



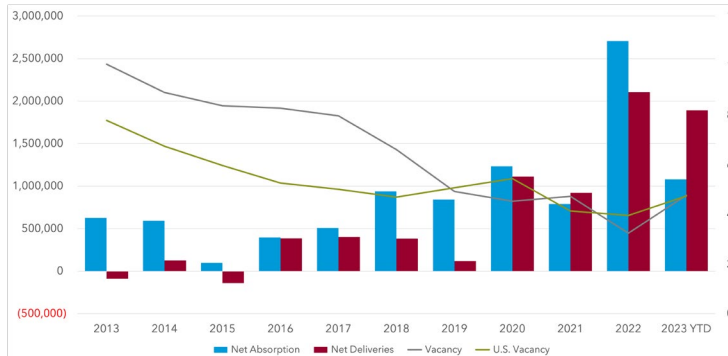
INDUSTRIAL MARKET OVERVIEW

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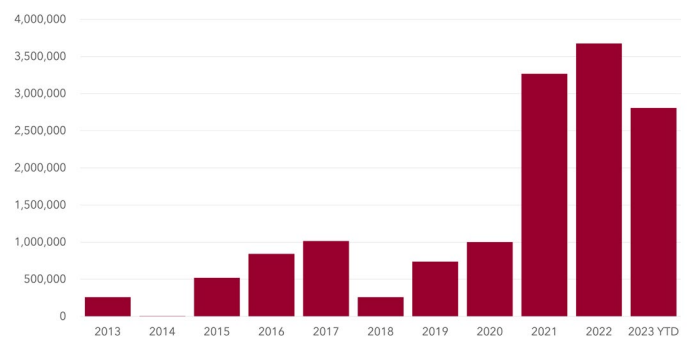
The Durham industrial market continues to see rising rental rates and a low vacancy rate of 4.79% in the second quarter of 2023 compared to 4.95% in the first quarter. The market has 2.6 million SF under construction. Demand is high due to the region's growth and need for more industrial product. Construction costs and less availability of land contribute to rising rent rates, particularly for new product, thus landlords are less likely to entertain much in the way of negotiations on rate, concessions, or improvements. Even with rising interest rates, demand remains strong, while investors have fewer options available for purchase.

MARKET INDICATORS	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
▼ 12 Mo. Net Absorption SF	2,212,231	2,777,019	2,706,255	2,592,196	1,518,402
▼ Vacancy Rate	4.79%	4.95%	3.25%	3.30%	4.60%
▲ Avg NNN Asking Rate PSF	\$11.14	\$10.91	\$10.62	\$10.37	\$10.11
▼ SF Under Construction	2,906,797	3,027,579	3,676,629	3,782,729	4,175,509
▲ Inventory SF	49,240,944	48,642,492	47,450,122	47,344,022	46,824,017

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2001 TW Alexander Drive Durham, NC	308,964 SF	\$34,950,000 \$113.12 PSF	LBA Realty Broadstone Net Lease, Inc.	Class B
1311 E. Club Boulevard Durham, NC	14,615 SF	\$2,160,000 \$147.79 PSF	Lowry Stephen ODID LLC	Class C
1375 Stockyard Road Staley, NC	3,996 SF	\$798,000 \$199.70 PSF	Jordan Electric Motors, Inc. Josey Trucking LLC	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
4300 Emperor Boulevard Durham, NC	18,385 SF	Prologis, Inc.	Performance Contracting Group	Professional, Scientific, and Technical Services
3829-3839 S. Alston Avenue Durham, NC	15,000 SF	Clarion Partners	Workspace Services	Rental and Leasing Services
1500 E. Club Boulevard Durham, NC	4,361 SF	Daye W Jones Jr.	USC Flooring, Inc.	Retailer

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