



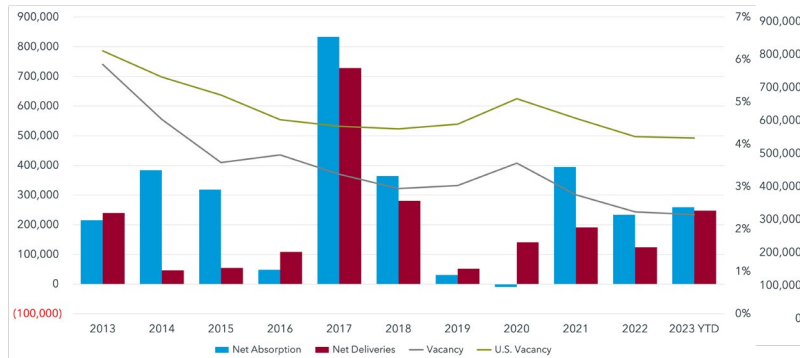
RETAIL MARKET OVERVIEW

JAKE PLOTKIN, CCIM, *Vice President*

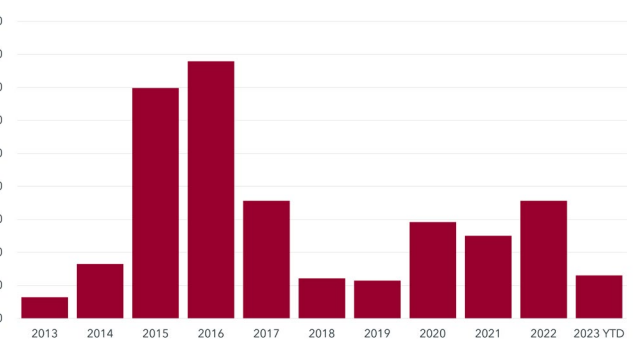
Durham's retail market saw robust growth in Q3 2023, boasting a net absorption of 295,998 square feet, outpacing Q2's 253,042 square feet. Additionally, the vacancy rate declined from 2.45% in Q2 to 2.31% in Q3, highlighting heightened demand for retail spaces. The average NNN asking rate per square foot per year also increased from \$23.06 to \$23.33. Notably, Q3 witnessed a reduction in square footage under construction, dropping to 130,534 square feet from Q2's 211,325 square feet. Despite this, the market remained stable, with the inventory at 28,161,334 square feet in Q3, consistent with Q2's 28,061,334 square feet. These figures collectively suggest a resilient and thriving retail market in Durham.

MARKET INDICATORS	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
▲ 12 Mo. Net Absorption SF	295,998	253,042	258,720	233,567	201,436
▼ Vacancy Rate	2.31%	2.45%	2.47%	2.40%	2.32%
▲ Avg NNN Asking Rate PSF	\$23.33	\$23.06	\$22.80	\$22.52	\$22.24
▼ SF Under Construction	130,534	211,325	220,792	356,480	411,679
▲ Inventory SF	28,161,334	28,061,334	28,047,834	27,913,946	27,863,472

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
3825 S. Roxboro Street Durham, NC	114,972 SF	\$12,150,000 \$105.68 PSF	County of Durham BC Wood Properties	Undisclosed
321 East Street Pittsboro, NC	10,280 SF	\$4,154,000 \$404.09 PSF	DV Cat LLC Louise Garside	Undisclosed
725 Iredell Street Durham, NC	5,885 SF	\$1,850,000 \$314.36 PSF	Rea Morehead Juniper, Inc. 725 Iredell LLC	Undisclosed

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2223 E. NC Highway 54 Durham, NC	4,448 SF	Elmer Douglas Lucas	Undisclosed	Undisclosed
8030 Renaissance Parkway Durham, NC	4,000 SF	Brookfield Corporation	CO	Dine-In Restaurants
202 N. Corcoran Street Durham, NC	3,951 SF	Austin Lawrence Partners	Cheeni Indian Restaurant	Accommodation and Food Services



