



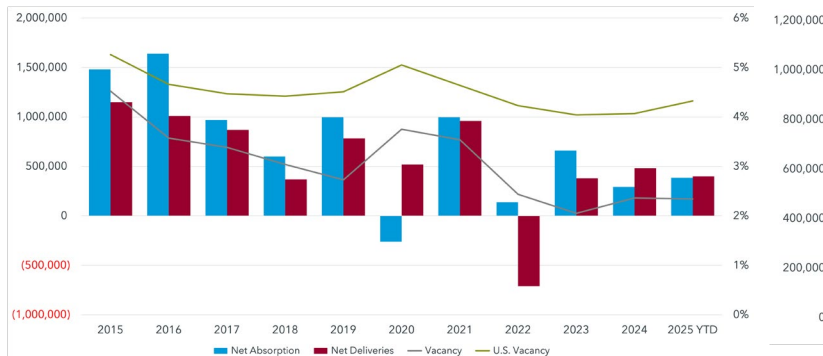
RETAIL MARKET OVERVIEW

COLE PENNELL, CCIM, Vice President, Principal

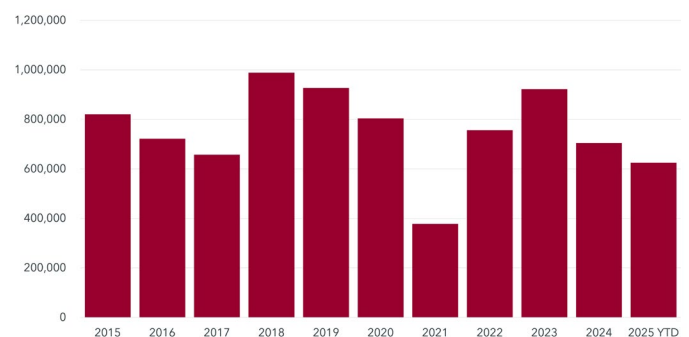
Raleigh's retail market gained momentum in Q3 2025, with net absorption strengthening to 476,958 SF, up from 396,179 SF in Q2. Vacancy edged down to 2.34% as demand held firm. Sale prices ticked up to \$266 PSF, though cap rates widened to 6.8%, reflecting selective investor caution. Construction expanded to 624,958 SF, nearly doubling last quarter's pipeline, signaling growing developer confidence. Inventory dipped slightly to 75.7 million SF due to reclassifications. Overall, Raleigh retail fundamentals remain robust, supported by active leasing and resilient tenant demand.

MARKET INDICATORS	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
▲ 12 Mo. Net Absorption SF	476,958	396,179	415,407	291,543	377,056
▼ Vacancy Rate	2.34%	2.40%	2.30%	2.36%	2.35%
▲ Avg NNN Asking Rate PSF	\$27.94	\$27.64	\$27.05	\$26.52	\$26.97
▲ Sale Price PSF	\$266.00	\$265.00	\$262.00	\$260.00	\$280.00
▲ Cap Rate	6.80%	6.65%	6.60%	6.59%	6.54%
▲ Under Construction SF	624,958	384,625	465,473	704,275	752,008
▼ Inventory SF	75,695,705	76,141,933	77,006,036	76,429,576	76,155,978

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
4325 Glenwood Avenue* Raleigh, NC	1,005,162 SF	\$265,527,673 \$264.16 PSF	The Macerich Company Clarion Partners	Multi-Tenant
4325 Glenwood Avenue* Raleigh, NC	85,671 SF	\$15,333,068 \$178.98 PSF	The Macerich Company Clarion Partners	Multi-Tenant
10105-10183 US-70 Hwy W Clayton, NC	61,620 SF	\$9,310,000 \$151.09 PSF	Clayton Roselle LLC Midland Atlantic Properties	Multi-Tenant

*Part of a Portfolio Sale

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3901 Capital Boulevard Raleigh, NC	21,136 SF	Tony Xie	Lucky Cat Entertainment Park	Retailer
213-450 Crossroads Boulevard Cary, NC	14,552 SF	Kimco Realty Corp.	Undisclosed	Undisclosed
1007 Forestville Road Wakeforest, NC	12,125 SF	Sassom LLC	Undisclosed	Undisclosed

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