



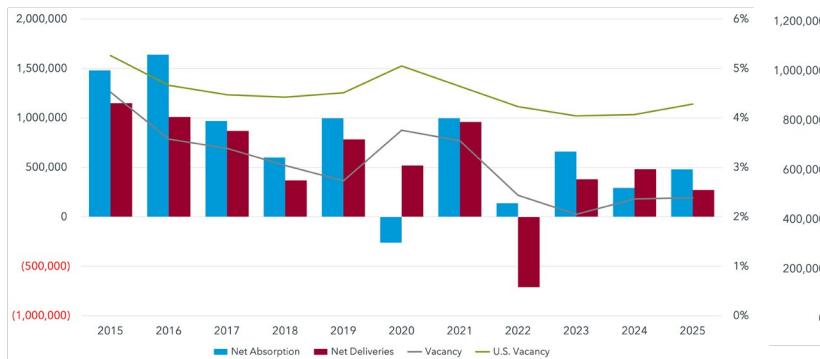
RETAIL MARKET OVERVIEW

MARYANN PETERSON, Vice President

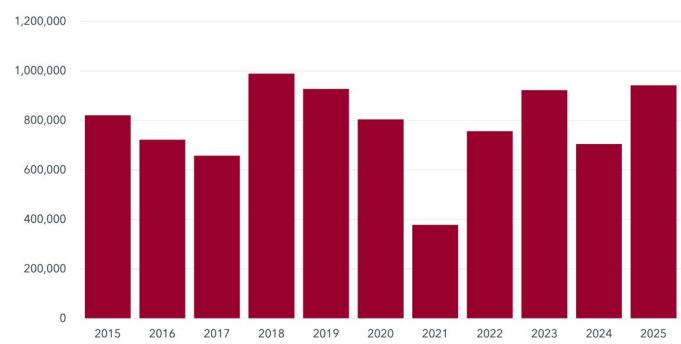
Raleigh's retail sector sustained strong momentum in Q4 2025, with net absorption reaching 480,831 SF. Vacancy held nearly flat at 2.39%, remaining among the tightest in the region. Asking rents on average rose to \$28.99 PSF, while sale prices climbed to \$271 PSF. Cap rates compressed slightly to 6.78%, suggesting steady investor confidence. Construction activity surged to 941,494 SF, its highest level this cycle, reflecting bullish developer sentiment. Inventory expanded to 76.2 million SF, indicating a steady market. Raleigh's retail market continues to outperform, buoyed by strong tenant demand, stable pricing, and aggressive pipeline growth heading into 2026.

MARKET INDICATORS	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
▲ 12 Mo. Net Absorption SF	480,831	476,958	396,179	415,407	291,543
▲ Vacancy Rate	2.39%	2.34%	2.40%	2.30%	2.36%
▲ Avg NNN Asking Rate PSF	\$28.99	\$27.94	\$27.64	\$27.05	\$26.52
▲ Sale Price PSF	\$271.00	\$266.00	\$265.00	\$262.00	\$260.00
▼ Cap Rate	6.78%	6.80%	6.65%	6.60%	6.59%
▲ Under Construction SF	941,494	624,958	384,625	465,473	704,275
▲ Inventory SF	76,200,720	75,695,705	76,141,933	77,006,036	76,429,576

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
3450-3490 Kildaire Farm Road* Cary, NC	79,211 SF	\$22,457,903 \$283.52 PSF	Sigmund Companies Alidade Capital LLC	Multi-Tenant
601 E. Six Forks Road* Raleigh, NC	54,783 SF	\$15,004,266 \$273.89 PSF	Clarion Partners Ram Realty	Multi-Tenant
7281-7283 NC Highway 42* Raleigh, NC	54,432 SF	\$12,135,829 \$222.95 PSF	Yanqing Duan Barnett Properties, Inc.	Multi-Tenant

*Part of a Portfolio Sale

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
6121 Mount Herman Road Raleigh, NC	200,000 SF	City of Raleigh	Swing Racquet + Paddle Club	Arts, Entertainment, and Recreation
601 E. Six Forks Road Raleigh, NC	14,872 SF	Ram Realty	Undisclosed	Undisclosed
8815-8863 Six Forks Road Raleigh, NC	12,889 SF	Kimco Realty Corporation	Azobi Event Center	Arts, Entertainment, and Recreation



