



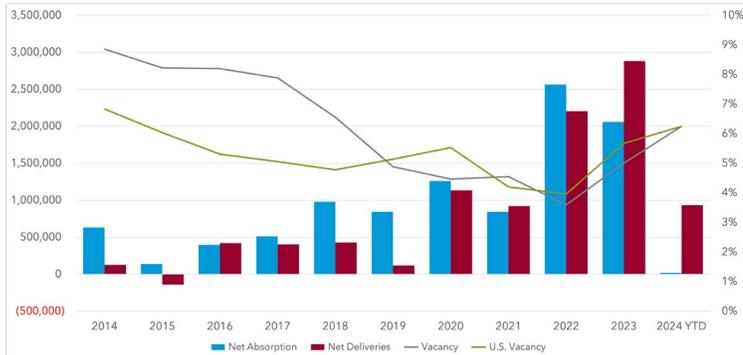
INDUSTRIAL MARKET OVERVIEW

HUNTER STEWART, SIOR, MBA, *Vice President, Principal*

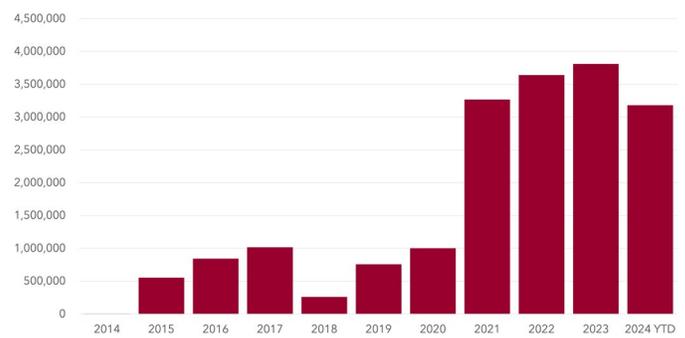
Driven by the area's population, employment, and economic growth, demand is resilient. Research Triangle, the premier industrial submarket in Durham, constitutes 45% of the market's inventory, with a large amount of flex space, used as life-science research, development, and lab space. Eli Lilly's expansion is underway in Research Triangle Park. On the west side of the market, along interstates 40 and 85, demand for e-commerce and other distribution operations rebounds. Southwest of Durham, on the 1,802-acre Chatham-Siler City advanced manufacturing site, Wolfspeed's semiconductor manufacturing facility is underway. Moreover, Chatham and Lee counties are experiencing unprecedented economic growth.

MARKET INDICATORS	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
▼ 12 Mo. Net Absorption SF	1,731,066	2,058,150	2,379,543	2,523,499	2,857,755
▲ Vacancy Rate	6.29%	5.00%	4.58%	5.07%	5.25%
▲ Avg NNN Asking Rate PSF	\$11.51	\$11.36	\$11.18	\$10.99	\$10.73
▼ SF Under Construction	3,180,320	3,809,720	3,911,370	2,864,293	3,086,607
▲ Inventory SF	51,929,860	50,995,260	50,867,859	50,304,936	49,529,722

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
5108 Rex McLeod Drive Sanford, NC	50,684 SF	\$5,000,000 \$99.00 PSF	Noble Oil Services Cary - CAT 3 Properties	Class B
1228 E. Lindsay Street Greensboro, NC	37,500 SF	\$3,900,000 \$104.00 PSF	Feed the Hunger, Inc. Ash Grey Properties	Class C
1490 Comfort Lane Sanford, NC	26,000 SF	\$2,850,000 \$109.00 PSF	CHS Investors LLC Buffaloe Creek LLC	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
Helix Innovation - Brickyard Sanford, NC	250,000 SF	Helix Ventures	Kyowa Kirin	Pharma Mfg Prof & Scientific
4032 Patriot Drive Durham, NC	163,403 SF	Blackstone	PBM Graphics	Professional, Scientific & Technical Services
5100 Rex McLeod Drive Sanford, NC	100,800 SF	Beacon Development	American Gifts	Retailer



