



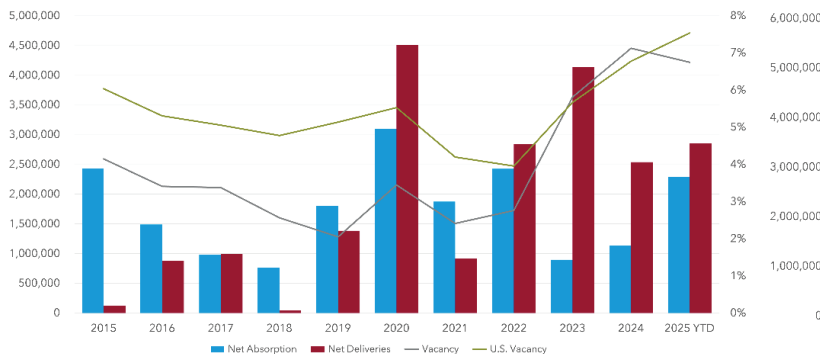
INDUSTRIAL MARKET OVERVIEW

WILL JUDY, Broker

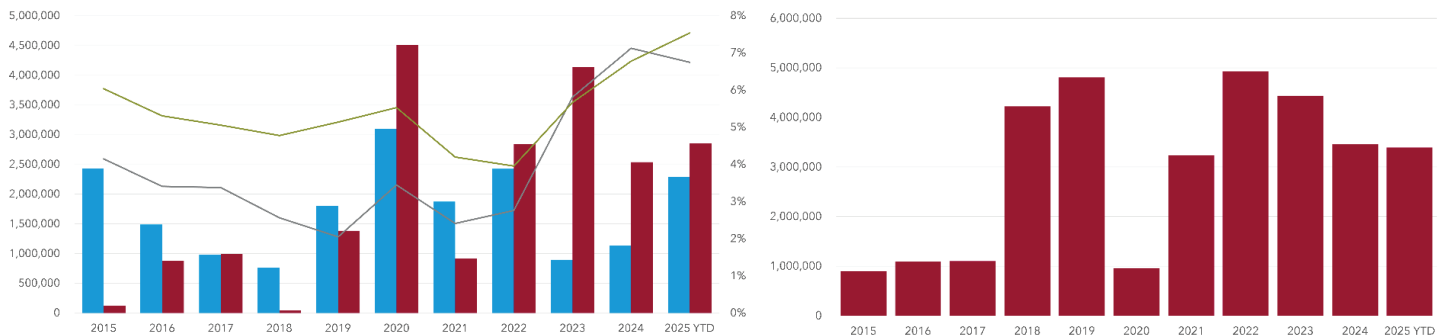
Raleigh's industrial sector accelerated in Q3 2025, with net absorption climbing to 2.78 million SF, up from 2.19 million SF in Q2. Vacancy edged down to 6.75% as demand kept pace with new deliveries. Average asking rents held firm at \$12.57 PSF, while sale prices advanced to \$146 PSF. Cap rates compressed to 7.84%, underscoring ongoing investor interest. The construction pipeline expanded to 3.40 million SF, signaling continued developer confidence, and inventory surpassed 108 million SF. Overall, Raleigh's industrial market remains one of the region's strongest, supported by resilient tenant demand and active investment.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲ 12 Mo. Net Absorption SF	2,777,062	2,190,618	1,401,729	1,137,777	1,148,858
▼ Vacancy Rate	6.75%	6.80%	7.38%	7.13%	6.98%
▼ Avg NNN Asking Rate PSF	\$12.57	\$12.59	\$12.35	\$12.27	\$12.20
▲ Sale Price PSF	\$145.67	\$139.00	\$137.00	\$132.00	\$137.00
▼ Cap Rate	7.84%	8.00%	7.99%	8.27%	8.04%
▲ Under Construction SF	3,395,290	3,165,148	3,904,749	3,458,569	2,672,898
▲ Inventory SF	108,173,810	107,314,159	105,965,428	105,621,642	105,124,889

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
501 N. Greenfield Parkway Garner, NC	170,100 SF	\$9,900,000 \$58.20 PSF	LI Garner Industrial LLC Gregory Poole Equipment Co.	Class B
4520 Bullock Farm Road Raleigh, NC	129,000 SF	\$44,150,000 \$342.25 PSF	Oliver Point Capital Merus LLC	Class A
2101 Westinghouse Boulevard * Raleigh, NC	97,546 SF	\$20,718,602 \$212.40 PSF	Town Lane Equus Capital Partners	Class B

