



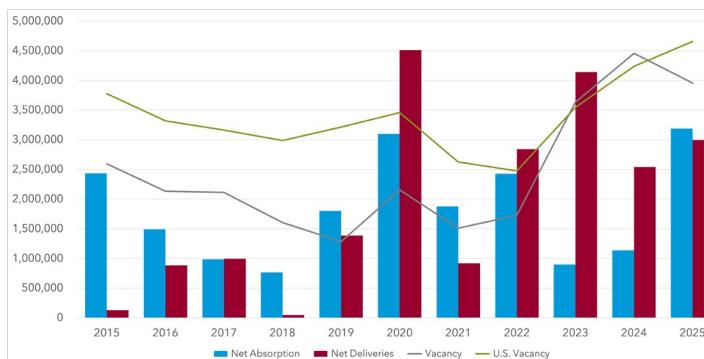
### INDUSTRIAL MARKET OVERVIEW

HUNTER STEWART, SIOR, MBA, Vice President, Principal

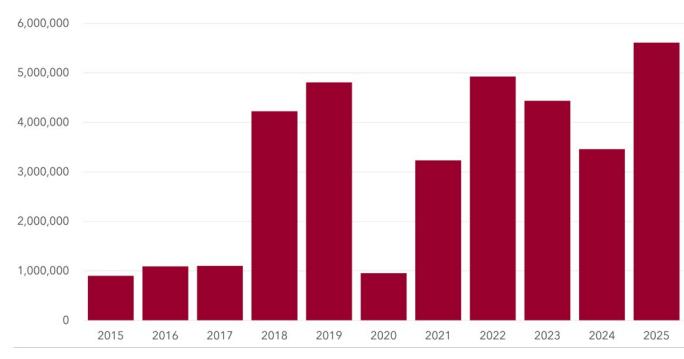
Raleigh's industrial market continued to accelerate in Q4 2025, posting 3.19 million SF in annual net absorption, its strongest showing this year. Vacancy fell to 6.33%, supported by sustained tenant demand. Average asking rents rose to \$12.65 PSF, while sale prices increased to \$153 PSF, continuing a steady upward trend. Cap rates compressed slightly to 7.73%, reflecting solid investor appetite. Construction activity surged to 5.61 million SF, up from 3.40 million SF in Q3 2025, marking a new cycle high. Total inventory reached 108.2 million SF. Raleigh remains one of the region's most resilient industrial hubs, driven by growth and confidence.

| MARKET INDICATORS          | Q4 2025     | Q3 2025     | Q2 2025     | Q1 2025     | Q4 2024     |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| ▲ 12 Mo. Net Absorption SF | 3,187,810   | 2,777,062   | 2,190,618   | 1,401,729   | 1,137,777   |
| ▼ Vacancy Rate             | 6.33%       | 6.75%       | 6.80%       | 7.38%       | 7.13%       |
| ▲ Avg NNN Asking Rate PSF  | \$12.65     | \$12.57     | \$12.59     | \$12.35     | \$12.27     |
| ▲ Sale Price PSF           | \$153.00    | \$145.67    | \$139.00    | \$137.00    | \$132.00    |
| ▼ Cap Rate                 | 7.73%       | 7.84%       | 8.00%       | 7.99%       | 8.27%       |
| ▲ Under Construction SF    | 5,611,856   | 3,395,290   | 3,165,148   | 3,904,749   | 3,458,569   |
| ▲ Inventory SF             | 108,193,015 | 108,173,810 | 107,314,159 | 105,965,428 | 105,621,642 |

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF                | SIZE       | SALE PRICE                   | BUYER / SELLER                            | BUILDING CLASS |
|--|------------|------------------------------|---|----------------|
| 421 Milburnie Lake Drive*<br>Raleigh, NC   | 289,632 SF | \$60,625,033<br>\$209.32 PSF | Nuveen<br>Beacon Development Company      | Class A        |
| 431 Milburnie Lake Drive*<br>Raleigh, NC   | 221,363 SF | \$43,874,967<br>\$198.20 PSF | Nuveen<br>Beacon Development Company      | Class A        |
| 1200 Innovation Avenue*<br>Morrisville, NC | 175,951 SF | \$34,397,662<br>\$195.50 PSF | EQT Real Estate<br>ASB Capital Management | Class A        |

\*Part of a Portfolio Sale

| TOP LEASE TRANSACTIONS BY SF                | SIZE         | LANDLORD                  | TENANT             | TENANT INDUSTRY                       |
|---|--------------|---------------------------|--------------------|---------------------------------------|
| Morgan Road<br>Benson, NC                   | 1,064,880 SF | Edgewater Ventures        | Vulcan Elements    | Electronic Component<br>Manufacturing |
| 2000 Science Drive<br>Morrisville, NC       | 202,000 SF   | King Street Properties    | Novartis           | Pharmaceutical<br>Preparation Mfg     |
| 560 Hinton Oaks Boulevard<br>Knightdale, NC | 110,000 SF   | Wake Stone<br>Corporation | Carrier Enterprise | Warm Air HVAC<br>Equipment            |



