



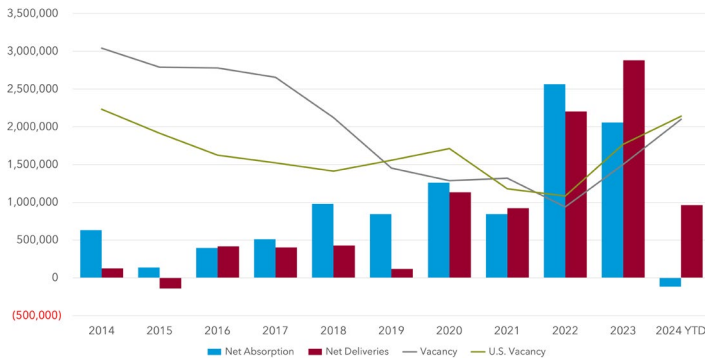
INDUSTRIAL MARKET OVERVIEW

WILL JUDY, *Broker*

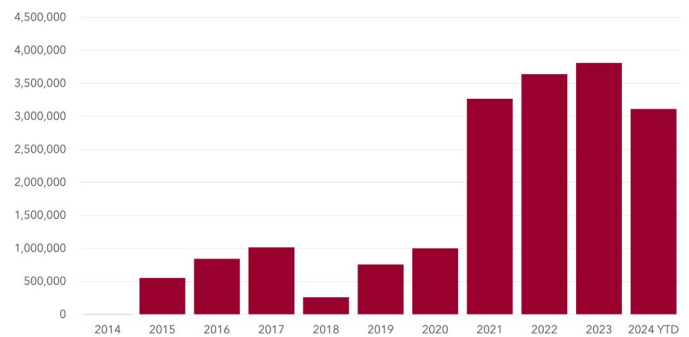
Demand for industrial space in the Durham area exceeds national averages, driven largely by economic growth fueled by the Research Triangle. This area constitutes 45% of the market's inventory, which includes a significant amount of flex space used for life-science research, development, and lab space. E-commerce and other distribution operations, notably along interstates 40 and 85, are active. However, deliveries have still outpaced demand causing vacancy rates to rise to 6.5%, while new construction has only declined slightly and remains strong with approximately 3.1 million square feet in the pipeline. High interest rates have reduced sales volume, and recent deals have been smaller, averaging around \$3 million per transaction.

| MARKET INDICATORS | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 |
|----------------------------|------------|------------|------------|------------|------------|
| ▼ 12 Mo. Net Absorption SF | 1,362,918 | 1,731,066 | 2,058,150 | 2,379,543 | 2,523,499 |
| ▲ Vacancy Rate | 6.50% | 6.29% | 5.00% | 4.58% | 5.07% |
| ▲ Avg NNN Asking Rate PSF | \$11.53 | \$11.51 | \$11.36 | \$11.18 | \$10.99 |
| ▼ SF Under Construction | 3,113,275 | 3,180,320 | 3,809,720 | 3,911,370 | 2,864,293 |
| ▲ Inventory SF | 53,142,318 | 51,929,860 | 50,995,260 | 50,867,859 | 50,304,936 |

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|---|------------|------------------------------|--|----------------|
| 933 Ellis Road Durham, NC | 274,370 SF | \$53,200,000 \$193.90 PSF | EastGroup Properties, Inc. Trinity Capital Advisors | Class A |
| 920 E. Raleigh Street Siler City, NC | 119,044 SF | \$3,800,000 \$31.92 PSF | Hunt Forest Resources David Kargarzadeh | Class B |
| 712 Ellis Road Durham, NC | 35,306 SF | \$3,037,500 \$86.03 PSF | Littlewood Grey Johnson Brothers Liquor Company | Class C |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---------------------------------|------------|----------------------|-------------|-----------------|
| 3450 Hopson Road Durham, NC | 340,200 SF | Undisclosed | Undisclosed | Undisclosed |
| 6056 W. Ten Road Mebane, NC | 35,559 SF | Al Neyer | Undisclosed | Undisclosed |
| 3399 Durham Road Roxboro, NC | 9,488 SF | Gold Empire Holdings | Undisclosed | Distribution |

