



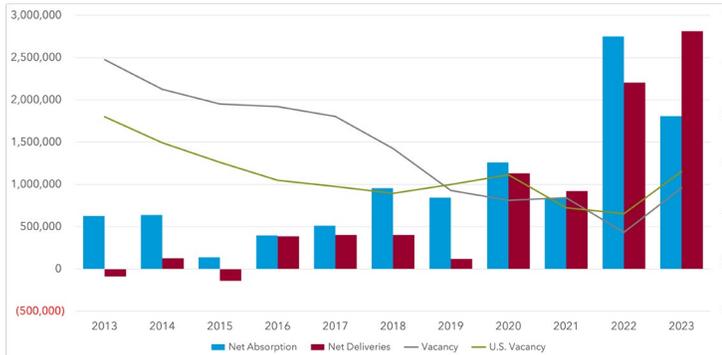
### INDUSTRIAL MARKET OVERVIEW

RYAN LAWLER, *Senior Director*

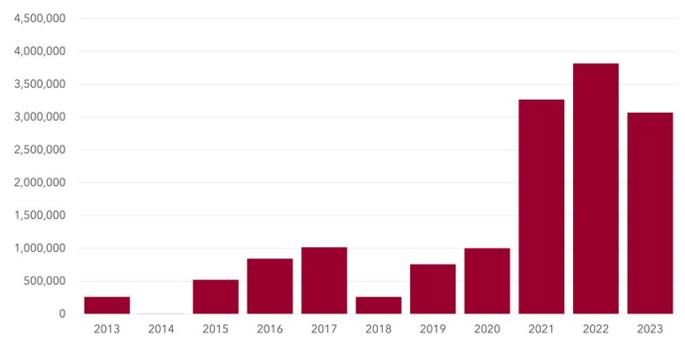
Annual net absorption was 1.7 million SF, almost double Durham's 10-year annual average. Leasing activity represented a diverse tenant base, life science operations and the e-commerce sector. Net absorption was highest in Chatham County and Research Triangle. The vacancy rate of 5.2% remained below Durham's historical average and the national average. Although demand was high, new deliveries totaled 2.7 million SF and absorption for 4Q23 was negative. Annual rent growth slowed but remained above Durham's historical average. Representative of current trends, annual sales volume, \$183 million, was lower than normal in 2023. Durham's industrial pipeline, with 3.1 million SF under construction, may cause vacancies to increase in 2024.

MARKET INDICATORS	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
▼ 12 Mo. Net Absorption SF	1,806,589	2,315,364	2,610,991	2,945,275	2,750,255
▲ Vacancy Rate	5.0%	4.2%	4.7%	4.9%	3.2%
▲ Avg NNN Asking Rate PSF	\$11.39	\$11.25	\$11.07	\$10.81	\$10.53
▼ SF Under Construction	3,067,086	3,168,736	2,741,659	3,043,945	3,816,815
▲ Inventory SF	50,597,603	50,438,953	49,876,030	49,100,844	47,784,654

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1510 E. Lawson Street Durham, NC	20,000 SF	\$2,300,000 \$115.00 PSF	Dunham Trust Company 4318 Medical Park LLC	Class B
1023 S. Miami Boulevard Durham, NC	11,809 SF	\$1,718,000 \$145.48 PSF	Durham County Government Randal A. Brame	Class C
402 Wicker Street Sanford, NC	8,400 SF	\$915,000 \$109.00 PSF	Environmental Service Systems Private Individual	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3871-3877 S. Alston Avenue Durham, NC	108,830 SF	Clarion Partners	Undisclosed Sublease	Undisclosed
Liberty Ridge 1955 TW Alexander Durham, NC	56,700 SF	Prologis, Inc	Undisclosed	Undisclosed
606 United Drive Durham, NC	10,000 SF	Private Individual	Atomic Clock Brewing	Accommodation Food Services



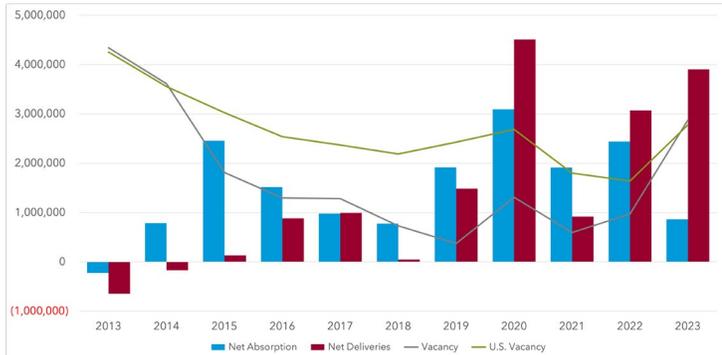
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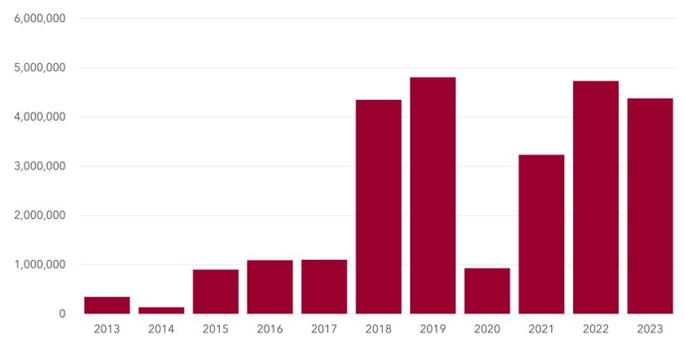
Availability of land, lower-cost power, logistics infrastructure, favorable business environment, highly educated and skilled labor, help place North Carolina in the top three states leading the U.S. in sheer numbers of major future manufacturing developments. However, during 2023, demand and absorption were below Raleigh's historical average. In 2023, rent growth slowed, 3.8 million SF of new inventory delivered, prices leveled off, sales were small. Currently blended rent is \$11.70 SF, which is higher than rents in Southeastern peer markets, attributed to the number of life science properties and research and development facilities. Another 4.7 million SF, planned to deliver in 2024, will expand existing inventory 4.5%.

MARKET INDICATORS	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
▲ 12 Mo. Net Absorption SF	865,215	767,394	2,662,898	2,411,468	2,439,875
▲ Vacancy Rate	5.82%	5.37%	3.88%	4.33%	2.96%
▲ Avg NNN Asking Rate PSF	\$11.76	\$11.62	\$11.43	\$11.18	\$10.89
▼ SF Under Construction	4,380,762	5,056,944	5,982,338	5,455,246	4,734,439
▲ Inventory SF	102,243,707	101,213,050	100,041,890	99,833,320	98,339,500

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
101 Stamford Drive Cary, NC	151,500 SF	\$25,000,000 \$165.02 PSF	SFG Cary LLC Antec Corporation	Class B
8900 Capital Boulevard Raleigh, NC	88,687 SF	\$11,476,000 \$129.00 PSF	Indivior, Inc. Sagent Pharmaceuticals	Bio-Tech/Lab
5640 Departure Drive Raleigh, NC	54,480 SF	\$9,500,000 \$174.38 PSF	Johnstone Supply PMT Departure, LLC	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
Holly Springs New Hill Road Holly Springs, NC	400,000 SF	Fujifilm Diosynth Biotechnologies	Janssen Supply Group	Manufacturing
2405-4215 Innovation Loop Youngsville, NC	262,189 SF	Summit Real Estate Group	Two Leases Undisclosed	Undisclosed
11011 Longistics Way Morrisville, NC	26,680 SF	Center Partners LLC	Rentokil North America	Professional Services