



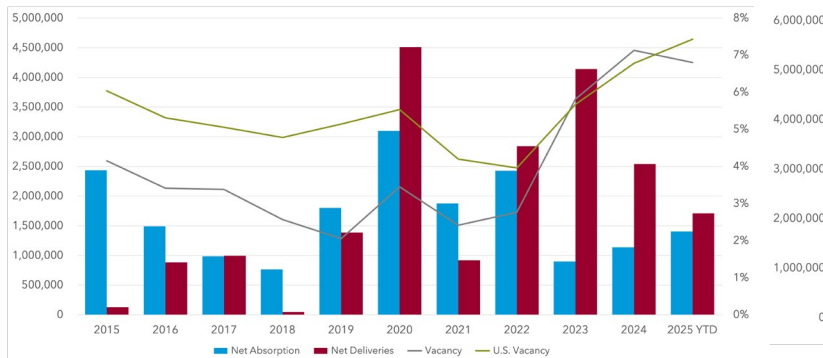
## INDUSTRIAL MARKET OVERVIEW

JAKE PLOTKIN, CCIM, Vice President, Principal

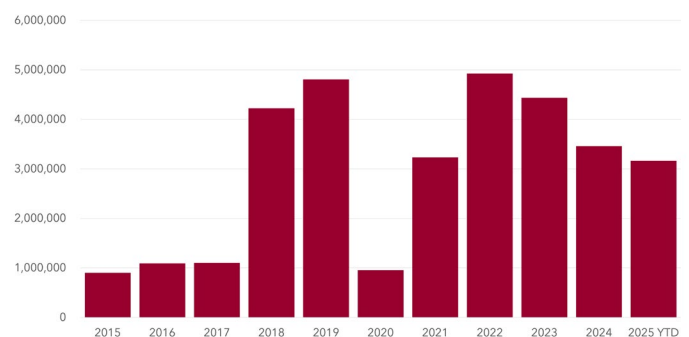
Raleigh's industrial sector posted continued growth in Q2 2025, with net absorption rising to 1.54 million SF, up from 1.40 million SF in Q1. Vacancy edged up slightly to 7.52% amid ongoing deliveries. Asking rents climbed to \$12.49 PSF, and sale prices increased to \$142 PSF. Cap rates compressed further to 7.83%, reflecting strong investor interest. The construction pipeline expanded to 4.5 million SF, signaling sustained developer confidence. Notable activity included a 175,000 SF lease in Garner and a 200,000 SF sale in Apex at \$149 PSF. Market fundamentals remain strong, supported by steady demand and a growing inventory base.

MARKET INDICATORS	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024
▲ 12 Mo. Net Absorption SF	2,190,618	1,401,729	1,137,777	1,148,858	979,307
▼ Vacancy Rate	6.80%	7.38%	7.13%	6.98%	6.30%
▲ Avg NNN Asking Rate PSF	\$12.59	\$12.35	\$12.27	\$12.20	\$12.13
▲ Sale Price PSF	\$139.00	\$137.00	\$132.00	\$137.00	\$161.00
▲ Cap Rate	8.00%	7.99%	8.27%	8.04%	8.07%
▼ Under Construction SF	3,165,148	3,904,749	3,458,569	2,672,898	2,961,786
▲ Inventory SF	107,314,159	105,965,428	105,621,642	105,124,889	104,711,812

### NET ABSORPTION, NET DELIVERIES, & VACANCY



### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
5100 Jones Sausage Road* Garner, NC	280,147 SF	\$50,605,117 \$180.64 PSF	KKR Real Estate Select Trust Beacon Development Company	Class A
4900 Jones Sausage Road* Garner, NC	260,954 SF	\$56,202,234 \$215.37 PSF	KKR Real Estate Select Trust Beacon Development Company	Class A
2315 Atlantic Avenue Raleigh, NC	131,130 SF	\$20,750,000 \$158.24 PSF	Beacon Development Company Grubb Ventures Services LLC	Class B