*Part of a Portfolio Sale

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3401 Gresham Lake Road Raleigh, NC	60,914 SF	Stoltz	Undisclosed	Undisclosed
2545 Hwy 70 Clayton, NC	28,394 SF	Greenberg Gibbons Properties	Undisclosed	Undisclosed
6100 Veterans Parkway Garner, NC	9,093 SF	Merritt Properties	Undisclosed	Undisclosed



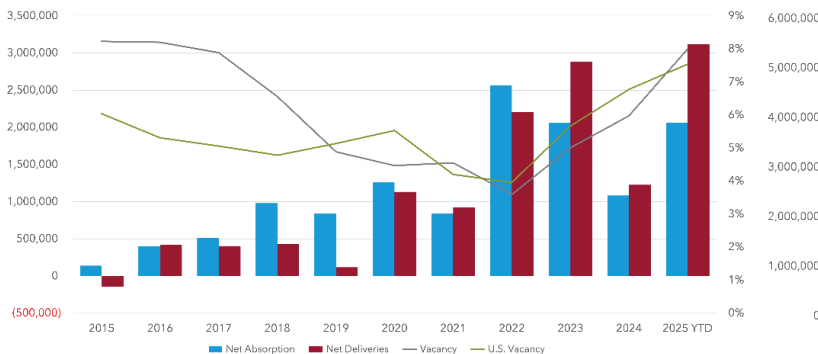
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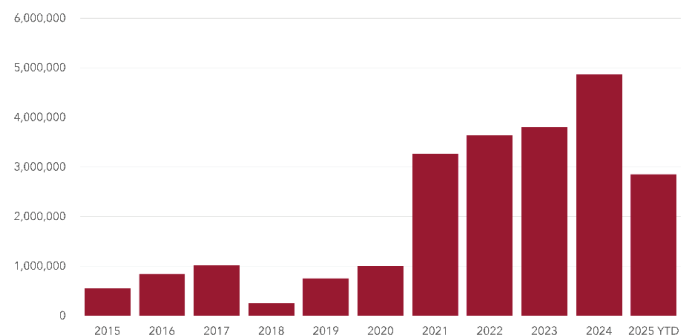
Durham's industrial market strengthened in Q3 2025 as net absorption rose to 2.42 million SF, up from 2.03 million SF in Q2. Vacancy edged higher to 8.0%, reflecting steady deliveries, while average asking rents dipped slightly to \$11.56 PSF. Sale prices advanced to \$136 PSF, and cap rates compressed to 7.28%, highlighting robust investor appetite. Construction activity pulled back to 2.85 million SF, suggesting a more measured pipeline compared to last quarter's 3.36 million SF. Overall, market fundamentals remain favorable, with healthy tenant demand and rising asset values balancing modest rent softness.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲ 12 Mo. Net Absorption SF	2,422,013	2,032,208	2,574,173	1,084,319	1,178,003
▲ Vacancy Rate	8.00%	7.83%	7.30%	5.98%	5.94%
▼ Avg NNN Asking Rate PSF	\$11.56	\$11.61	\$11.45	\$11.32	\$11.60
▲ Sale Price PSF	\$136.00	\$130.00	\$128.00	\$121.00	\$112.00
▼ Cap Rate	7.28%	7.40%	7.38%	7.68%	7.34%
▼ Under Construction SF	2,854,763	3,358,471	3,286,422	4,865,112	2,888,232
▲ Inventory SF	58,399,791	57,906,298	57,700,652	54,972,032	54,002,769

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
3530 Brightleaf Lane* Apex, NC	359,600 SF	\$68,023,051 \$189.16 PSF	JLL Income Property Trust Beacon Development Company	Class A
2324 Ferrell Road Durham, NC	250,541 SF	\$47,025,000 \$187.69 PSF	EastGroup Properties Inc. Scannell Properties	Class A
3560 Brightleaf Lane* Apex, NC	205,776 SF	\$40,393,680 \$196.30 PSF	JLL Income Property Trust Beacon Development Company	Class A

*Part of a Portfolio Sale

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3351-A Hopson Road Durham, NC	266,760 SF	Undisclosed	Undisclosed	Undisclosed
4226 Surles Court Durham, NC	43,818 SF	Prologis	Undisclosed	Undisclosed
1129 E. Geer Street Durham, NC	8,200 SF	Prestige Home Solutions	Undisclosed	Undisclosed