



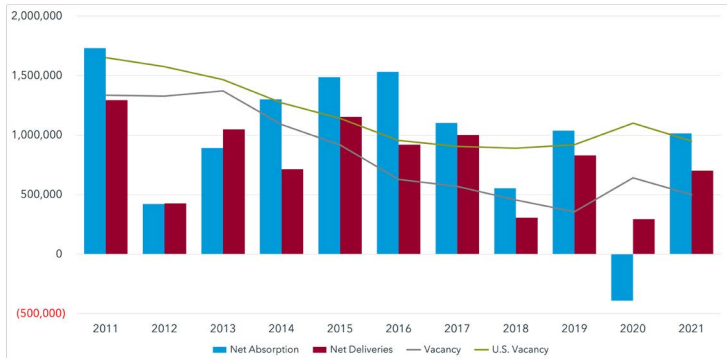
RETAIL MARKET OVERVIEW

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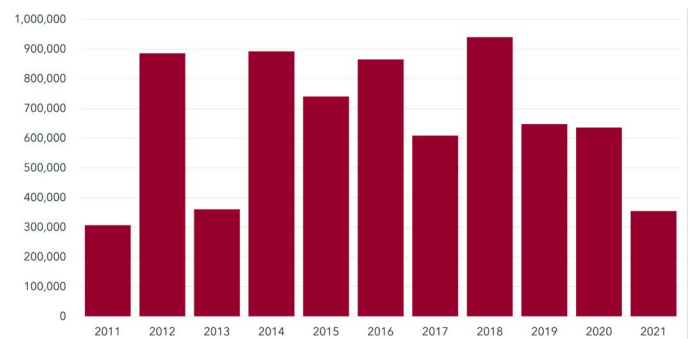
Raleigh-Durham's rapid population growth is pushing retail demand in almost every submarket. Second-generation restaurant spaces are highly sought after but limited inventory allows landlords to be aggressive with their rental rates. Big box spaces are finally seeing increased demand with life science users pushing forward with multiple projects. Mall leasing has lagged in the market as tenants look to move to lifestyle projects like Mosaic, Fenton, and North Hills; however, retail demand is particularly strong in power centers. Concerns about labor availability and wages coupled with rising construction costs are slowing expansion plans for some local tenants but national retailers are bullish with their growth projections.

MARKET INDICATORS	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
▲ 12 Mo. Net Absorption SF	1,014,661	375,790	116,092	622	(390,862)
▼ Vacancy Rate	3.2%	3.4%	3.4%	3.5%	3.6%
▲ Avg NNN Asking Rate PSF	\$21.57	\$21.35	\$21.45	\$21.03	\$20.98
▼ SF Under Construction	351,692	687,670	756,674	754,357	635,832
▲ Inventory SF	75,199,698	74,856,314	74,695,173	74,574,584	74,498,109

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
5959 Triangle Town Boulevard Raleigh, NC	470,663 SF	\$33,250,000 \$70.65 PSF	Kohan Retail Investment Group LB-UBS 2006-C1 Triangle Town Blvd	Multi-Tenant
1202-1297 Buck Jones Road Raleigh, NC	202,785 SF	\$23,066,645 \$113.75 PSF	NP South Hills LLC David J. Martin	Multi-Tenant
4300 Fayetteville Road Raleigh, NC	169,060 SF	\$14,250,000 \$84.29 PSF	G & IX 4300 Fayetteville LLC 4300 Fayetteville Road LLC	Multi-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
5421 Hilburn Drive Raleigh, NC	33,604 SF	Lyon Company	Undisclosed	Undisclosed
401-435 Woodburn Road Raleigh, NC	14,173 SF	Regency Centers	Barnes & Noble	Retailer
6081-6123 Capital Boulevard Raleigh, NC	13,514 SF	Win Properties Inc.	Undisclosed	Undisclosed

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