LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q3 2026
RALEIGH, NC



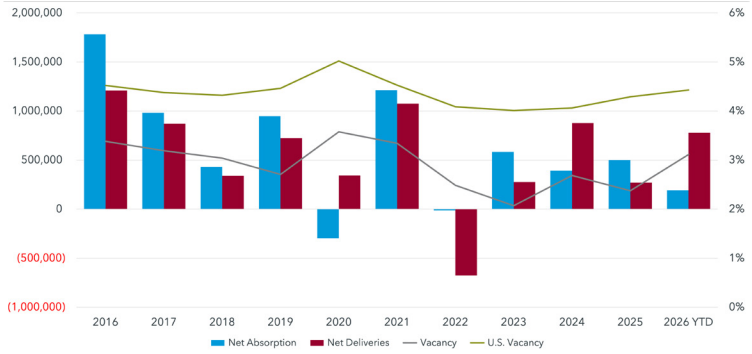
RETAIL MARKET OVERVIEW

ALYSSA STEPUSIN BYRD, *Broker*

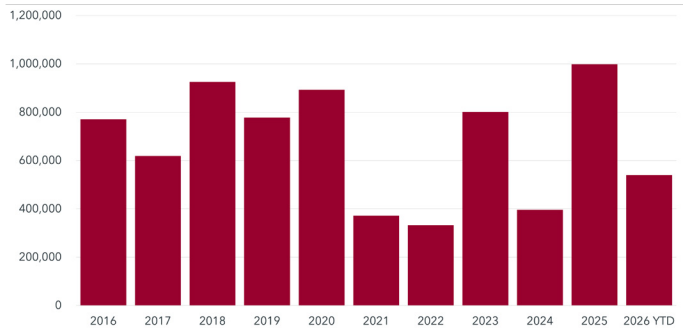
Raleigh retail space remains scarce, with vacancy at 2.6%, just below the 2.7% national rate Lee reported for general retail in Q2. Tenants absorbed 266,000 SF in Q3 alone, recovering from a slightly negative Q2 and lifting 12-month absorption to 591,000 SF, nearly double last quarter's total. Asking rents rose 3.8% over the year to $29.34/SF. Investors are following population growth east of the city: Invesco bought Shoppes at Midway and Hinton Oaks in Knightdale for a combined $56.7 million. With only 509,000 SF under construction, much of it preleased, conditions should continue to favor landlords into 2027.

MARKET INDICATORS	Q3 2026	Q2 2026	Q1 2026	Q4 2025	Q3 2025
▲ 12 Mo. Net Absorption SF	590,883	312,960	478,274	500,875	539,384
▼ Vacancy Rate	2.64%	2.84%	2.51%	2.38%	2.44%
▲ Avg NNN Asking Rate PSF	$29.34	$29.14	$28.96	$28.64	$28.25
▲ Sale Price PSF	$268.73	$266.07	$267.34	$265.15	$258.27
▼ Cap Rate	6.96%	6.99%	6.94%	6.93%	6.99%
▼ Under Construction SF	508,511	511,215	688,323	998,492	730,985
▲ Inventory SF	77,038,120	76,926,110	76,711,693	76,258,779	76,273,528

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
1002-1018 Shoppes at Midway Dr Knightdale, NC	139,437 SF	$29,720,518 $213.15 PSF	Invesco Ltd. Bailard | M & J Wilkow	Multi-Tenant
6600 Glenwood Ave Raleigh, NC	130,974 SF	$12,813,048 $97.83 PSF	Armstrong Capital Development Zeisler Morgan Properties, Ltd.	Multi-Tenant
214-220 Hinton Oaks Blvd Knightdale, NC	121,383 SF	$26,962,525 $222.13 PSF	Invesco Ltd. Bailard | M & J Wilkow	Multi-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
4600-4700 Capital Blvd Raleigh, NC	26,377 SF	Rivercrest Realty Investors	Furniture World	Retail/Home Furnishing Store
4701 Atlantic Ave Raleigh, NC	23,000 SF	Rivercrest Realty Investors	Raleigh VA Dental Clinic	Healthcare/Medical
4500 Western Blvd Raleigh, NC	20,322 SF	CityPlat	Final Score	Sports & Recreation