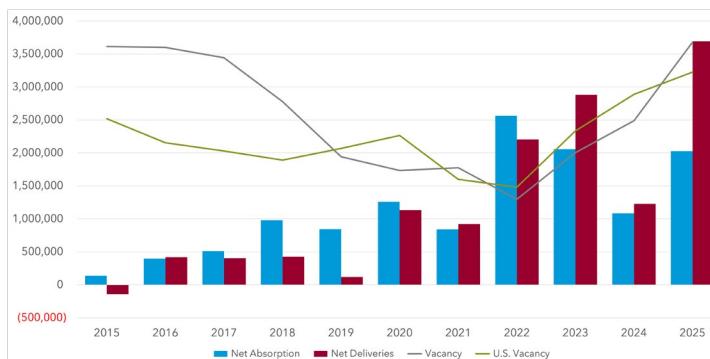
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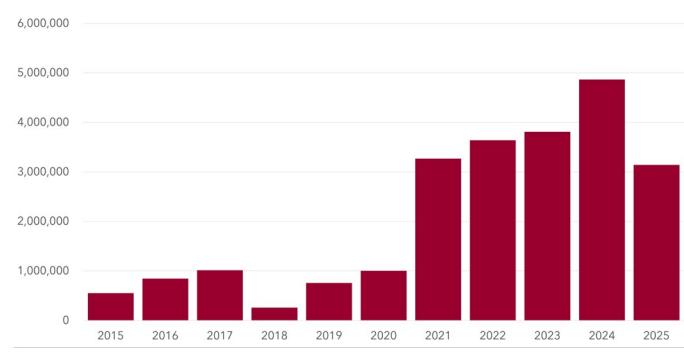
Durham's industrial market remained active in Q4 2025, with vacancy rising to 8.36% and asking rents increasing slightly to \$11.67 PSF. Sale prices continued their upward trajectory, reaching \$147 PSF, while cap rates compressed to 7.10%, underscoring persistent investor demand. Construction activity expanded to 3.14 million SF, the highest since Q2 2025, reflecting renewed development momentum. Twelve-month net absorption totaled 2.03 million SF, down from 2.42 million SF in Q3 2025. Over the past two quarters, rent growth and asset pricing have remained firm even as supply pressures mount. Fundamentals point to a resilient market adjusting to a more balanced cycle.

| MARKET INDICATORS          | Q4 2025    | Q3 2025    | Q2 2025    | Q1 2025    | Q4 2024    |
|----------------------------|------------|------------|------------|------------|------------|
| ▼ 12 Mo. Net Absorption SF | 2,028,505  | 2,422,013  | 2,032,208  | 2,574,173  | 1,084,319  |
| ▲ Vacancy Rate             | 8.36%      | 8.00%      | 7.83%      | 7.30%      | 5.98%      |
| ▲ Avg NNN Asking Rate PSF  | \$11.67    | \$11.56    | \$11.61    | \$11.45    | \$11.32    |
| ▲ Sale Price PSF           | \$147.00   | \$136.00   | \$130.00   | \$128.00   | \$121.00   |
| ▼ Cap Rate                 | 7.10%      | 7.28%      | 7.40%      | 7.38%      | 7.68%      |
| ▲ Under Construction SF    | 3,141,931  | 2,854,763  | 3,358,471  | 3,286,422  | 4,865,112  |
| ▲ Inventory SF             | 59,273,163 | 58,399,791 | 57,906,298 | 57,700,652 | 54,972,032 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY



### UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF             | SIZE       | SALE PRICE                   | BUYER / SELLER  | BUILDING CLASS |
|---|------------|------------------------------|---|----------------|
| 1190 Roby Barton Road<br>Timberlake, NC | 246,079 SF | \$19,000,000<br>\$77.21 PSF  | Voltage<br>GKN Automotive                                 | Class C        |
| 3921 S. Miami Boulevard*<br>Durham, NC  | 69,747 SF  | \$12,642,000<br>\$181.26 PSF | Ares Industrial R.E. Income Trust Inc.<br>EQT Real Estate | Class B        |
| 3921 S. Miami Boulevard<br>Durham, NC   | 50,000 SF  | \$8,820,000<br>\$176.40 PSF  | Ares Industrial R.E. Income Trust Inc.<br>EQT Real Estate | Class B        |

\*Part of a Portfolio Sale

| TOP LEASE TRANSACTIONS BY SF              | SIZE      | LANDLORD                   | TENANT                | TENANT INDUSTRY                |
|---|-----------|----------------------------|-----------------------|--------------------------------|
| 933 Ellis Road<br>Durham, NC              | 83,010 SF | EastGroup Properties, Inc. | Undisclosed           | Undisclosed                    |
| 933 Ellis Road<br>Durham, NC              | 80,000 SF | EastGroup Properties, Inc. | North State Logistics | Transportation and Warehousing |
| 619 Distribution Drive<br>Morrisville, NC | 62,400 SF | Prologis                   | Undisclosed           | Undisclosed                    |



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