



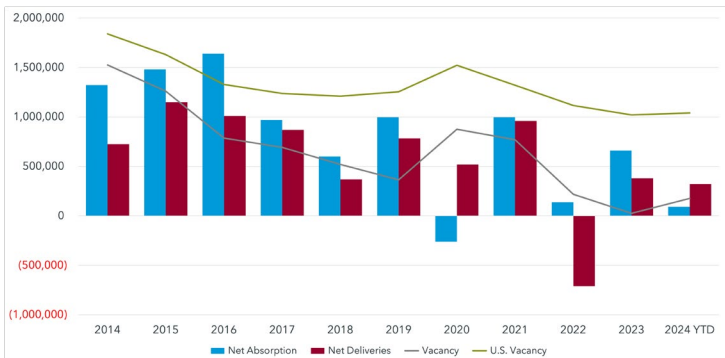
RETAIL MARKET OVERVIEW

HUNTER STEWART, SIOR, MBA, *Vice President & Principal*

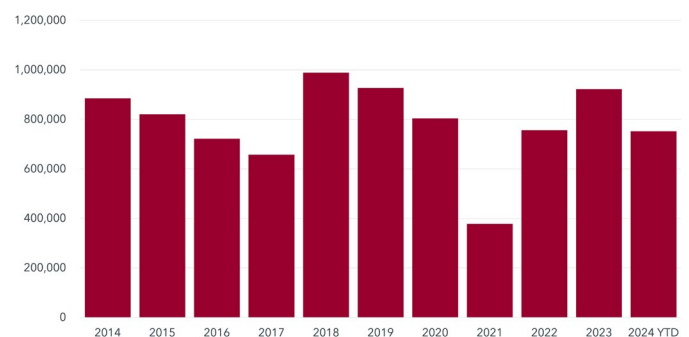
Raleigh's retail market remained tight in Q3 2024, with net absorption at 377,056 SF, a decline from 486,204 SF in Q2. The vacancy rate increased slightly to 2.35% from 2.2%, reflecting limited availability amidst ongoing demand. The average NNN asking rate rose to \$26.97 per SF, up from \$26.69. Strong population growth and consistent demand for retail space, especially in high-traffic areas, continue to support the market. With 740,000 SF of retail space under construction, mostly pre-leased, availability is expected to remain constrained, leading to steady rent increases. Retail construction remains moderate due to high costs and interest rates.

MARKET INDICATORS	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
▼ 12 Mo. Net Absorption SF	377,056	486,204	569,335	660,865	634,374
▲ Vacancy Rate	2.35%	2.20%	1.80%	2.10%	2.30%
▲ Avg NNN Asking Rate PSF	\$26.97	\$26.69	\$27.27	\$26.38	\$25.70
▼ Sale Price PSF	\$280.00	\$349.00	\$292.00	\$255.00	\$295.00
▼ Cap Rate	6.54%	6.58%	6.58%	6.57%	6.60%
▼ Under Construction SF	752,008	803,624	951,519	922,239	895,117
▲ Inventory SF	76,155,978	76,090,078	75,828,324	75,800,322	75,738,944

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
3622-3652 Rogers Road Wake Forest, NC	72,946 SF	\$15,600,000 \$213.86 PSF	Nuveen ShopCore Properties	Multi-Tenant
2750 NC 55 Highway Cary, NC	56,336 SF	\$6,900,000 \$122.48 PSF	Walmart Real Estate Business Trust Realty Income Corporation	Single-Tenant
5311 Tin Roof Way Raleigh, NC	7,472 SF	\$3,520,864 \$471.21 PSF	The Mapama Corp. Carolina Flicks, Inc.	Multi-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
7311-3463 Six Forks Road Raleigh, NC	19,360 SF	FCA Management	ParTree Shack	Amusement and Recreation
1640 NW Maynard Road Cary, NC	19,329 SF	James V. Taggart	Weaver Motorsports	Auto Dealership
2900 Spring Forest Road Raleigh, NC	7,977 SF	Jan Chen	Undisclosed	Undisclosed