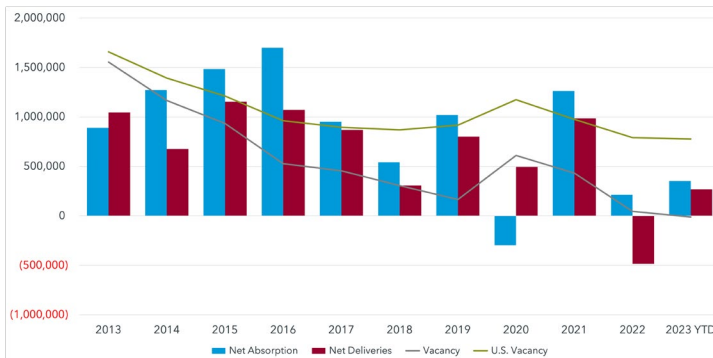
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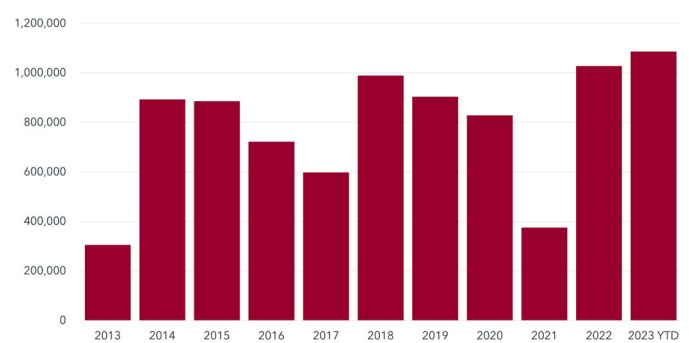
The Raleigh retail market demonstrated robust growth and encouraging signs during Q3 2023. Notably, net absorption surged to 576,500 square feet, exceeding the previous quarter's 461,654 square feet. Moreover, the vacancy rate saw a slight dip from 2.41% in Q2 to 2.32% in Q3, indicating heightened demand for retail properties. Additionally, the average NNN asking rate increased to \$25.39, up from \$24.86 in Q2. Despite a slight reduction in square footage under construction, with Q3 at 1,086,163 square feet compared to Q2's 1,094,392 square feet, Raleigh's retail market remains resilient. The overall inventory expanded to 75,852,836 square feet in Q3, as opposed to 75,811,283 square feet in Q2, underscoring the market's stability and growth.

MARKET INDICATORS	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
▲ 12 Mo. Net Absorption SF	576,500	461,654	119,079	214,467	643,945
▼ Vacancy Rate	2.32%	2.41%	2.20%	2.44%	2.91%
▲ Avg NNN Asking Rate PSF	\$25.39	\$24.86	\$24.34	\$23.92	\$23.65
▼ SF Under Construction	1,086,163	1,094,392	1,179,963	1,027,512	1,019,029
▲ Inventory SF	75,852,836	75,811,283	75,701,449	75,584,184	75,701,474

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
1905-1915 Poole Road Raleigh, NC	24,090 SF	\$3,200,000 \$132.84 PSF	Heba Issa Artesia Real Estate	Multi-Tenant
960 W. Market Street Smithfield, NC	23,203 SF	\$1,600,000 \$68.96 PSF	Whitley Townes LLC J&J Flowers Finch, Inc.	Single-Tenant
5560-5596 Highway 42 West Garner, NC	18,120 SF	\$1,850,000 \$102.10 PSF	Woodhaven Development Group GM & M Real Estate Services	Multi-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1 Junction Plaza Franklinton, NC	15,000 SF	Brassfield Commercial	Auto Zone	Automotive parts
404 E. Six Forks Road Raleigh, NC	12,455 SF	Tony Xie	Umami Sushi D/B/A Umiya	Accommodation and Food Services
4229 Louisburg Road Raleigh, NC	12,000 SF	SouthCoast Commercial LLC	David's Bridal	Women's Clothing Stores