



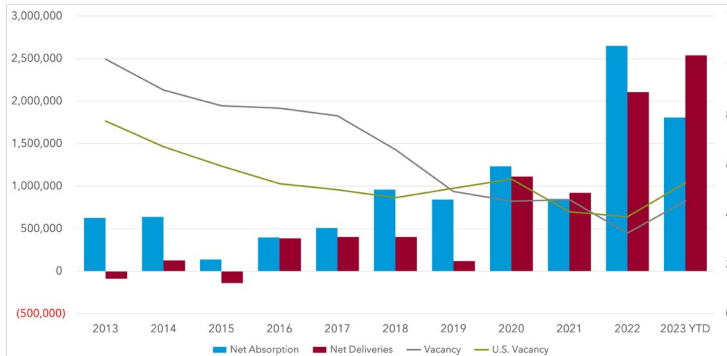
INDUSTRIAL MARKET OVERVIEW

RYAN LAWLER, *Broker*

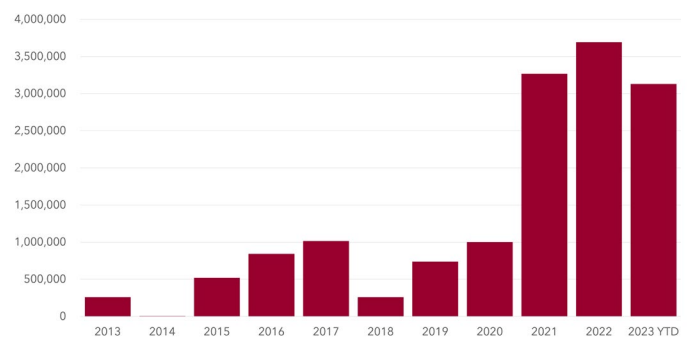
In Q3 2023, the Durham industrial market displayed strength in a national market that continues to show signs of softening. Marked by a 12-month net absorption that, while slightly lower than the previous quarter, reflects ongoing demand. The decreased vacancy rate, along with a modest uptick in the average NNN asking rate, indicates a healthier, competitive market. Additionally, the substantial increase in square footage under construction points to optimism for future supply. With the total inventory expanding, these stats collectively signify a resilient and evolving market, offering opportunities for growth and investment in Durham's industrial sector.

MARKET INDICATORS	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
▼ 12 Mo. Net Absorption SF	2,091,808	2,387,435	2,721,719	2,650,255	2,589,396
▼ Vacancy Rate	4.23%	4.79%	4.95%	3.25%	3.30%
▲ Avg NNN Asking Rate PSF	\$11.14	\$11.01	\$10.77	\$10.48	\$10.23
▲ SF Under Construction	3,131,336	2,739,259	3,043,945	3,692,995	3,799,095
▲ Inventory SF	50,051,351	49,488,428	48,706,072	47,513,702	47,407,602

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
311 W. Corporation Street Durham, NC	7,170 SF	\$2,200,000 \$306.83 PSF	Hart Guerard Dillard , Jr Alliance Architecture	Class C
1129 E. Geer Street Durham, NC	7,000 SF	\$1,250,000 \$178.57 PSF	Prestige Home Solutions Larry Dwayne Sauls	Class C
917 Ellis Road Durham, NC	6,000 SF	\$1,600,000 \$266.67 PSF	Benjamin Everett James I. Anthony, Jr.	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
000 W. Ten Road Mebane, NC	265,000 SF	MRE Propco LP	Mid-Atlantic Stihl, Inc.	Manufacturing
5511 W. Ten Road Mebane, NC	248,700 SF	The Carlyle Group	Undisclosed	Undisclosed
4900 Prospectus Drive Durham, NC	41,584 SF	Alidade Capital	Undisclosed	Undisclosed



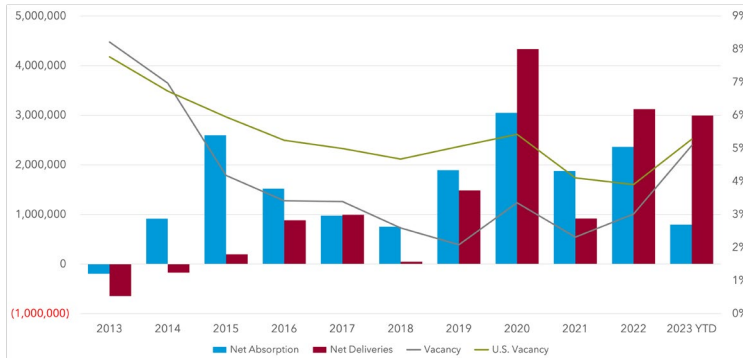
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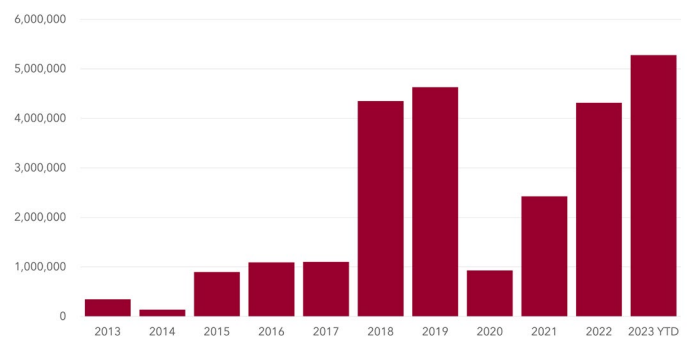
In Q3 2023, the Raleigh industrial market experienced a decrease in 12-month net absorption, with inventory totaling 1,371,410 square feet compared to the previous quarter's 2,776,544 square feet, indicating a slight slowdown in demand. The vacancy rate rose to 4.94% from 3.94% in Q2, signifying a more balanced market. The average NNN asking rate per square foot increased to \$11.54, up from \$11.40 in Q2. As some Tenants have shown caution through 2023, activity is constant as options remain limited resulting in a high renewal rate and compromises in space selection. Overall, our market remains optimistic for a strong close of 2023.

MARKET INDICATORS	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
▼ 12 Mo. Net Absorption SF	1,371,410	2,776,544	2,515,714	2,364,359	2,624,582
▲ Vacancy Rate	4.94%	3.94%	4.40%	3.01%	2.65%
▲ Avg NNN Asking Rate PSF	\$11.54	\$11.40	\$11.16	\$10.87	\$10.60
▼ SF Under Construction	5,277,683	6,263,030	5,735,866	4,316,180	4,341,493
▲ Inventory SF	101,350,803	100,179,571	99,971,001	98,357,181	97,557,286

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
3301 Integrity Drive Garner, NC	60,000 SF	\$7,790,000 \$129.83 PSF	HCEB L&B Leasing II LLC CTR Properties LLC	Class B
400 Park Avenue Youngsville, NC	54,000 SF	\$6,450,000 \$119.44 PSF	Jay Pitcher Dino Radostas	Class B
606 Church Street Morrisville, NC	57,600 SF	\$4,810,000 \$83.51 PSF	Nystrom Family Caroline Components Group	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1901 Treygan Road Garner, NC	141,250 SF	RWN Real Estate Partners LLC	Undisclosed	Undisclosed
1251 Burma Apex, NC	129,944 SF	Apex Industrial Owner 3 LLC	Undisclosed	Undisclosed
400 Park Avenue Youngsville, NC	54,000 SF	Jay Pitcher	White Street Brewing Company	Breweries