



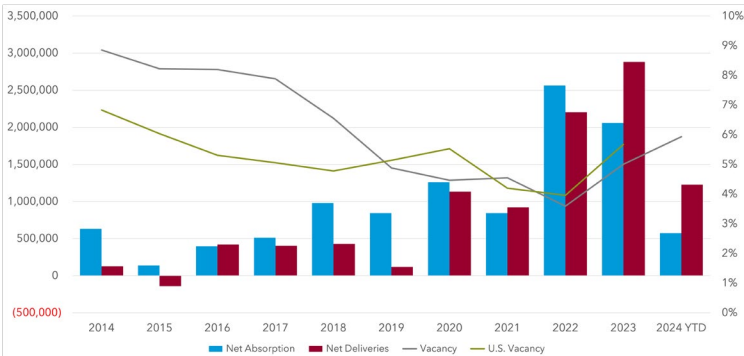
INDUSTRIAL MARKET OVERVIEW

RYAN LAWLER, *Senior Director*

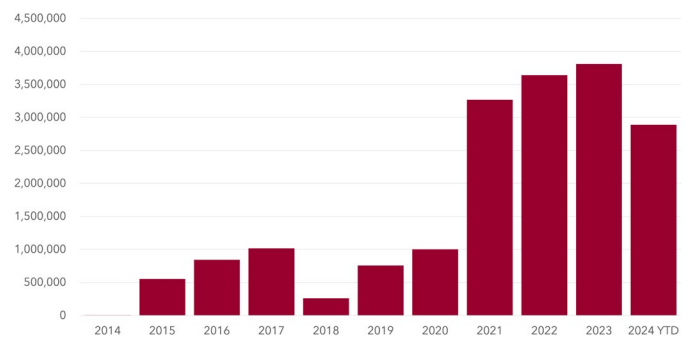
Durham's industrial market in Q3 2024 remains active, with 1.18 million SF of net absorption, slightly down from 1.36 million SF in Q2. Vacancy decreased to 5.9% from 6.5%, despite delivery of new supply. Average NNN asking rates rose to \$11.60 per SF. Demand is largely driven by logistics and e-commerce sectors which remain active in the local economy. The construction pipeline holds 3.0 million SF, with 70% pre-leased, indicating sustained market confidence. While sales activity is affected by high interest rates, fundamentals remain healthy. Anticipated trends suggest vacancies may rise slightly with ongoing deliveries, which will likely result in slow and steady rent growth.

MARKET INDICATORS	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
▼ 12 Mo. Net Absorption SF	1,178,003	1,362,918	1,731,066	2,058,150	2,379,543
▲ Vacancy Rate	5.94%	6.50%	6.29%	5.00%	4.58%
▲ Avg NNN Asking Rate PSF	\$11.60	\$11.53	\$11.51	\$11.36	\$11.18
◀ ▶ Sale Price PSF	\$112.00	\$145.00	\$135.00	\$153.00	\$179.00
◀ ▶ Cap Rate	7.34%	7.43%	7.40%	7.34%	7.20%
◀ ▶ Under Construction SF	2,888,232	3,113,275	3,180,320	3,809,720	3,911,370
◀ ▶ Inventory SF	54,002,769	53,142,318	51,929,860	50,995,260	50,867,859

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
6086 W. Ten Road Mebane, NC	375,000 SF	\$41,037,500 \$109.43 PSF	Thermo Fisher Scientific AI Neyer	Class B
1805 TW Alexander Drive Durham, NC	324,838 SF	\$38,745,745 \$119.28 PSF	Prologis Duke Realty	Class A
933 Ellis Road Durham, NC	274,370 SF	\$53,200,000 \$193.90 PSF	EastGroup Properties Trinity Capital Advisors	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
7110 E. Washington Street Mebane, NC	286,112 SF	STAG Industrial, Inc.	ASIN North Carolina	Transportation and Warehousing
0 US Highway 64 W Staley, NC	150,000 SF	Tims Farm & Forestry	Undisclosed	Undisclosed
512 Ben Wilson Road Mebane, NC	132,000 SF	W H Wilson Family Investment Group LLC	Morinaga	Manufacturing

