LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

# Q3 2026
# RALEIGH, NC



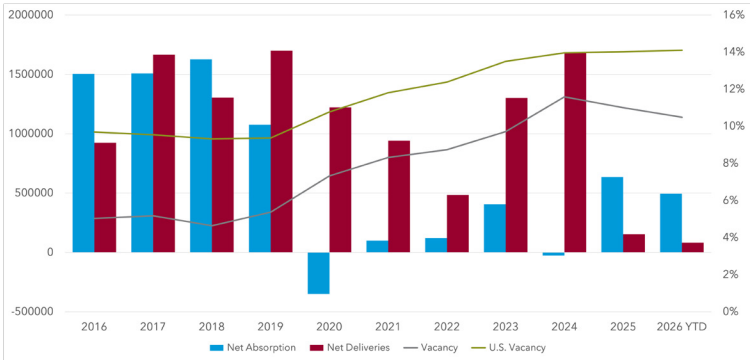
## INDUSTRIAL MARKET OVERVIEW

WILL SOSSAMAN, *Broker*

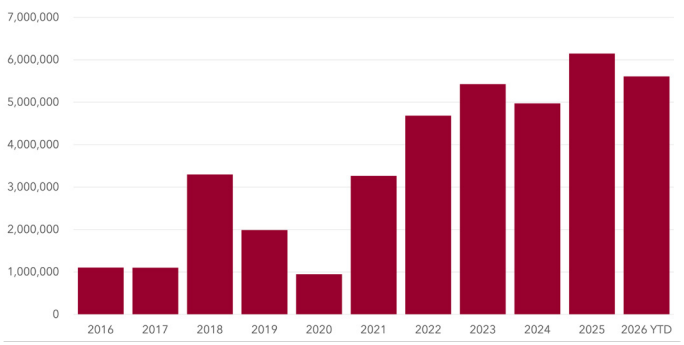
Raleigh's industrial market is absorbing a wave of new supply rather than losing tenants. Twelve-month net absorption reached 2.9 million SF, yet vacancy rose to 7.7% from 6.8% a year ago because 4.0 million SF delivered this year, most of it in Q2. Owners still pushed asking rents up 3.2% to $13.20/SF, well ahead of the 1.3% national pace Lee reported for Q2. Larger users are favoring the I-40 and US-64 corridors south and east of Raleigh, led by a 216,000 SF lease in Garner. With 5.6 million SF still under construction, leasing will need to keep pace to hold vacancy below 8%.

| MARKET INDICATORS | Q3 2026 | Q2 2026 | Q1 2026 | Q4 2025 | Q3 2025 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | 2,895,717 | 3,793,791 | 3,122,719 | 3,432,184 | 2,859,156 |
| ▼ Vacancy Rate | 7.66% | 7.71% | 6.76% | 6.07% | 6.76% |
| ▲ Avg NNN Asking Rate PSF | $13.20 | $13.14 | $13.03 | $12.93 | $12.79 |
| ▲ Sale Price PSF | $157.78 | $157.20 | $156.35 | $154.70 | $147.65 |
| ◄ ► Cap Rate | 7.80% | 7.80% | 7.79% | 7.78% | 7.88% |
| ▲ Under Construction SF | 5,610,116 | 4,180,266 | 5,961,079 | 6,147,011 | 5,556,821 |
| ▲ Inventory SF | 112,819,175 | 112,673,705 | 109,775,990 | 108,809,677 | 108,616,657 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 255 Eagle Crest Way<br>Garner, NC | 625,000 SF | $21,251,000<br>$34.00 PSF | Johnson Brothers Liquor Company<br>Bagwell Properties | 4 Star Industrial<br>Distribution |
| 5724 McCrimmon Pky<br>Morrisville, NC | 95,879 SF | $13,200,000<br>$137.67 PSF | Gala Realty Advisors, LLC<br>Marriner Properties LLC | 2 Star Industrial<br>Manufacturing |
| 1526 Brightleaf Blvd<br>Smithfield, NC | 93,753 SF | $6,500,000<br>$69.33 PSF | Prestige Home Solutions<br>APG Companies | 3 Star Industrial<br>Warehouse |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 500 N Greenfield Pky<br>Garner, NC | 216,164 SF | Longleaf Industrial | Undisclosed | Undisclosed |
| 881 Arrowrock Rd<br>Wendell, NC | 132,720 SF | Summit Real Estate Group | Undisclosed | Undisclosed |
| 106 Jeffrey Way<br>Youngsville, NC | 50,000 SF | undisclosed | Undisclosed | Undisclosed |

