



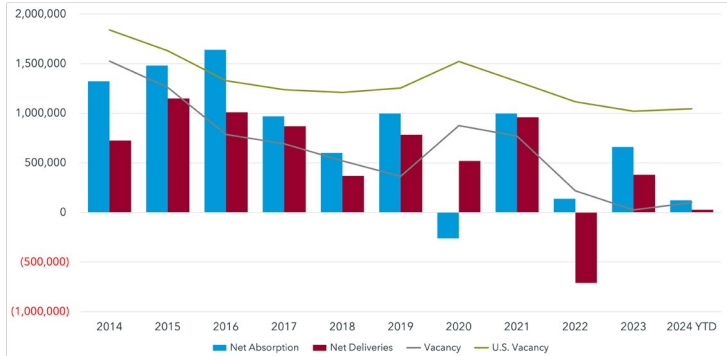
RETAIL MARKET OVERVIEW

CHRISTINA COFFEY, *Vice President*

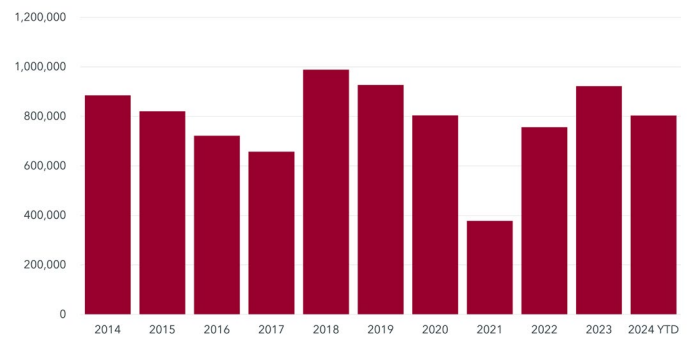
Raleigh's retail market continues to have a record low vacancy rate. An abundance of new restaurants opened: Mac's Speed Shop at Five Points, Drift Coffee at Ridgewood, La Farm at The Row on Glenwood, Press at 400H, La Terrazza at The Dillon, and Alpaca on Hillsborough Street in the former IHOP. Notable closures included Ragazzi's in Garner, Armadillo Grill in Glenwood South, and The Gatorbug at Midtown East. Retailers continue to struggle with the lack of employees, increasing rents, and rising business costs. The new redevelopment, Raleigh Ironworks, welcomed Tenants Brodeto by Chef Scott Crawford, 25,000 SF entertainment concept, Jaguar Bolera, and retailers Flourish Market and Beatniks.

MARKET INDICATORS	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
▼ 12 Mo. Net Absorption SF	486,204	569,335	660,865	634,374	518,532
▲ Vacancy Rate	2.2%	1.8%	2.1%	2.3%	2.4%
▼ Avg NNN Asking Rate PSF	\$26.69	\$27.27	\$26.38	\$25.70	\$25.09
▼ SF Under Construction	803,624	951,519	922,239	895,117	828,879
▲ Inventory SF	76,090,078	75,828,324	75,800,322	75,738,944	75,677,985

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
615 Oberlin Road Raleigh, NC	2,775 SF	\$6,900,000 \$2,486.49 PSF	Hasmik Ghazaryan David S. Brody	Single-Tenant
4600 Crabtree Valley Avenue Raleigh, NC	8,800 SF	\$6,135,000 \$697.16 PSF	Cambridge Properties PMT Partners VIII	Single-Tenant
2900 Spring Forest Road Raleigh, NC	26,004 SF	\$5,038,000 \$193.74 PSF	Kirk Imports Furniture North Raleigh Group	Multi-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
9650 Strickland Road Raleigh, NC	21,987 SF	First Washington Realty, Inc.	North Raleigh Ministries Thrift	Retailer
208-290 Grande Heights Drive Cary, NC	20,388 SF	Phillips Edison & Company	Altitude Trampoline Park	Arts, Entertainment, and Recreation
12217-12295 Capital Boulevard Wake Forest, NC	19,146 SF	Zapolski Real Estate	Ace Hardware	Retailer



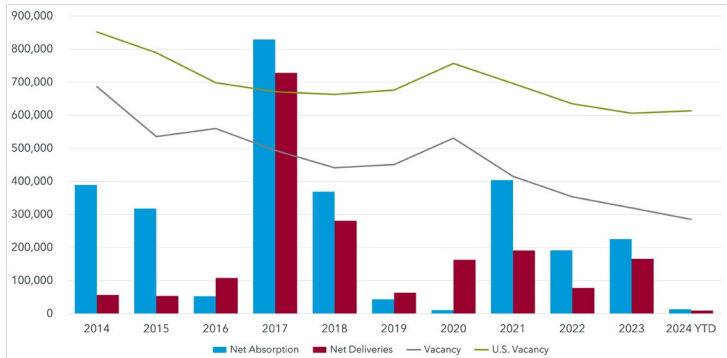
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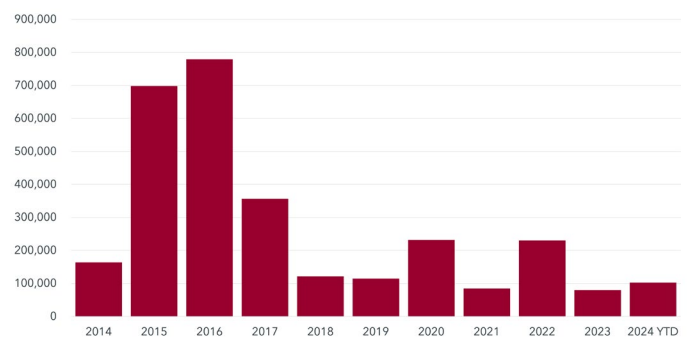
Durham's retail sector continues to thrive with more demand than supply, a record low availability rate, 2.0% vacancy that is nearly 200 basis points below the national average of 4.7%. Notable openings include the premier entertainment destination Top Golf in South Durham. Other retailers that opened this quarter are Emmy Squared Pizza at Brightleaf Square and Thaiangle at Roger's Alley. Construction starts have been limited and approximately 90% of space under construction is preleased. The Triangle continues to rank as one of the strongest markets in the nation with its highly educated workforce, higher education institutions, and high quality of life.

MARKET INDICATORS	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
▲ 12 Mo. Net Absorption SF	221,496	220,511	225,516	179,327	146,123
▼ Vacancy Rate	1.9%	2.0%	2.1%	2.3%	2.4%
▲ Avg NNN Asking Rate PSF	\$24.57	\$23.81	\$23.65	\$23.39	\$23.06
▲ SF Under Construction	102,612	92,634	79,843	79,843	152,234
▲ Inventory SF	31,470,622	28,278,420	28,271,411	28,271,411	28,181,805

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
1014 Yunus Road Durham, NC	3,200 SF	\$3,394,500 \$1,060.78 PSF	Paloma Ed LLC Ellis Rd Durham NC LLC	Single-Tenant
6408 Leesville Road Durham, NC	2,044 SF	\$1,700,000 \$831.70 PSF	Koehler Partners, Inc. William Etters	Single-Tenant
3807 N. Duke Street Durham, NC	2,048 SF	\$1,500,000 \$732.42 PSF	Mahajan Wildor Restaurant Group LLC	Single-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3615 Witherspoon Boulevard Durham, NC	21,315 SF	Armada Hoffer Properties, Inc.	Boot Barn	Family Clothing Stores
5340 McFarland Road Durham, NC	6,969 SF	James R. Lockamy	Texas Roadhouse	Accommodation and Food Services
1525 Glenn School Road Durham, NC	5,000 SF	WRS, Inc.	Durham Eye Care Center	Health Care