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Q3 2026
DURHAM, NC



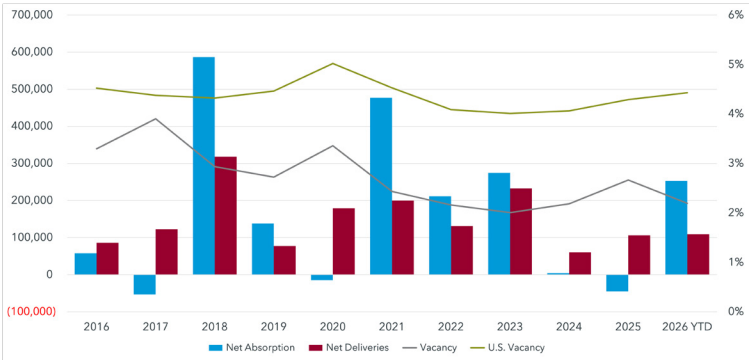
RETAIL MARKET OVERVIEW

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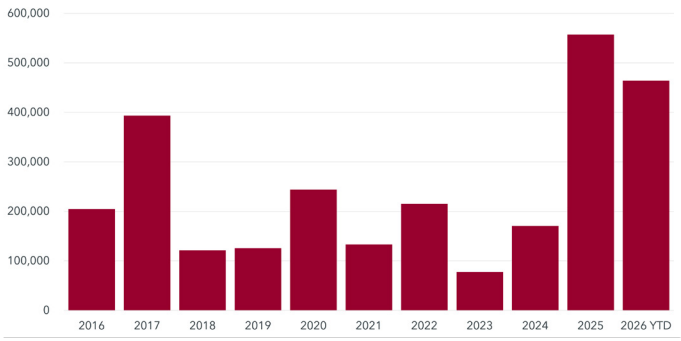
Durham retail space is about as tight as it gets. Vacancy fell to 2.0% in Q3 2026, near its lowest point in a decade and below both Raleigh's 2.6% and the 2.7% national rate Lee reported for general retail. Tenants absorbed 256,526 SF over 12 months, reversing a loss of 77,335 SF a year earlier, while asking rents rose a modest 1.5% to $25.39/SF. Growth continues to push south into Chatham County, where the quarter's largest sale was Chatham Mills in Pittsboro, 84,625 SF for $11.8 million. With only 464,000 SF under construction, landlords should keep the upper hand into 2027.

MARKET INDICATORS	Q3 2026	Q2 2026	Q1 2026	Q4 2025	Q3 2025
▲ 12 Mo. Net Absorption SF	256,526	134,390	235,202	(44,795)	(77,335)
▼ Vacancy Rate	2.04%	2.20%	2.80%	2.67%	2.56%
◄ ► Avg NNN Asking Rate PSF	$25.39	$25.43	$25.33	$25.20	$25.01
▲ Sale Price PSF	$230.92	$230.56	$233.32	$232.38	$231.50
◄ ► Cap Rate	8.54%	8.54%	8.45%	8.42%	8.40%
▼ Under Construction SF	463,986	478,986	489,455	557,083	564,811
▲ Inventory SF	31,010,854	30,991,454	30,974,350	30,901,722	30,868,950

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
480 Hillsboro St Pittsboro, NC	84,625 SF	$11,798,000 $139.42 PSF	Bold Commercial Real Estate Chatham Mills Development Corp	Multi-Tenant
2121 TW Alexander Rd Morrisville, NC	77,994 SF	$18,225,000 $233.67 PSF	ShopOne Centers First Southwest Properties	Multi-Tenant
116 W Barbee Chapel Rd Chapel Hill, NC	44,926 SF	$9,571,079 $213.04 PSF	Kevin Mills SITE Centers	Multi-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
5600 S Miami Blvd Morrisville, NC	19,987 SF	Undisclosed	Undisclosed	Undisclosed
812 Liberty St Durham, NC	9,497 SF	Southern Repair Service Inc	Undisclosed	Undisclosed
39 West St Pittsboro, NC	8,494 SF	Undisclosed	Undisclosed	Undisclosed



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