



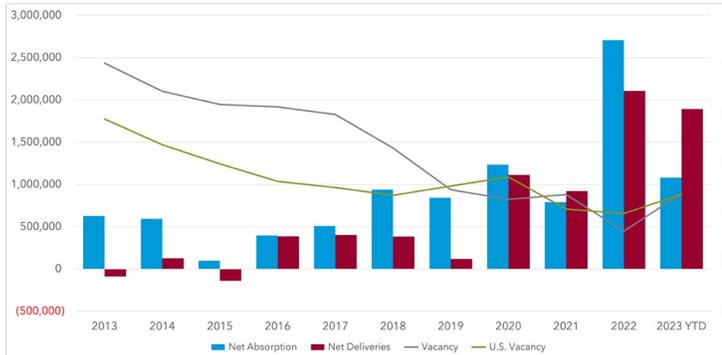
INDUSTRIAL MARKET OVERVIEW

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

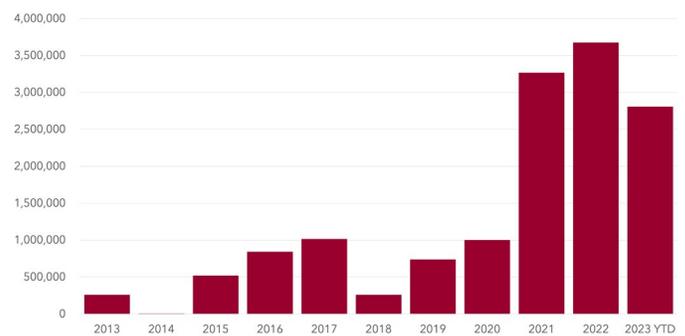
The Durham industrial market continues to see rising rental rates and a low vacancy rate of 4.79% in the second quarter of 2023 compared to 4.95% in the first quarter. The market has 2.6 million SF under construction. Demand is high due to the region's growth and need for more industrial product. Construction costs and less availability of land contribute to rising rent rates, particularly for new product, thus landlords are less likely to entertain much in the way of negotiations on rate, concessions, or improvements. Even with rising interest rates, demand remains strong, while investors have fewer options available for purchase.

| MARKET INDICATORS | Q2 2023 | Q1 2023 | Q4 2022 | Q3 2022 | Q2 2022 |
|----------------------------|------------|------------|------------|------------|------------|
| ▼ 12 Mo. Net Absorption SF | 2,212,231 | 2,777,019 | 2,706,255 | 2,592,196 | 1,518,402 |
| ▼ Vacancy Rate | 4.79% | 4.95% | 3.25% | 3.30% | 4.60% |
| ▲ Avg NNN Asking Rate PSF | \$11.14 | \$10.91 | \$10.62 | \$10.37 | \$10.11 |
| ▼ SF Under Construction | 2,906,797 | 3,027,579 | 3,676,629 | 3,782,729 | 4,175,509 |
| ▲ Inventory SF | 49,240,944 | 48,642,492 | 47,450,122 | 47,344,022 | 46,824,017 |

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---------------------------------------|------------|------------------------------|--|----------------|
| 2001 TW Alexander Drive Durham, NC | 308,964 SF | \$34,950,000 \$113.12 PSF | LBA Realty Broadstone Net Lease, Inc. | Class B |
| 1311 E. Club Boulevard Durham, NC | 14,615 SF | \$2,160,000 \$147.79 PSF | Lowry Stephen ODID LLC | Class C |
| 1375 Stockyard Road Staley, NC | 3,996 SF | \$798,000 \$199.70 PSF | Jordan Electric Motors, Inc. Josey Trucking LLC | Class C |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|--|-----------|------------------|-------------------------------|---|
| 4300 Emperor Boulevard Durham, NC | 18,385 SF | Prologis, Inc. | Performance Contracting Group | Professional, Scientific, and Technical Services |
| 3829-3839 S. Alston Avenue Durham, NC | 15,000 SF | Clarion Partners | Workspace Services | Rental and Leasing Services |
| 1500 E. Club Boulevard Durham, NC | 4,361 SF | Daye W Jones Jr. | USC Flooring, Inc. | Retailer |