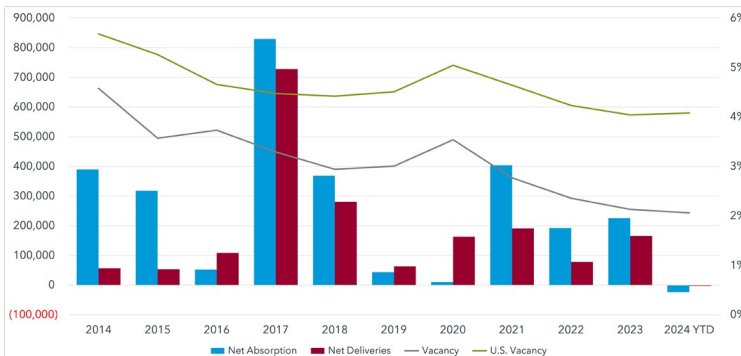
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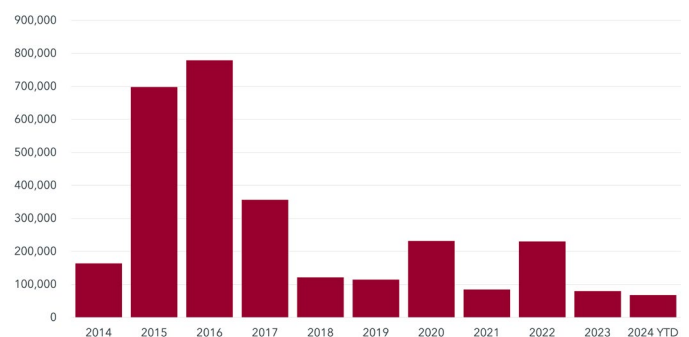
Durham's retail market remains strong in Q3 2024, with net absorption reaching 50,821 SF, down from 221,496 SF in Q2. The vacancy rate edged up slightly to 2.06% from 1.9%, reflecting limited new supply. Average NNN asking rates increased to \$25.06 per SF, up from \$24.57 in the previous quarter. High demand continues to drive competition for available retail spaces, particularly in high-traffic areas. With just 68,000 SF of retail space under construction and most of it pre-leased, supply constraints are expected to persist. The retail market's fundamentals are solid, with steady rent growth likely to continue in the near term.

MARKET INDICATORS	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
▼ 12 Mo. Net Absorption SF	50,821	221,496	220,511	225,516	179,327
▲ Vacancy Rate	2.06%	1.90%	2.00%	2.10%	2.30%
▲ Avg NNN Asking Rate PSF	\$25.06	\$24.57	\$23.81	\$23.65	\$23.39
▼ Sale Price PSF	\$250.00	\$332.00	\$268.00	\$378.00	\$208.00
▼ Cap Rate	8.21%	8.22%	8.25%	8.26%	8.28%
▼ Under Construction SF	67,770	102,612	92,634	79,843	79,843
▼ Inventory SF	30,867,546	31,470,622	28,278,420	28,271,411	28,271,411

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
1701 E. 11th Street Siler City, NC	23,445 SF	\$4,100,000 \$174.88 PSF	Boyd Chevrolet Ford	Single-Tenant
1301 Riddle Road Durham, NC	7,588 SF	\$2,200,000 \$289.93 PSF	A New Beginning Primary Colors Child Care	Single-Tenant
504-506 W. Franklin Street Chapel Hill, NC	5,306 SF	\$1,700,000 \$320.39 PSF	Baljeet and Randhir Singh Lane Davis	Multi-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
180 Sanford Road Pittsboro, NC	6,234 SF	Hello World LLC	Chuy's Auto Repair	Auto Repair/ Maintenance
5402 Mc-55 Highway Durham, NC	3,984 SF	Granite Canyon Partners	SpeedDee Oil Change & Auto Service	Auto Repair/ Maintenance
2100 S. Miami Boulevard Durham, NC	3,000 SF	Wiluso LLC	Alpaca	Restaurant

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