



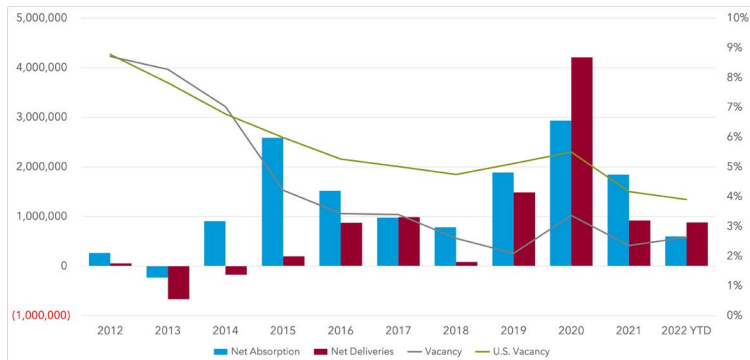
INDUSTRIAL MARKET OVERVIEW

SCOTT HADLEY, Vice President

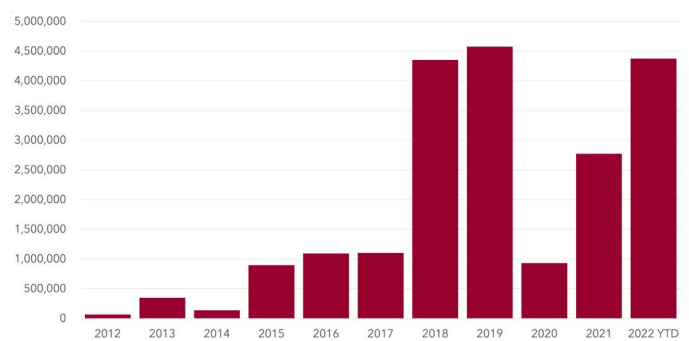
Raleigh-Durham's industrial absorption continues to be strong. Rates in both markets continue to see an average increase. Vacancy remains nearly unchanged in Durham but is slightly up in Raleigh. Product under construction in 2022 shows a 17% increase for both Raleigh and Durham which will impact absorption going forward. Sales remain strong with the market showing a slow increase in cap rates on sales. Inflation, the cost of construction, rising interest rates, and increased product under construction are going to impact the vacancy rates going forward and begin to put pressure on rents. The market remains strong but will be cautious going forward.

MARKET INDICATORS	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
▼ 12 Mo. Net Absorption SF	1,552,668	2,152,144	1,842,316	2,096,943	4,185,050
▲ Vacancy Rate	2.7%	2.4%	2.4%	2.9%	2.9%
▲ Avg NNN Asking Rate PSF	\$10.31	\$10.01	\$9.69	\$9.41	\$9.17
▲ SF Under Construction	4,373,900	4,318,883	2,772,288	1,312,245	858,970
▲ Inventory SF	95,085,446	94,404,003	94,204,716	94,031,559	93,695,204

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
977 Shotwell Road Clayton, NC	706,405 SF	\$98,000,000 \$138.73 PSF	KSIP I CDC LLC SIF CDC, LLC	Class A
3200 Bush Street Raleigh, NC	251,314 SF	\$46,750,000 \$186.02 PSF	Pennybacker Capital, LLC New Market Strategies, LLC	Class C
5201 Departure Drive Raleigh, NC	136,000 SF	\$22,250,000 \$163.60 PSF	Pennybacker Capital, LLC Bryant Watson	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2095 W. Market Street Smithfield, NC	600,000 SF	Undisclosed	Amazon	Online Shopping
525 Hinton Oaks Boulevard Knightdale, NC	180,000 SF	Undisclosed	Undisclosed	Undisclosed
101 E. Providence Boulevard Selma, NC	135,000 SF	AdVenture Development, LLC	Do Good Foods	Manufacturing

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