



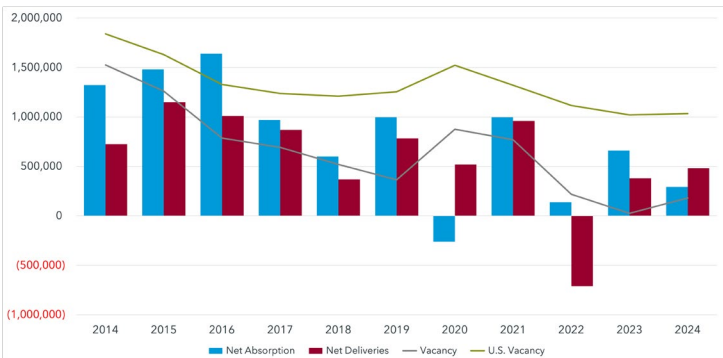
RETAIL MARKET OVERVIEW

CHARLES LANIER, *Vice President*

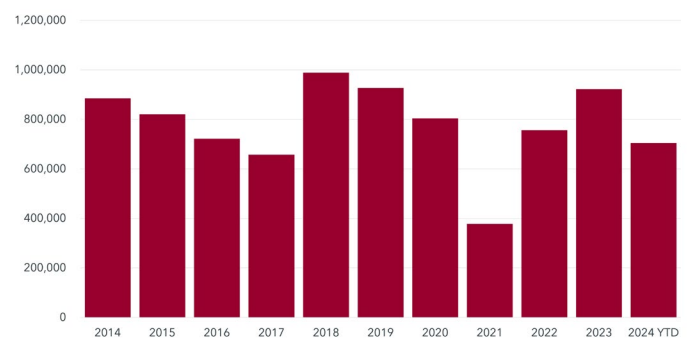
The Raleigh retail market continued to impress with another strong performance in Q4 2024. Net absorption totaled 291,543 SF, reflecting sustained demand but declining from 377,056 SF in Q3. The vacancy rate increased slightly to 2.36% due to multiple big box chains going out of business, while the average NNN asking rate adjusted to \$26.52 per SF, marginally down from \$26.97. Rising TICAM costs are the oft quoted reason for negative pressure on rental increases. Sales prices moderated to \$260 PSF, and the cap rate rose slightly to 6.59%. Construction activity remains robust with 704,275 SF underway, indicating ongoing investor confidence although rising construction costs are constraining tenant expansion plans.

MARKET INDICATORS	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
▼ 12 Mo. Net Absorption SF	291,543	377,056	486,204	569,335	660,865
▲ Vacancy Rate	2.36%	2.35%	2.20%	1.80%	2.10%
▼ Avg NNN Asking Rate PSF	\$26.52	\$26.97	\$26.69	\$27.27	\$26.38
▼ Sale Price PSF	\$260	\$280	\$349	\$292	\$255
▲ Cap Rate	6.59%	6.54%	6.58%	6.58%	6.57%
▼ Under Construction SF	704,275	752,008	803,624	951,519	922,239
▲ Inventory SF	76,429,576	76,155,978	76,090,078	75,828,324	75,800,322

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
830-844 Perry Road Apex, NC	17,600 SF	\$800,000 \$45.45 PSF	Private Individual Robert & Sylvia Toler	Multi-Tenant
2901 Wakefiled Pines Drive Raleigh, NC	12,014 SF	\$3,800,000 \$316.30 PSF	Undisclosed Sachs Companies	Single-Tenant
255 N. Equity Drive Smithfield, NC	12,000 SF	\$1,600,000 \$133.33 PSF	Private Individual Market Street Investments	Multi-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
7601 Glenwood Avenue Raleigh, NC	20,156 SF	APG Advisors	Undisclosed	Undisclosed
505-537 Plaza Circle Garner, NC	13,500 SF	SVN Real Estate Associates	Undisclosed	Undisclosed
8601 Glenwood Avenue Raleigh, NC	12,975 SF	The Green Company	Undisclosed	Undisclosed



