



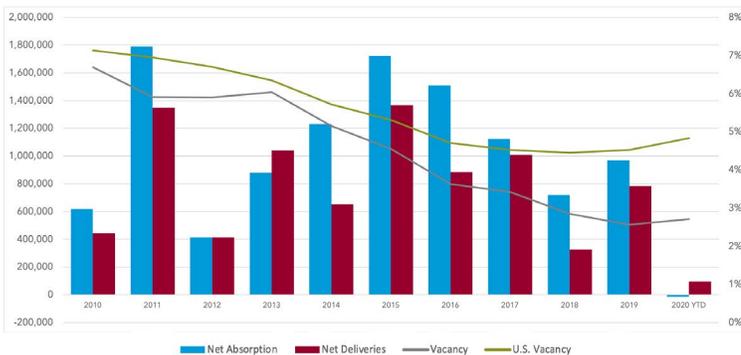
RETAIL MARKET OVERVIEW

JENN OLEVITCH-ROBERSON, *Senior Director*

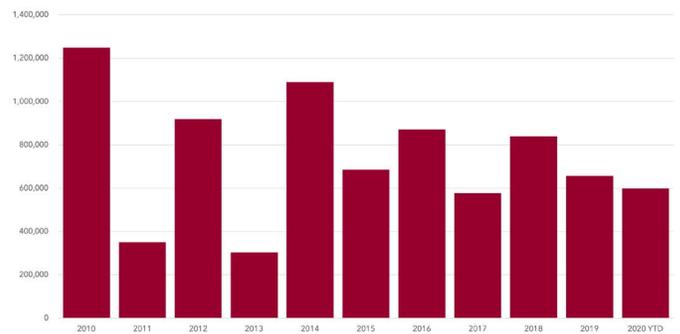
Despite starting during the COVID-19 pandemic, the 2nd quarter Raleigh-Durham retail market entered the crisis from a position of strength. For the past several years, retail leasing outpaced construction with building activity lagging behind growth and absorption. This resulted in record low vacancies 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	924,349 SF	826,175 SF	970,446 SF	642,076 SF	109,135 SF
▲ Vacancy Rate	2.7%	2.6%	2.6%	2.9%	3.3%
▼ Avg NNN Asking Rate	\$20.12 PSF	\$20.41 PSF	\$19.98 PSF	\$19.78 PSF	\$19.46 PSF
▼ Under Construction	591,110 SF	683,819 SF	656,860 SF	698,302 SF	829,279 SF
▲ Inventory	74,109,683 SF	73,991,122 SF	74,016,748 SF	73,799,625 SF	73,627,349 SF

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
3940 Capital Hills Dr Raleigh, NC	66,609 SF	Undisclosed	Undisclosed Undisclosed	-
2409-2427 Crabtree Blvd Raleigh, NC	64,789 SF	Undisclosed	Northpond Partners Loden Properties	-
950 West Market St Smithfield, NC	40,260 SF	Undisclosed	Undisclosed Undisclosed	-

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
4325 Glenwood Ave Raleigh, NC	5,529 SF	Clarion Partners	Amazon	Retailers/Wholesalers
3400 New Birch Dr Raleigh, NC	5,350 SF	Clear Path Asset Management	Undisclosed	Undisclosed
213 Fayetteville St Raleigh, NC	4,866 SF	Pauwels E Jean	Undisclosed	Undisclosed