



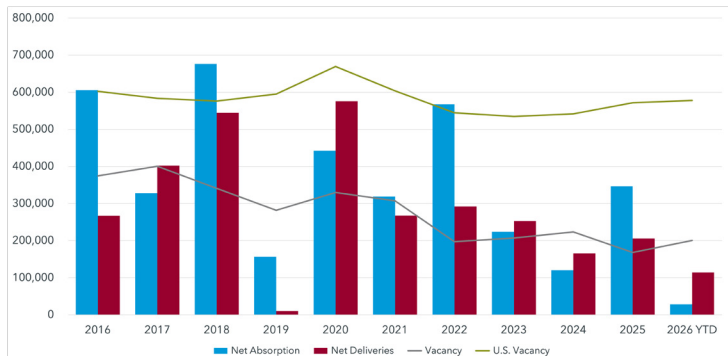
RETAIL MARKET OVERVIEW

LUKE MELLO, *Broker*

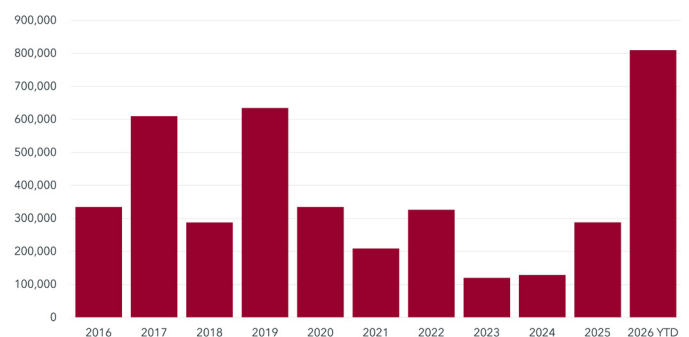
Wilmington retail remains one of the tightest markets in the country. Vacancy stood at 1.5% in Q3 2026, about half the 2.7% national rate Lee reported for general retail, as tenants absorbed roughly 73,000 SF and reversed two slightly negative quarters. National apparel and footwear chains are filling long-empty Midtown boxes: DSW and Rainbow signed for 22,343 SF at 322-352 S College Road, and Boot Barn took 6,693 SF at Hanover Center. Developers are responding. Space under construction nearly tripled over the year to 810,000 SF, the most since at least 2016, which should give tenants more options in 2027.

MARKET INDICATORS	Q3 2026	Q2 2026	Q1 2026	Q4 2025	Q3 2025
▲ 12 Mo. Net Absorption SF	124,742	76,582	236,717	346,717	247,424
▼ Vacancy Rate	1.50%	1.63%	1.40%	1.26%	1.35%
▼ Avg NNN Asking Rate PSF	\$21.25	\$21.30	\$21.24	\$21.10	\$20.96
▲ Sale Price PSF	\$201.27	\$200.53	\$197.11	\$195.95	\$194.02
▼ Cap Rate	7.14%	7.15%	7.21%	7.19%	7.18%
▼ Under Construction SF	810,000	1,126,807	450,128	288,120	278,650
▲ Inventory SF	34,960,392	34,932,013	34,856,679	34,846,282	34,781,354

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
805 Pine Grove Dr Wilmington, NC	45,800 SF	\$7,500,000 \$163.76 PSF	Andrew C Krichman George Taylor Color Masters Painting	Single-Tenant
240 N Water St Wilmington, NC	34,000 SF	\$950,000 \$27.94 PSF	Margaret Emory Haynes Wilmington Rubber & Gasket Co	Multi-Tenant
3722 Market St Wilmington, NC	25,402 SF	\$7,972,500 \$313.85 PSF	Realty Income Corporation Walker Auto Stores	Single-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
322-352 S College Rd Wilmington, NC	14,000 SF	SITE Centers	DSW	Retailer
35 Benton Brown Way Belville, NC	9,000 SF	Undisclosed	7 Brew Coffee	Restaurant
322-352 S College Rd Wilmington, NC	8,343 SF	SITE Centers	Rainbow	Retailer/Clothing

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