



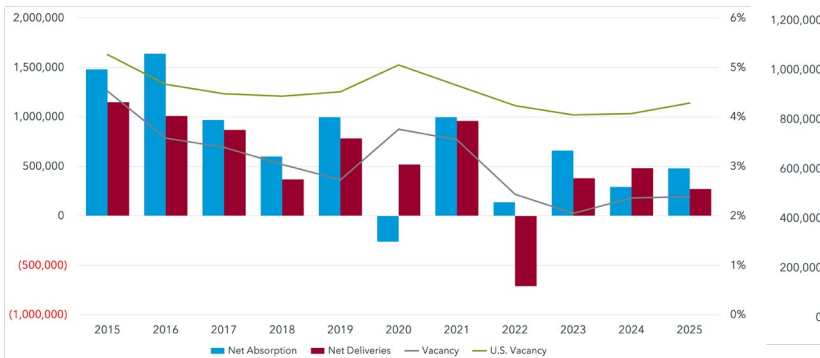
### RETAIL MARKET OVERVIEW

MARYANN PETERSON, *Vice President*

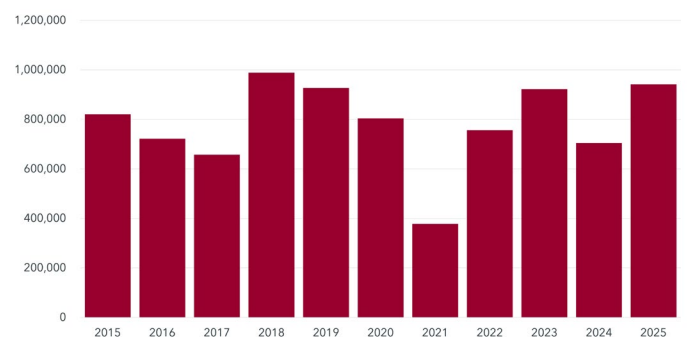
Raleigh's retail sector sustained strong momentum in Q4 2025, with net absorption reaching 480,831 SF. Vacancy held nearly flat at 2.39%, remaining among the tightest in the region. Asking rents on average rose to \$28.99 PSF, while sale prices climbed to \$271 PSF. Cap rates compressed slightly to 6.78%, 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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