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# Q3 2026
# DURHAM, NC



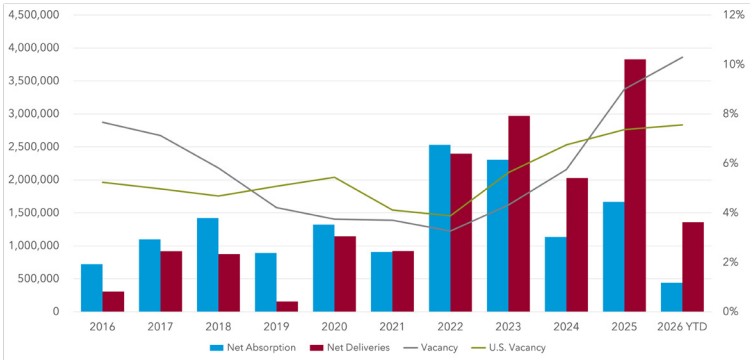
## INDUSTRIAL MARKET OVERVIEW

WILL SOSSAMAN, *Broker*

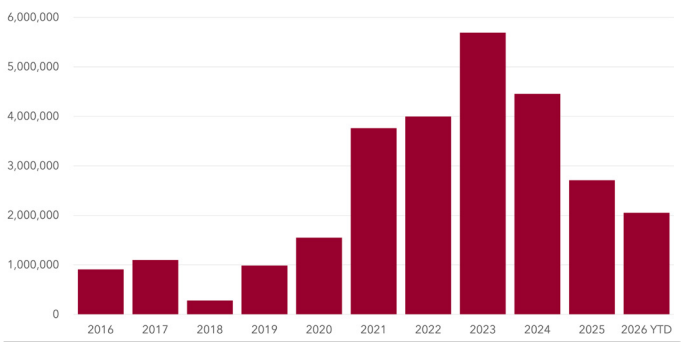
Durham's industrial vacancy climbed to 10.3% in Q3 2026, up from 7.2% a year ago, as new buildings delivered faster than tenants could fill them. About 864,000 SF delivered in the quarter while net absorption was roughly 103,000 SF, leaving 12-month absorption at just 101,125 SF. Owners and investors are looking past the gap: asking rents rose 3.7% over the year to $11.94/SF and sale prices rose 7.7% to $144/SF. Hines added to that bet in June, breaking ground on an 800,000 SF speculative park on the former Wolfspeed site. With 2.1 million SF still under construction, vacancy is likely to stay elevated into 2027.

| MARKET INDICATORS | Q3 2026 | Q2 2026 | Q1 2026 | Q4 2025 | Q3 2025 |
|---|---|---|---|---|---|
| ▼ 12 Mo. Net Absorption SF | 101,125 | 797,273 | 138,426 | 1,667,557 | 2,331,224 |
| ▲ Vacancy Rate | 10.30% | 9.18% | 9.96% | 9.00% | 7.16% |
| ▲ Avg NNN Asking Rate PSF | $11.94 | $11.88 | $11.76 | $11.66 | $11.52 |
| ▲ Sale Price PSF | $144.34 | $143.15 | $143.92 | $141.55 | $134.02 |
| ▼ Cap Rate | 7.18% | 7.19% | 7.16% | 7.18% | 7.29% |
| ▼ Under Construction SF | 2,053,818 | 2,636,464 | 2,768,464 | 2,710,485 | 2,532,123 |
| ▲ Inventory SF | 61,211,739 | 60,347,380 | 60,215,380 | 59,852,614 | 59,037,017 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY




### UNDER CONSTRUCTION




| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|---|---|---|---|
| 338 Pea Ridge Rd<br>New Hill, NC | 342,000 SF | $58,822,000<br>$171.99 PSF | FedEx Corporation<br>Fx New Hill NC Landlord | 5 Star Industrial<br>Distribution |
| 550 Lucy Garrett Rd<br>Roxboro, NC | 118,000 SF | $7,450,000<br>$63.14 PSF | F9 Investments Corp<br>West Egg Real Estate LLC | 3 Star Industrial<br>Manufacturing |
| 2122 Camden Ave<br>Durham, NC | 7,550 SF | $2,000,000<br>$264.90 PSF | 2122 Camden Owner LLC<br>Tgas Real Estate Holdings LLC | 3 Star Industrial<br>Service |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|---|---|---|---|
| 930 Gateway Dr<br>Apex, NC | 207,200 SF | Beacon Properties | undisclosed | undisclosed |
| 5 National Way<br>Durham, NC | 187,500 SF | JLL Income Property Trust | undisclosed | undisclosed |
| 3860 Brightleaf Ln<br>Apex, NC | 150,969 SF | JLL Income Property Trust | undisclosed | undisclosed |




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