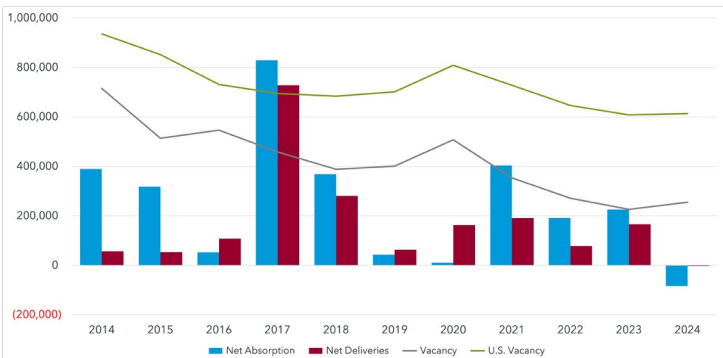
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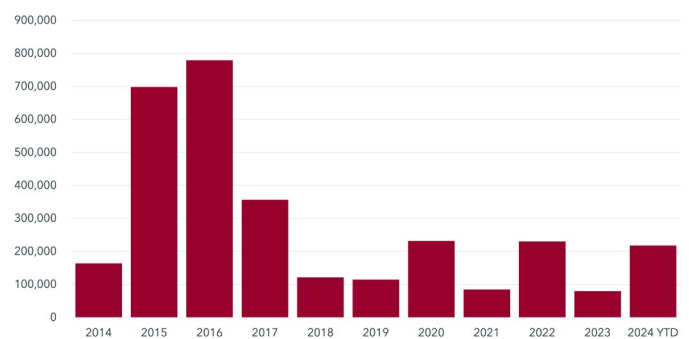
The Durham retail market faced headwinds in Q4 2024, with net absorption declining to -83,224 SF from 50,821 SF in Q3. The vacancy rate increased to 2.28%, up from 2.06% in the previous quarter, reflecting softening demand for large spaces and a meaningful number of big box chains going out of business. Average NNN asking rents dipped slightly to \$24.91 per SF, compared to \$25.06 in Q3. Sales prices averaged \$247 PSF, and the cap rate edged higher to 8.33%. Construction activity picked up, with 217,770 SF underway, signaling potential future supply. Notable deals included a 33,839 SF lease at 3616 Witherspoon Blvd and the \$9.7 million sale of 314-355 N Madison Blvd.

MARKET INDICATORS	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
▼ 12 Mo. Net Absorption SF	(83,224)	50,821	221,496	220,511	225,516
▲ Vacancy Rate	2.28%	2.06%	1.90%	2.00%	2.10%
▼ Avg NNN Asking Rate PSF	\$24.91	\$25.06	\$24.57	\$23.81	\$23.65
▼ Sale Price PSF	\$247	\$250	\$332	\$268	\$378
▲ Cap Rate	8.33%	8.21%	8.22%	8.25%	8.26%
▲ Under Construction SF	217,770	67,770	102,612	92,634	79,843
▲ Inventory SF	31,025,916	30,867,546	31,470,622	28,278,420	28,271,411

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
314-355 N. Madison Boulevard Roxboro, NC	97,226 SF	\$8,000,000 \$82.28 PSF	Person County Briemor	Multi-Tenant
1032 N. Miami Boulevard Durham, NC	39,212 SF	Undisclosed	Undisclosed \$Intercontinental Real Estate Corp.	Single-Tenant
910 N. Miami Boulevard Durham, NC	2,760 SF	\$1,085,000 \$393.12 PSF	Henry Crowder Scamardella Francesco	Single-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3616 Witherspoon Boulevard Durham, NC	33,839 SF	Armada Hoffer Properties	Bob's Discount Furniture	Furniture
2000 Avondale Drive Durham, NC	27,720 SF	Nassimi Realty	Undisclosed	Undisclosed
1129 Weaver Dairy Road Chapel Hill, NC	9,617 SF	Rivercrest Realty Investors	O'Reilly Auto Parts	Auto Parts

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