



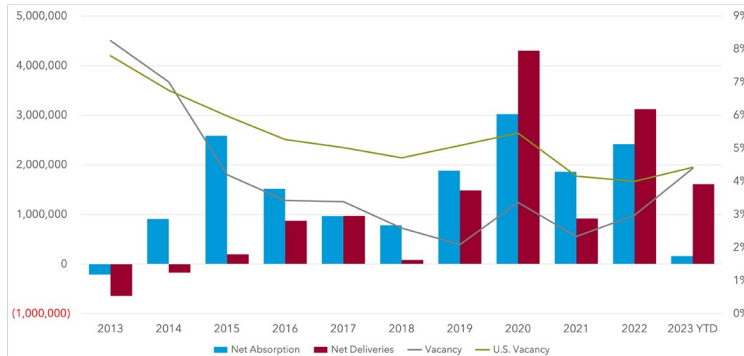
INDUSTRIAL MARKET OVERVIEW

RYAN LAWLER, *Senior Director*

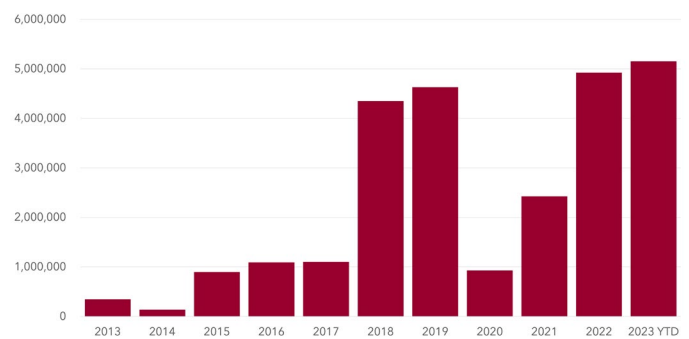
Quality flex/industrial availability remains difficult to come by even with a slight uptick in vacancy to $\pm 4.34\%$ between the Raleigh-Durham Market. Construction costs & scarce industrial land have pushed rates higher to justify new industrial product. As a result, many tenants are experiencing sticker shock forcing the difficult decision of renewing at their current location, settling for smaller space, or absorbing a higher cost of conducting business. With construction costs remaining an important variable, minimal negotiations are occurring during the proposal stage of a new deal. Similarly, Buyers are left with few to zero options to consider. Despite fluctuating interest rates, demand to purchase buildings remains high due to the area's growth and strong demographics.

| MARKET INDICATORS | Q1 2023 | Q4 2022 | Q3 2022 | Q2 2022 | Q1 2022 |
|----------------------------|------------|------------|------------|------------|------------|
| ▲ 12 Mo. Net Absorption SF | 2,606,695 | 2,418,755 | 2,689,478 | 1,435,246 | 2,057,745 |
| ▲ Vacancy Rate | 4.32% | 2.98% | 2.60% | 2.63% | 2.45% |
| ▲ Avg NNN Asking Rate PSF | \$11.14 | \$10.85 | \$10.60 | \$10.32 | \$10.02 |
| ▲ SF Under Construction | 5,153,584 | 4,922,991 | 4,957,354 | 6,028,556 | 4,925,398 |
| ▲ Inventory SF | 99,198,681 | 97,584,861 | 96,784,966 | 95,191,316 | 94,661,869 |

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|------------|------------------------------|---|----------------|
| 9 N Hollybrook Road Wendell, NC | 136,385 SF | \$4,700,000 \$34.46 PSF | Boylan Executive Center Third Street Screen Printing, Inc. | Class C |
| 601 Irving Parkway Holly Springs, NC | 130,127 SF | \$17,620,000 \$164.57 PSF | BBM Incorporated Stout Ventures | Class B |
| 1515 Capital Boulevard Raleigh, NC | 58,070 SF | \$1,360,000 \$23.50 PSF | Empire Properties Centerline Bonded, LLC | Class C |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---------------------------------------|------------|-------------------------------|--|---|
| 419 W River Road Louisburg, NC | 195,000 SF | West Egg Real Estate, LLC | Novozymes NA Inc. | Professional, Scientific, and Technical Services |
| 4900 Jones Sausage Road Garner, NC | 164,956 SF | Beacon Development Company | Greentech Renewables-Solar Distribution | Transportation and Warehousing |
| 935 Shotwell Road Clayton, NC | 81,466 SF | Landmark Industrial | Undisclosed | Undisclosed |

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