



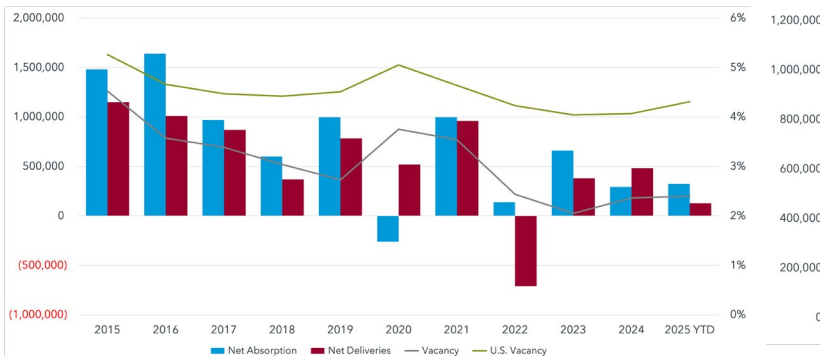
RETAIL MARKET OVERVIEW

JENN OLEVITCH-ROBERSON, Vice President

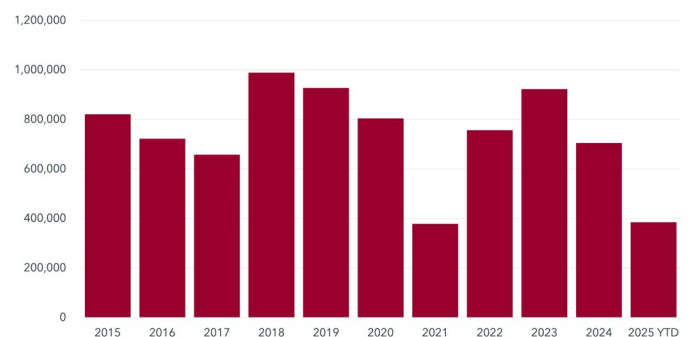
Raleigh's retail market remained strong in Q2 2025, with net absorption at 396,179 SF, a slight dip from 415,407 SF in Q1. Vacancy rose modestly to 2.4%, while average asking rents increased to \$27.64 PSF. Sales prices climbed to \$265 PSF, and cap rates nudged up to 6.65%. Construction volume declined to 384,625 SF, reflecting cautious optimism among developers. Inventory slightly decreased to 76.1 million SF due to reclassification adjustments. Market fundamentals remain healthy, supported by leasing activity in high-traffic locations and steady investor demand.

MARKET INDICATORS	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024
▼ 12 Mo. Net Absorption SF	396,179	415,407	291,543	377,056	486,204
▲ Vacancy Rate	2.40%	2.30%	2.36%	2.35%	2.20%
▲ Avg NNN Asking Rate PSF	\$27.64	\$27.05	\$26.52	\$26.97	\$26.69
▲ Sale Price PSF	\$265.00	\$262.00	\$260.00	\$280.00	\$349.00
▲ Cap Rate	6.65%	6.60%	6.59%	6.54%	6.58%
▼ Under Construction SF	384,625	465,473	704,275	752,008	803,624
▼ Inventory SF	76,141,933	77,006,036	76,429,576	76,155,978	76,090,078

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
4551 New Bern Avenue* Raleigh, NC	21,640 SF	\$5,854,978 \$270.56 PSF	Phillips Edison & Company The Widewaters Group, Inc.	Multi-Tenant
3010 N. Main Street Fuquay Varina, NC	16,322 SF	\$3,375,000 \$206.78 PSF	Private Buyer Private Seller	Single-Tenant
4241 Louisburg Road Raleigh, NC	15,120 SF	\$4,213,770 \$278.69 PSF	ExchangeRight Walker Auto Stores	Single-Tenant

*Part of a Portfolio Sale

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
6500-6602 Glenwood Avenue Raleigh, NC	32,957 SF	Zeisler Morgan Properties	Planet Fitness	Health Clubs
4500 Western Boulevard Raleigh, NC	31,440 SF	CityPlat	Undisclosed	Undisclosed
1102-1132 S. Pollock Street Selma, NC	17,450 SF	R E S Investors LLC	Big Deal Outlet LLC	Outlet Retail



