



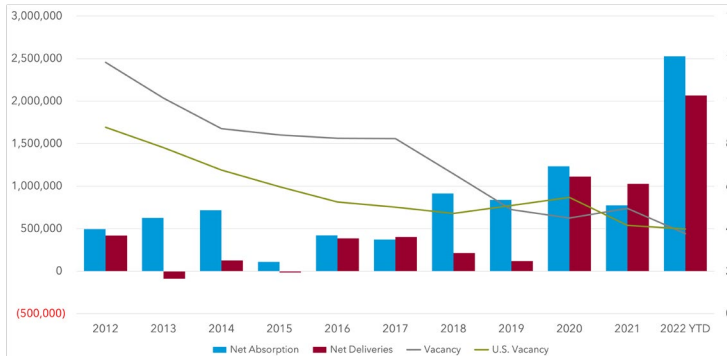
### INDUSTRIAL MARKET OVERVIEW

SCOTT HADLEY, *Vice President*

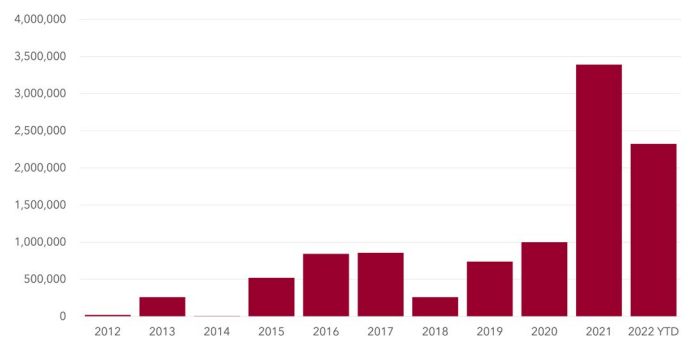
The Raleigh-Durham Industrial Market is seeing continued interest, but recent sales have had fewer buyers pursuing product with many developers and investors opting to sit at this time as interest rates have risen and loan to value ratios have changed requiring more money down on purchases. Vacancy rates continue to rise slightly but the operative word in the market is caution with a sizeable amount of product under construction and rates and loan to value ratios changing rapidly over the last month. The fourth quarter will be a strong bellwether for activity in 2023.

MARKET INDICATORS	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
▲ 12 Mo. Net Absorption SF	2,604,094	1,537,101	1,435,589	773,472	1,192,466
▼ Vacancy Rate	3.77%	4.77%	4.54%	4.95%	4.69%
▲ Avg NNN Asking Rate PSF	\$10.25	\$9.99	\$9.69	\$9.40	\$9.15
▼ SF Under Construction	2,322,627	2,784,501	3,711,597	3,390,297	2,177,505
▲ Inventory SF	47,491,505	46,902,378	45,546,378	45,425,035	45,218,460

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
865 S Briggs Avenue Durham, NC	127,600 SF	\$25,780,000 \$202.00 PSF	Principal Financial Group Scannell Properties	Class A
3405 Page Road Morrisville, NC	84,761 SF	\$5,050,000 \$59.58 PSF	Monroe Rosenthal Spirit Realty Capital	Class B
1111 Neville Street Durham, NC	47,200 SF	\$4,550,000 \$96.40 PSF	Norwich Realty Services Artesia Real Estate	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
TW Alexander Drive Durham, NC	52,080 SF	Tga Tca Durham Loistics Ctrl	Undisclosed	Undisclosed
1000 Parliament Court Durham, NC	16,160 SF	Prologis	Undisclosed	Undisclosed
639 Junction Road Durham, NC	11,580 SF	Smith Beverlee Fendt	Branz Safety	Services

