



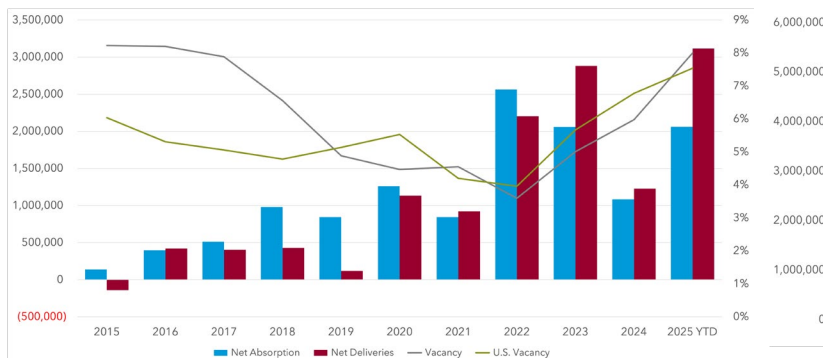
## INDUSTRIAL MARKET OVERVIEW

WILL JUDY, Broker

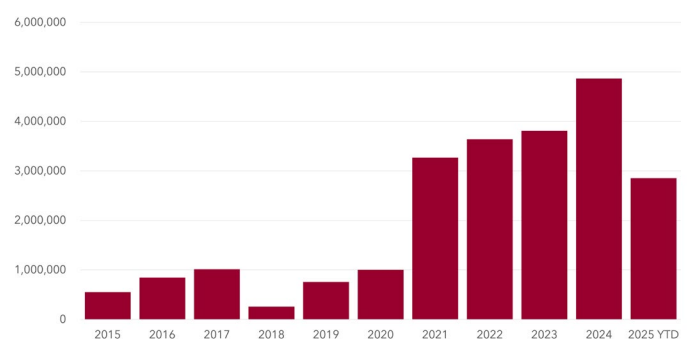
Durham's industrial market strengthened in Q3 2025 as net absorption rose to 2.42 million SF, up from 2.03 million SF in Q2. Vacancy edged higher to 8.0%, reflecting steady deliveries, while average asking rents dipped slightly to \$11.56 PSF. Sale prices advanced to \$136 PSF, and cap rates compressed to 7.28%, highlighting robust investor appetite. Construction activity pulled back to 2.85 million SF, suggesting a more measured pipeline compared to last quarter's 3.36 million SF. Overall, market fundamentals remain favorable, with healthy tenant demand and rising asset values balancing modest rent softness.

| MARKET INDICATORS          | Q3 2025    | Q2 2025    | Q1 2025    | Q4 2024    | Q3 2024    |
|----------------------------|------------|------------|------------|------------|------------|
| ▲ 12 Mo. Net Absorption SF | 2,422,013  | 2,032,208  | 2,574,173  | 1,084,319  | 1,178,003  |
| ▲ Vacancy Rate             | 8.00%      | 7.83%      | 7.30%      | 5.98%      | 5.94%      |
| ▼ Avg NNN Asking Rate PSF  | \$11.56    | \$11.61    | \$11.45    | \$11.32    | \$11.60    |
| ▲ Sale Price PSF           | \$136.00   | \$130.00   | \$128.00   | \$121.00   | \$112.00   |
| ▼ Cap Rate                 | 7.28%      | 7.40%      | 7.38%      | 7.68%      | 7.34%      |
| ▼ Under Construction SF    | 2,854,763  | 3,358,471  | 3,286,422  | 4,865,112  | 2,888,232  |
| ▲ Inventory SF             | 58,399,791 | 57,906,298 | 57,700,652 | 54,972,032 | 54,002,769 |

### NET ABSORPTION, NET DELIVERIES, & VACANCY



### UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF       | SIZE       | SALE PRICE                   | BUYER / SELLER  | BUILDING CLASS |
|-----------------------------------|------------|------------------------------|---|----------------|
| 3530 Brightleaf Lane*<br>Apex, NC | 359,600 SF | \$68,023,051<br>\$189.16 PSF | JLL Income Property Trust<br>Beacon Development Company | Class A        |
| 2324 Ferrell Road<br>Durham, NC   | 250,541 SF | \$47,025,000<br>\$187.69 PSF | EastGroup Properties, Inc.<br>Scannell Properties       | Class A        |
| 3560 Brightleaf Lane*<br>Apex, NC | 205,776 SF | \$40,393,680<br>\$196.30 PSF | JLL Income Property Trust<br>Beacon Development Company | Class A        |

\*Part of a Portfolio Sale

| TOP LEASE TRANSACTIONS BY SF      | SIZE       | LANDLORD                | TENANT      | TENANT INDUSTRY |
|-----------------------------------|------------|-------------------------|-------------|-----------------|
| 3351-A Hopson Road<br>Durham, NC  | 266,760 SF | Undisclosed             | Undisclosed | Undisclosed     |
| 4226 Surles Court<br>Durham, NC   | 43,818 SF  | Prologis                | Undisclosed | Undisclosed     |
| 1129 E. Geer Street<br>Durham, NC | 8,200 SF   | Prestige Home Solutions | Undisclosed | Undisclosed     |

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