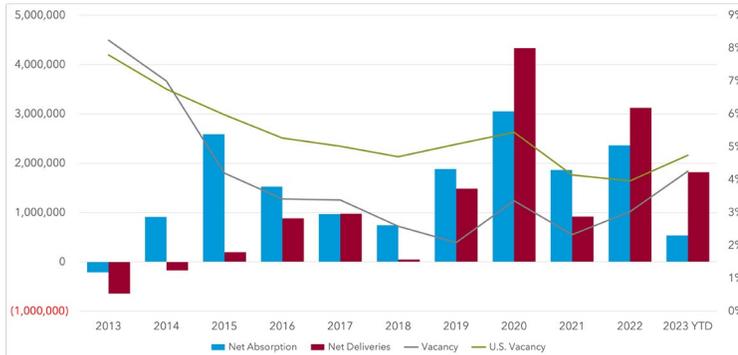
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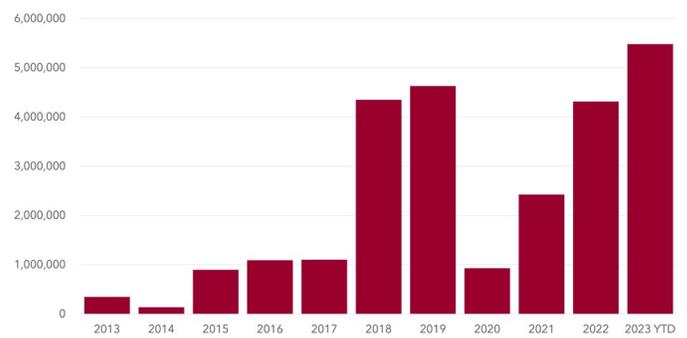
The Raleigh industrial market continues to see rising rental rates and a low vacancy rate of 3.88% in the second quarter of 2023 compared to 4.34% in the first quarter. The market has 5.5 million SF under construction. Demand is high due to the region's growth and the need for more industrial product. Construction costs and less availability of land contribute to rising rent rates particularly for new product, thus landlords are less likely to entertain much in the way of negotiations on rate, concessions, or improvements. Even with rising interest rates, demand remains strong, while investors have fewer options available for purchase.

| MARKET INDICATORS | Q2 2023 | Q1 2023 | Q4 2022 | Q3 2022 | Q2 2022 |
|----------------------------|------------|------------|------------|------------|------------|
| ▲ 12 Mo. Net Absorption SF | 2,848,090 | 2,546,299 | 2,364,359 | 2,631,782 | 1,438,050 |
| ▼ Vacancy Rate | 3.88% | 4.38% | 3.03% | 2.65% | 2.62% |
| ▲ Avg NNN Asking Rate PSF | \$11.34 | \$11.11 | \$10.83 | \$10.57 | \$10.30 |
| ▲ SF Under Construction | 5,480,703 | 5,214,866 | 4,316,180 | 4,341,493 | 5,412,695 |
| ▲ Inventory SF | 99,602,007 | 99,396,924 | 97,783,104 | 96,983,209 | 95,389,559 |

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|--|-----------|-----------------------------|---|----------------|
| 205 Bickett Boulevard Raleigh, NC | 18,315 SF | \$4,060,000 \$221.68 PSF | Textbook Properties LLC Electric Supply Co-Raleigh | Class C |
| 790 NC 561 Highway Centerville, NC | 12,648 SF | \$750,000 \$59.30 PSF | Triangle Risk Advisors Lawrence R. and Janie M. Pulley | Class C |
| 103 S. Front Street Franklinton, NC | 12,000 SF | \$250,000 \$20.83 PSF | Salas Properties LLC Shearwater Properties Worldwide LLC | Class C |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|-----------|------------------|------------------------------------|---|
| 1412 Stewart Street Fuquay-Varina, NC | 30,000 SF | Vialink | Undisclosed | Undisclosed |
| 225 Technology Park Lane Fuquay-Varina, NC | 18,000 SF | Greenscape, Inc. | Transoms Direct | Professional, Scientific, and Technical Services |
| 3321 Hobby Court Raleigh, NC | 15,450 SF | Hobby Properties | Hoffman Mechanical Solutions, Inc. | Services |

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