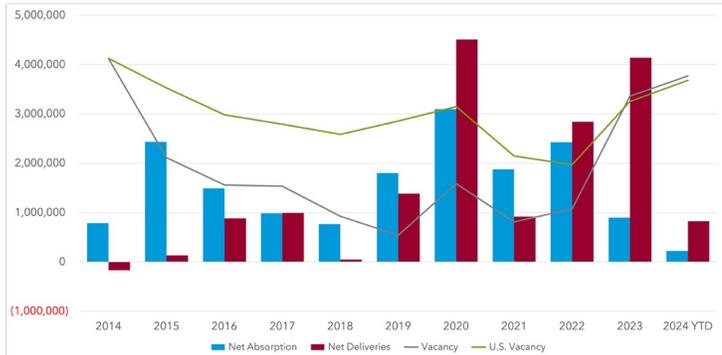
INDUSTRIAL MARKET OVERVIEW

SCOTT HADLEY, *Vice President, Principal*

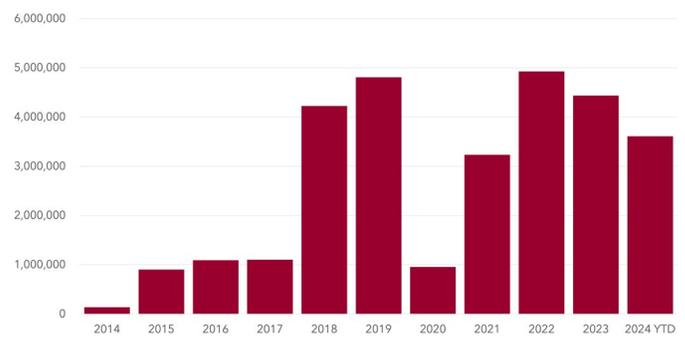
Consistent with national trends, industrial construction in Raleigh has fallen for multiple quarters in a row, and demand for industrial space has not kept pace with new supply. Approximately 40% of the 3.7 million SF of inventory under construction is released, putting downward pressure on rent growth. Vacancy increased to 6.4%, which is in line with the US vacancy rate of 6.2%. Johnston County, Southeast Wake and Southwest Wake counties, represent the highest demand, positive absorption, strong population, and employment growth. Over forty-two companies expanded or moved to Wake, Johnston, Franklin, and Nash counties in the last few years.

MARKET INDICATORS	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
▲ 12 Mo. Net Absorption SF	1,091,675	898,187	716,138	2,625,019	2,378,980
▲ Vacancy Rate	6.3%	5.8%	5.2%	3.7%	4.1%
▲ Avg NNN Asking Rate PSF	\$11.97	\$11.82	\$11.63	\$11.43	\$11.17
▼ SF Under Construction	3,608,941	4,434,440	5,335,737	6,436,131	5,647,204
▲ Inventory SF	103,188,121	102,362,622	101,096,850	99,925,690	99,717,292

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
400 E. Gannon Avenue Zebulon, NC	148,004 SF	\$7,618,000 \$51.47 PSF	Gannon Properties LLC General Sportswear Company	Class B
2100 Harrod Street Raleigh, NC	89,017 SF	\$10,500,000 \$118.00 PSF	Oak City Commercial Blind Industries Services of Maryland	Class C
600 Germantown Road Morrisville, NC	14,524 SF	\$5,000,000 \$344.00 PSF	Gallo Mechanical Bobbitt Group	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2201 S. Wilmington Street Raleigh, NC	143,246 SF	Pennybacker Capital	Drop Shot + Pin Point	Arts, Entertainment and Recreation
3209 S. Church Street Rocky Mount, NC	35,450 SF	Nashville Realty LLC	Global Retool Group	Services
10310 Globe Road Morrisville, NC	10,500 SF	Globe Road Investment	Tesla, Inc	Services