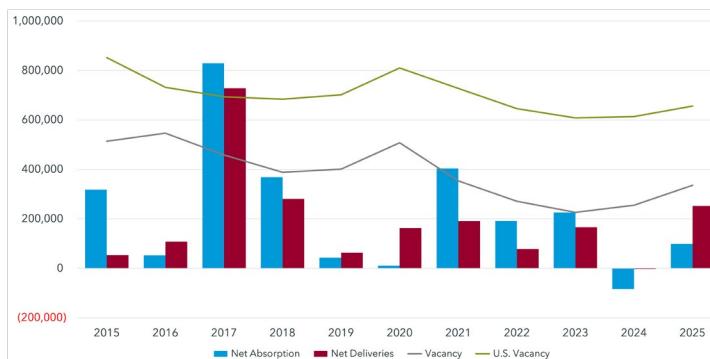
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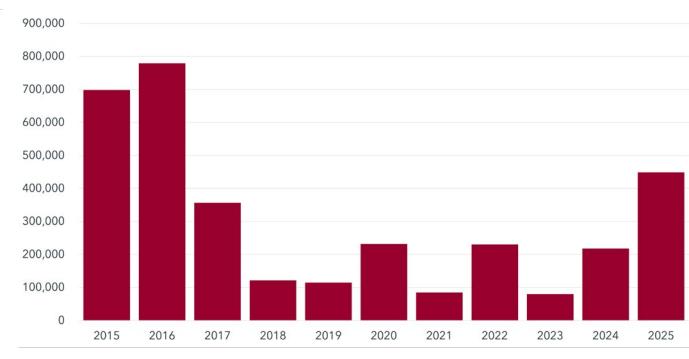
Durham's retail market showed renewed momentum in Q4 2025, posting 98,825 SF of positive net absorption after three quarters of losses. Vacancy edged up to 2.68%, but remains historically tight. Overall, average asking rents rose modestly to \$24.92 PSF, and pricing held steady at \$239 PSF. Cap rates widened slightly to 8.87%, reflecting cautious investor sentiment. Construction jumped to 448,933 SF, nearly doubling Q3's total. Inventory also expanded by over 400,000 SF, signaling growing developer confidence. Despite elevated cap rates, the sector remains stable with low vacancy, modest rent growth, and a healthy uptick in leasing demand.

MARKET INDICATORS	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
▲ 12 Mo. Net Absorption SF	98,825	(113,581)	(82,779)	(392,943)	(83,224)
▲ Vacancy Rate	2.68%	2.45%	2.20%	3.16%	2.28%
▲ Avg NNN Asking Rate PSF	\$24.92	\$24.67	\$24.83	\$25.08	\$24.91
◀ ▶ Sale Price PSF	\$239.00	\$239.00	\$242.00	\$241.00	\$247.00
▲ Cap Rate	8.87%	8.80%	8.70%	8.57%	8.33%
▲ Under Construction SF	448,933	246,302	289,676	262,722	217,770
▲ Inventory SF	31,025,242	30,625,640	30,914,808	30,969,627	31,025,916

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
6930 Fayetteville Road Durham, NC	111,424 SF	\$17,650,000 \$158.40 PSF	FrontView REIT, Inc. Transformco	Single-Tenant
223-265 S. Elliott Road Chapel Hill, NC	69,945 SF	\$21,000,000 \$300.24 PSF	SouthCoast Commercial LLC Ram Realty	Multi-Tenant
367 Freedom Parkway Pittsboro, NC	17,408 SF	\$6,850,000 \$393.50 PSF	Deborah P. Figlewski Lee-Moore Capital Company	Multi-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
350-400 East Street Pittsboro, NC	9,600 SF	Praet Law	Chatham Community Church	Religious Organizations
6911 Fayetteville Road Durham, NC	3,103 SF	InvenTrust Properties Corp.	Undisclosed	Undisclosed
1800 E. Franklin Street Chapel Hill, NC	2,930 SF	Kite Realty Group Trust	Undisclosed	Undisclosed



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