



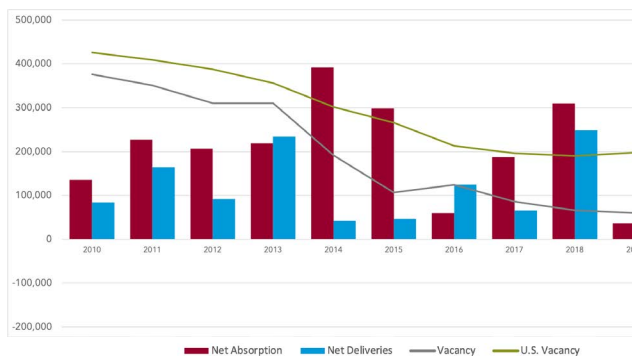
RETAIL MARKET OVERVIEW

HUNTER STEWART, MBA, *Broker*

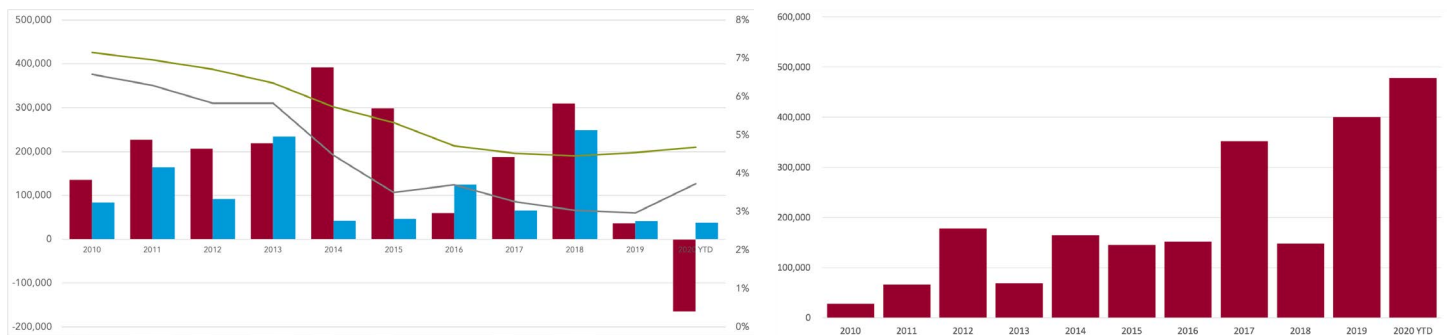
Q1 2020 started off strongly for the Raleigh-Durham retail market with many new developments planning to break ground during 2020. Many spaces were leased for record setting rates without ever being advertised as available due to strong tenant demand. Sales were solid until the COVID-19 began impacting markets. Q1 2020's numbers don't reflect the impact of COVID-19 as malls have shut down or have seen reduced service. Developments are being put on hold as retailers adapt and developers determine the unknown future. While the full impact of the outbreak is unknown, retail occupancies, rent growth, and transaction activity will likely feel the effects of the pandemic in the months ahead.

MARKET INDICATORS	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
▼ Net Absorption	-239,523 SF	36,347 SF	25,291 SF	150,689 SF	311,257 SF
▲ Vacancy Rate	3.70%	3.00%	2.90%	2.40%	2.40%
▲ Avg NNN Asking Rate	\$19.65/SF	\$19.63/SF	\$19.66/SF	\$19.49/SF	\$19.43/SF
▲ Under Construction	478,137 SF	400,176 SF	241,176 SF	231,276 SF	242,918 SF
▲ Inventory	26,590,645 SF	26,552,645 SF	26,551,657 SF	26,513,557 SF	26,457,406 SF

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1700 E Franklin St Chapel Hill, NC	38,500 SF	\$10,850,000 \$281.82/SF	Westward Capital Group C. Crowell Little, Jr.	3-Star Freestanding
401 Foster St Durham, NC	9,200 SF	\$3,255,930 \$353.91/SF	Arcos Properties Weavery & Woodberry R.E.	2-Star Storefront
2919 Fayetteville St Durham, NC	4,645 SF	Undisclosed	Morphouse Farm, Inc. Amac Properties, Inc.	3-Star Freestanding

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
7001 Fayetteville Rd Durham, NC	30,000 SF	InvenTrust Properties Corp	Ashley Furniture	Retailers/Wholesalers
1000 N Miami Blvd Durham, NC	29,794 SF	Rivercrest Realty Investors	Undisclosed	-
4001 Durham Chapel Hill Blvd Durham, NC	27,600 SF	Armada Hoffer Properties	Office Depot	Retailers/Wholesalers