



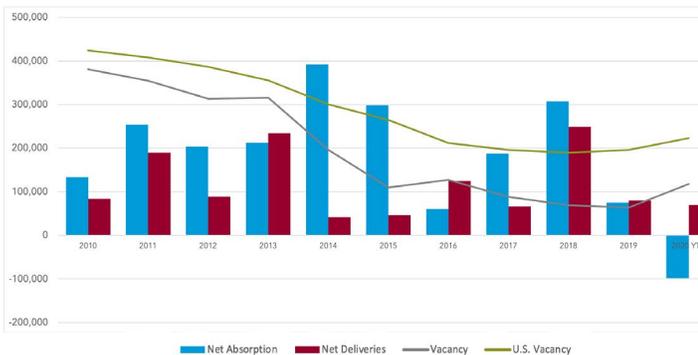
### RETAIL MARKET OVERVIEW

JENN OLEVITCH-ROBERSON, *Senior Director*

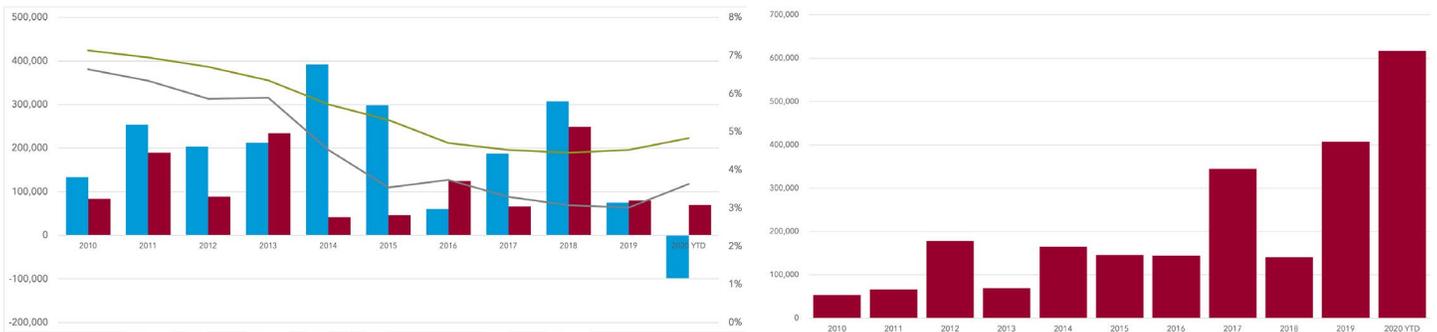
Despite starting during the COVID-19 pandemic, the 2nd quarter Raleigh-Durham retail market entered the crisis from a position of strength. For the past several years, retail leasing outpaced construction with building activity lagging behind growth and absorption. This resulted in record low vacancies and solid rent growth as landlords pushed rents at a record pace. Some retail has reopened, but gyms and bars remain closed, limiting sales activity. Q2 2020 sales volume decreased by more than 75% from Q2 2019, a stark contrast to Q1 2020's strong performance. Decreases in consumer spending create challenges, but there is hope that when we recover, the increase in available space will create opportunities in a stronger financial environment.

MARKET INDICATORS	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019
▲ Net Absorption	(122,046) SF	(208,269) SF	74,905 SF	38,526 SF	152,409 SF
▼ Vacancy Rate	3.4%	3.8%	3.0%	2.9%	2.4%
▲ Avg NNN Asking Rate	\$19.58 PSF	\$19.49 PSF	\$19.44 PSF	\$19.47 PSF	\$19.31 PSF
▲ Under Construction	617,136 SF	461,426 SF	407,004 SF	256,554 SF	261,909 SF
▲ Inventory	26,402,542 SF	26,373,763 SF	26,332,935 SF	26,311,547 SF	26,255,364 SF

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



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
4011-4015 University Dr Durham, NC	47,909 SF	Undisclosed	Undisclosed Undisclosed	-
607-639 Broad St Durham, NC	40,875 SF	\$12,982,500 \$317.61 PSF	Ram Realty Weingarten Realty Investors	-
310 East Main St Durham, NC	13,589 SF	\$1,390,000 \$102.29 PSF	Lennox and Grae, Inc. Jonathan E. Jensen	-

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
5422-5454 New Hope Commons Dr Durham, NC	31,722 SF	Kimco Realty Corporation	Burlington	Retailers/Wholesalers
4001 Durham Chapel Hill Blvd Durham, NC	27,600 SF	Armada Hoffer Properties, Inc.	Office Depot	Retailers/Wholesalers
4215 University Dr Durham, NC	8,888 SF	Rivercrest Realty Investors	Undisclosed	Undisclosed