



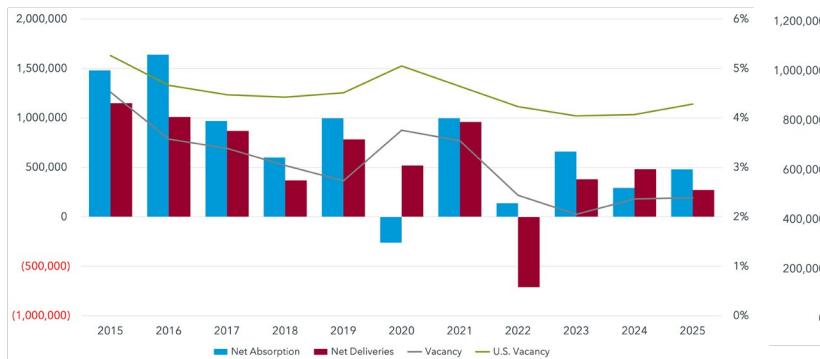
RETAIL MARKET OVERVIEW

MARYANN PETERSON, Vice President

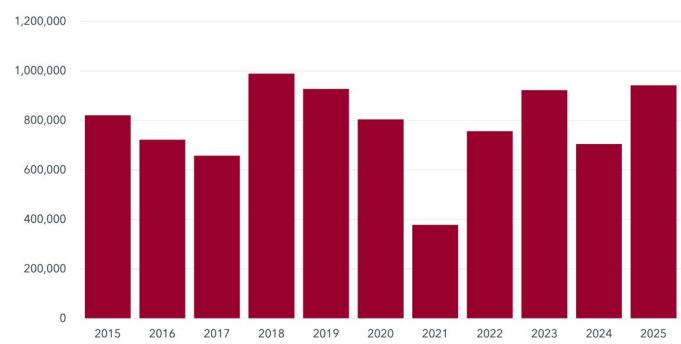
Raleigh's retail sector sustained strong momentum in Q4 2025, with net absorption reaching 480,831 SF. Vacancy held nearly flat at 2.39%, remaining among the tightest in the region. Asking rents on average rose to \$28.99 PSF, while sale prices climbed to \$271 PSF. Cap rates compressed slightly to 6.78%, suggesting steady investor confidence. Construction activity surged to 941,494 SF, its highest level this cycle, reflecting bullish developer sentiment. Inventory expanded to 76.2 million SF, indicating a steady market. Raleigh's retail market continues to outperform, buoyed by strong tenant demand, stable pricing, and aggressive pipeline growth heading into 2026.

| MARKET INDICATORS | Q4 2025 | Q3 2025 | Q2 2025 | Q1 2025 | Q4 2024 |
|----------------------------|------------|------------|------------|------------|------------|
| ▲ 12 Mo. Net Absorption SF | 480,831 | 476,958 | 396,179 | 415,407 | 291,543 |
| ▲ Vacancy Rate | 2.39% | 2.34% | 2.40% | 2.30% | 2.36% |
| ▲ Avg NNN Asking Rate PSF | \$28.99 | \$27.94 | \$27.64 | \$27.05 | \$26.52 |
| ▲ Sale Price PSF | \$271.00 | \$266.00 | \$265.00 | \$262.00 | \$260.00 |
| ▼ Cap Rate | 6.78% | 6.80% | 6.65% | 6.60% | 6.59% |
| ▲ Under Construction SF | 941,494 | 624,958 | 384,625 | 465,473 | 704,275 |
| ▲ Inventory SF | 76,200,720 | 75,695,705 | 76,141,933 | 77,006,036 | 76,429,576 |

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | TENANCY TYPE |
|---|-----------|------------------------------|--|--------------|
| 3450-3490 Kildaire Farm Road* Cary, NC | 79,211 SF | \$22,457,903 \$283.52 PSF | Sigmund Companies Alidade Capital LLC | Multi-Tenant |
| 601 E. Six Forks Road* Raleigh, NC | 54,783 SF | \$15,004,266 \$273.89 PSF | Clarion Partners Ram Realty | Multi-Tenant |
| 7281-7283 NC Highway 42* Raleigh, NC | 54,432 SF | \$12,135,829 \$222.95 PSF | Yanqing Duan Barnett Properties, Inc. | Multi-Tenant |

*Part of a Portfolio Sale

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|------------|-----------------------------|-----------------------------|--|
| 6121 Mount Herman Road Raleigh, NC | 200,000 SF | City of Raleigh | Swing Racquet + Paddle Club | Arts, Entertainment, and Recreation |
| 601 E. Six Forks Road Raleigh, NC | 14,872 SF | Ram Realty | Undisclosed | Undisclosed |
| 8815-8863 Six Forks Road Raleigh, NC | 12,889 SF | Kimco Realty Corporation | Azobi Event Center | Arts, Entertainment, and Recreation |



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