\*Part of a Portfolio Sale

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
4112 Friendship Road Apex, NC	700,000 SF	Amgen, Inc.	Genentech	Research & Development
0 McCrimmon Parkway Morrisville, NC	70,131 SF	King Combs LLC	Liquidia	Manufacturing
205 S. Rogers Lane Raleigh, NC	42,750 SF	Keystone Park Associates LLC	Sumitomo	Professional, Scientific, and Technical Services



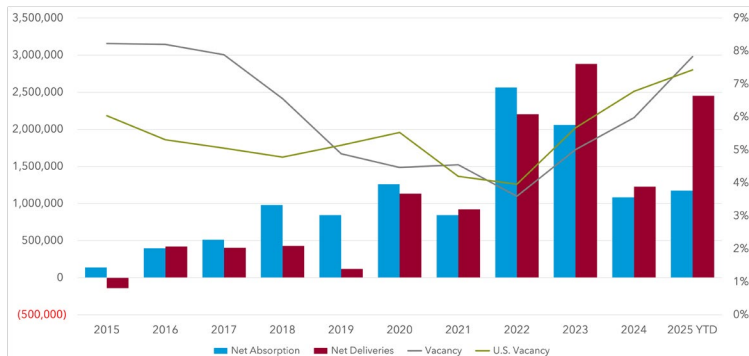
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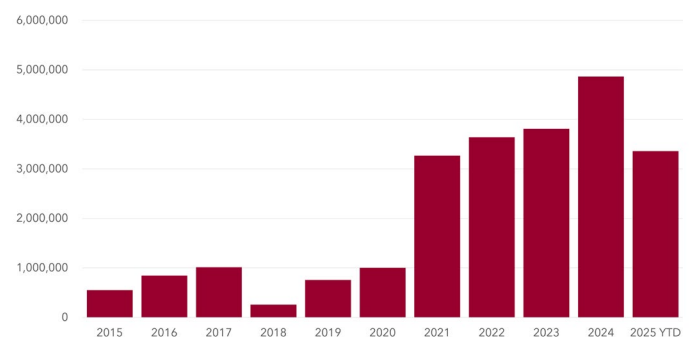
Durham's industrial market experienced a slight cooling in Q2 2025, with net absorption easing to 2.03 million SF from Q1's record-setting 2.57 million SF. Vacancy rose to 7.83%, up from 7.30%, driven by continued new deliveries. Average asking rents edged up to \$11.61 PSF, while sale prices increased to \$130 PSF. Cap rates ticked up to 7.4%, and construction volume grew modestly to 3.36 million SF. Despite a tempered pace, leasing and investment activity remain solid, particularly in logistics and advanced manufacturing sectors.

MARKET INDICATORS	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024
▼ 12 Mo. Net Absorption SF	2,032,208	2,574,173	1,084,319	1,178,003	1,362,918
▲ Vacancy Rate	7.83%	7.30%	5.98%	5.94%	6.50%
▲ Avg NNN Asking Rate PSF	\$11.61	\$11.45	\$11.32	\$11.60	\$11.53
▲ Sale Price PSF	\$130.00	\$128.00	\$121.00	\$112.00	\$145.00
▲ Cap Rate	7.40%	7.38%	7.68%	7.34%	7.43%
▲ Under Construction SF	3,358,471	3,286,422	4,865,112	2,888,232	3,113,275
▲ Inventory SF	57,906,298	57,700,652	54,972,032	54,002,769	53,142,318

### NET ABSORPTION, NET DELIVERIES, & VACANCY



### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1000 N. Park Drive Roxboro, NC	342,697 SF	\$4,175,000 \$12.00 PSF	DLT Holdings LLC Boise Cascade	Class B
200 Redman Crossing Mebane, NC	88,010 SF	\$1,200,000 \$14.00 PSF	The Crown Companies LLC Echion USA	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3530 Brightleaf Lane Apex, NC	359,600 SF	Beacon Development Co	Undisclosed	Undisclosed
1803 N. Main Street Roxboro, NC	45,000 SF	Loudon Properties LLC	Undisclosed	Undisclosed
712 Ellis Road Durham, NC	35,306 SF	Littlewood Grey	Undisclosed	Undisclosed



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