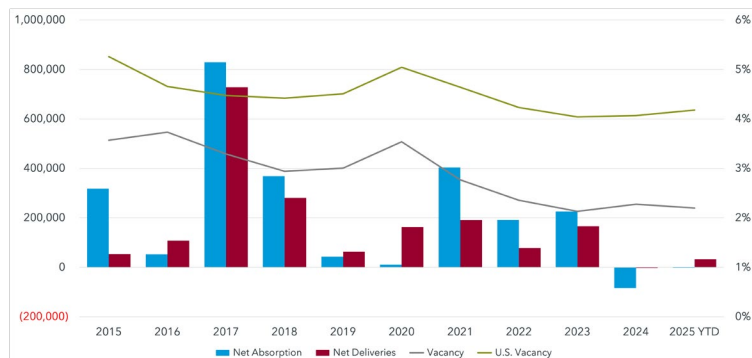
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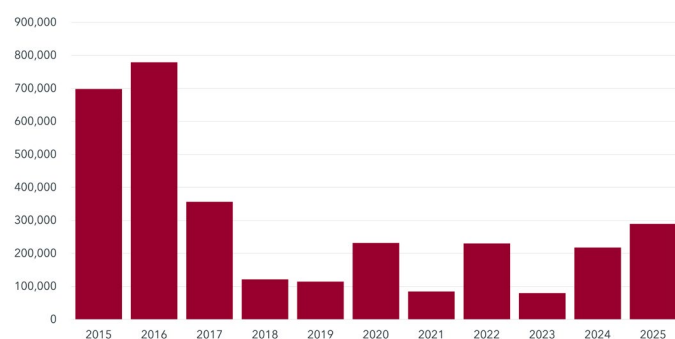
Durham's retail market began to stabilize in Q2 2025, with net absorption improving to -82,779 SF from a sharper -392,943 SF in Q1. Vacancy fell to 2.2%, down from 3.16%, indicating stronger tenant retention. Asking rents softened to \$24.83 PSF. Sale prices edged up to \$242 PSF, while cap rates widened to 8.7%, reflecting risk-adjusted pricing. The construction pipeline expanded to 289,676 SF, up from 262,722 SF. Despite lingering softness, the market shows early signs of recovery driven by renewed leasing activity and development optimism.

MARKET INDICATORS	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024
▲ 12 Mo. Net Absorption SF	(82,779)	(392,943)	(83,224)	50,821	221,496
▼ Vacancy Rate	2.20%	3.16%	2.28%	2.06%	1.90%
▼ Avg NNN Asking Rate PSF	\$24.83	\$25.08	\$24.91	\$25.06	\$24.57
▲ Sale Price PSF	\$242.00	\$241.00	\$247.00	\$250.00	\$332.00
▲ Cap Rate	8.70%	8.57%	8.33%	8.21%	8.22%
▲ Under Construction SF	289,676	262,722	217,770	67,770	102,612
▼ Inventory SF	30,914,808	30,969,627	31,025,916	30,867,546	31,470,622

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
1200-1218 Raleigh Road Chapel Hill, NC	51,900 SF	\$950,000 \$18.30 PSF	Fairway - Glenwood II LLC NSP Glenwood Square LLC	Multi-Tenant
301-349 S. Madison Boulevard Roxboro, NC	29,900 SF	\$4,000,000 \$134.00 PSF	Prudent Growth Partners LLC Brixmore Property Group, Inc.	Multi-Tenant
2115 E. NC Highway 54 Durham, NC	17,870 SF	\$1,100,000 \$61.56 PSF	2115 East NC 54 Hwy LLC Arbys Properties LLC	Single-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
100-129 Siler Xing Siler City, NC	24,670 SF	Private Owner	Tractor Supply Co	Farm Supplies
6917 Fayetteville Road Durham, NC	5,895 SF	InvenTrust	Undisclosed	Undisclosed
112 Hunt Road Durham, NC	5,040 SF	Private Owner	Undisclosed	Undisclosed

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