



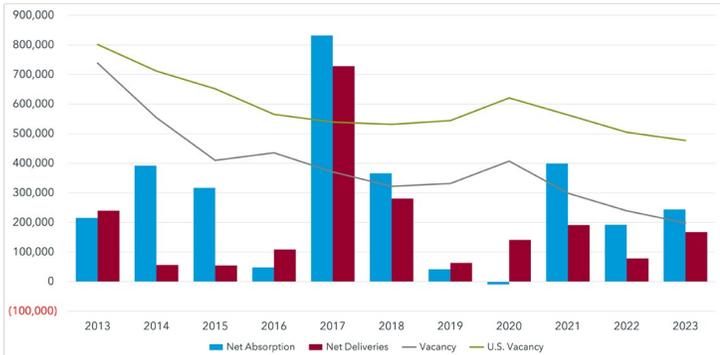
RETAIL MARKET OVERVIEW

CHRISTINA COFFEY, *Vice President*

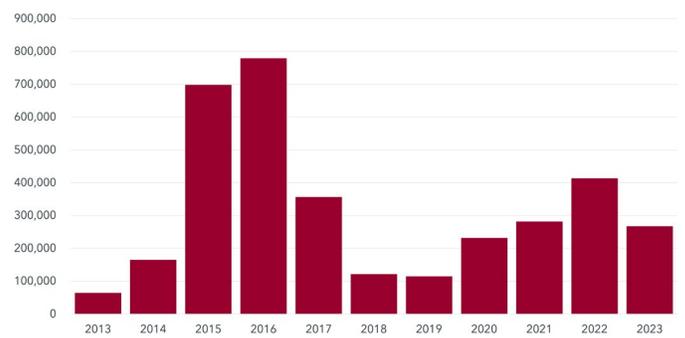
As of 4Q23, demand and absorption are positive, and vacancy is a record low at 2.1%, down year over year. The market's low vacancy rate makes it challenging for retail tenants to find quality space. Durham's average rental rate of \$23 SF is a little below the national average. Although rent growth has slowed, Durham has experienced higher rent growth than the U.S. average. Absorption has outpaced new deliveries and less than 10% of space under construction is available due to pre-leasing. Smaller lease deals and sales volume below Durham's historical annual average is consistent with national trends because of interest rates and economic uncertainty. In this market, a few high profile, large retail projects have the potential for future redevelopment.

MARKET INDICATORS	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
▲ 12 Mo. Net Absorption SF	244,161	182,277	150,397	149,755	192,245
▼ Vacancy Rate	2.087%	2.282%	2.423%	2.447%	2.40%
▲ Avg NNN Asking Rate PSF	\$23.47	\$23.21	\$22.89	\$22.61	\$22.32
◀ ▶ SF Under Construction	267,391	267,391	339,782	349,249	413,000
◀ ▶ Inventory SF	28,047,811	28,047,811	27,956,211	27,942,711	27,880,340

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
Marketplace at Ellis Crossing Durham, NC	71,336 SF	\$26,500,000 \$371.48 PSF	Publix Super Markets Thompson Thrift	Multi-Tenant
102 Merritt Mill Road Chapel Hill, NC	2,332 SF	\$3,100,000 \$1,329.23 PSF	Bencar LLC Red Ride, Inc.	Sold-for-Land-Value
1697 Hillsboro Street Pittsboro, NC	4,001 SF	\$2,200,000 \$550.00 PSF	Apple Butter Investments GEMCap Development	Single-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3500 N. Roxboro Street Durham, NC	79,454 SF	TROSA	Nova Trampoline Park	Retailer
200-208 N. Mangum Street Durham, NC	4,418 SF	Northpond Partners	Thai Angel	Accommodation Food Services
525 Hampton Pointe Boulevard Hillsborough, NC	4,160 SF	Tribek Properties	T-Mobile	Radiotelephone Comm



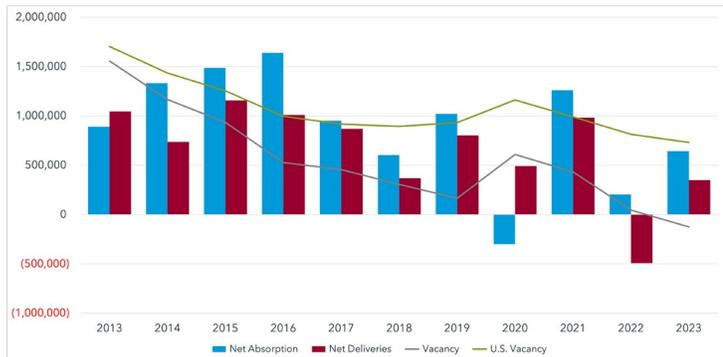
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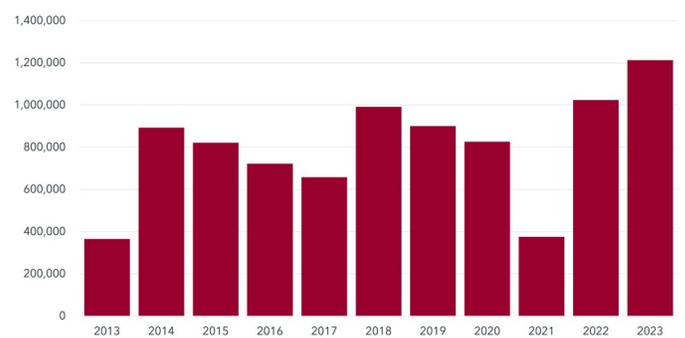
Our outlook for Raleigh retail is positive for 2024, supported by the area's strong population and economic growth. Availabilities are competitive, move-outs, sublet space, and new deliveries are low. In 2023 the Raleigh market was among the top performers nationally, with positive net absorption and 6.7% rent growth, significantly higher than national growth. Attractive retail spaces, in the right locations, push rental rates higher. With over 1.2M SF under construction, Raleigh's inventory expansion is significantly higher than the national rate of expansion. Sales volume in Raleigh has totaled approximately \$266 million over the past 12 months, which is below the market's historical annual average.

MARKET INDICATORS	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
▲ 12 Mo. Net Absorption SF	643,669	610,115	493,128	119,079	204,832
▼ Vacancy Rate	2.0%	2.3%	2.4%	2.2%	2.4%
▲ Avg NNN Asking Rate PSF	\$25.49	\$25.21	\$24.74	\$24.25	\$23.84
▲ SF Under Construction	1,212,711	1,196,047	1,121,498	1,177,726	1,023,134
▲ Inventory SF	75,942,035	75,883,199	75,839,505	75,709,949	75,592,684

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
1280-1284 W. Williams Street Apex, NC	17,416 SF	\$9,375,000 \$538.30 PSF	Central MallPartnership Win Apex LLC	Multi-Tenant
7633 Knightdale Boulevard Knightdale, NC	14,793 SF	\$3,000,000 \$202.80 PSF	Knightdale Office Suites Private Owner	Multi-Tenant
3914 Capital Boulevard Raleigh, NC	10,722 SF	\$2,349,000 \$219.00 PSF	3914 Raleigh REI LLC REI Capitol Blvd Raleigh LLC	Single-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
521-1591 Beaver Creek Commons Apex, NC	11,389 SF	CTO Realty Growth	Total Wine & More	Alcohol Retailer
2431 Spring Forest Road Raleigh, NC	8,100 SF	U-Haul Holding Company	Hair Depot	Hair and Beauty Products
1250 Western Boulevard Jacksonville, NC	6,000 SF	Developers Realty Corp	Shimmer Boutique	Pageant and Prom Dresses