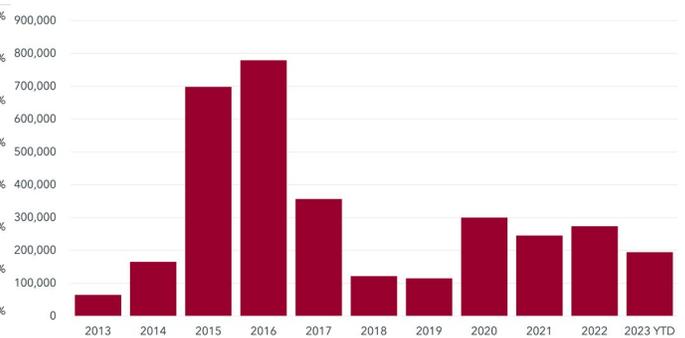
As the country frets about a possible recession, the Durham retail market remains strong with low vacancies and strong demand in the Downtown and I-40 corridors. Large tech/biomedical companies are adding jobs in the area, attracting new retailers to the market, and driving retail rents upward. Tenants are entering into bidding wars for spaces in highly desirable locations. New projects like Lata Park in north Durham, scheduled for delivery in 2024, are quoting rents in the upper \$30s and TICAM charges over \$6.50/sf are becoming more commonplace. Rents near the Streets at Southpoint are breaking the \$40/sf barrier. In the short term, vacancy rates are anticipated to remain low until more inventory is delivered to satisfy the strong demand.

MARKET INDICATORS	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
▼ 12 Mo. Net Absorption SF	213,424	234,034	211,686	430,493	524,955
▲ Vacancy Rate	2.47%	2.43%	2.36%	2.56%	2.55%
▲ Avg NNN Asking Rate PSF	\$22.63	\$22.46	\$22.20	\$21.89	\$21.53
▼ SF Under Construction	194,192	273,449	328,648	299,405	316,157
▲ Inventory SF	27,991,026	27,916,769	27,866,295	27,821,166	27,794,414

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
11 Cole Place Road Chapel Hill, NC	19,800 SF	Undisclosed	GIC Real Estate STORE Capital Corporation	Single-Tenant
501 Washington Street Durham, NC	18,429 SF	\$11,230,000 \$609.54 PSF	Ram Realty Magnolia Development	Multi-Tenant
819-823 N Miami Boulevard Durham, NC	12,500 SF	\$850,000 \$68.00 PSF	Machu Pollo Baklayan Vicken & Zozete	Multi-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
100-129 Siler Xing Siler City, NC	25,000 SF	Cai Ngo	Kimbrell's Furniture	Wholesaler
2206-2230 N Roxboro Street Durham, NC	9,000 SF	City Of Durham	Advance Auto Parts	Retailer
3500 N Roxboro Street Durham, NC	7,564 SF	Insite Holdings	Humana	Finance and Insurance



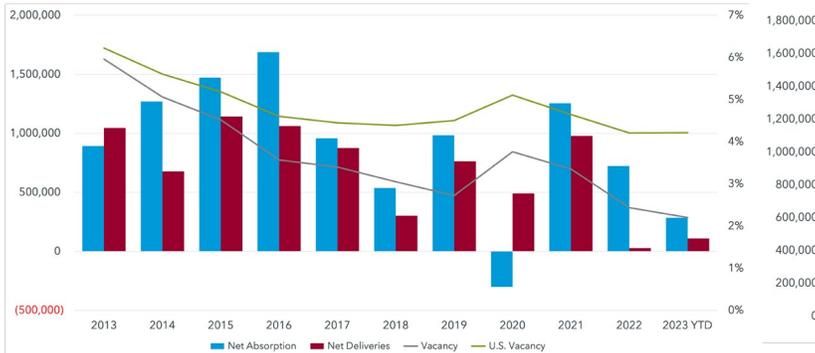
RETAIL MARKET OVERVIEW

CHARLES LANIER, MBA, CLS, CSM, CRX, *Vice President*

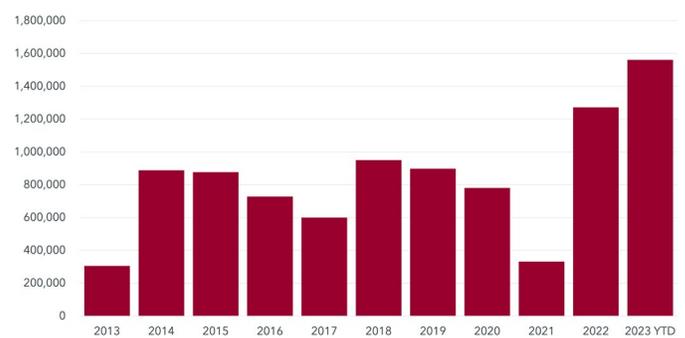
As the rest of the country frets about a possible recession, the Raleigh retail market has decided it will not be participating. Retail vacancies were at a record low of 2.0% in Q1 2023. Raleigh was ranked No. 5 U.S. job market, with many of the newer jobs focused on high-paying tech. This influx of talent and cash is attracting new retailers to the market and driving retail rents upward. Quoted rates for new projects scheduled for delivery later this year are in the mid to upper \$30s and TICAM over \$6.50/sf is becoming more commonplace. In the short term, vacancy rates are anticipated to remain low until more inventory is delivered to satisfy the strong demand.

MARKET INDICATORS	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
▼ 12 Mo. Net Absorption SF	597,682	723,047	1,155,610	1,265,684	1,464,784
▼ Vacancy Rate	2.21%	2.44%	2.90%	2.81%	2.93%
▲ Avg NNN Asking Rate PSF	\$24.09	\$23.69	\$23.53	\$23.34	\$22.96
▲ SF Under Construction	1,560,164	1,271,365	1,255,371	1,213,731	491,844
▲ Inventory SF	76,022,663	75,911,098	76,036,399	75,995,040	75,968,499

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
3200 New Falls of the Neuse Road Raleigh, NC	75,927 SF	\$14,300,000 \$188.34 PSF	SVN Real Estate Associates ShopCore Properties	Multi-Tenant
1241 S Main Street Wake Forest, NC	29,060 SF	\$1,400,000 \$48.18 PSF	Villa AB 1 LLC Kay B. Cash	Multi-Tenant
2300 US 70 Highway E Garner, NC	28,540 SF	Undisclosed	GIC Real Estate STORE Capital Corporation	Single-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
5220 Capital Boulevard Raleigh, NC	35,008 SF	JDR Property Corporation	Undisclosed	Undisclosed
7330-7550 Creedmoor Road Raleigh, NC	34,097 SF	Kimco Realty Corporation	Painted Tree Boutiques	Retailer
1200 NW Maynard Road Cary, NC	11,400 SF	Rhyne Management Associates, Inc.	Golden Hex	Retailer