



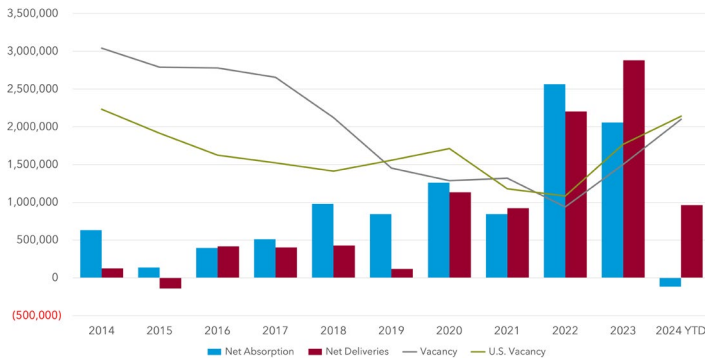
### INDUSTRIAL MARKET OVERVIEW

WILL JUDY, *Broker*

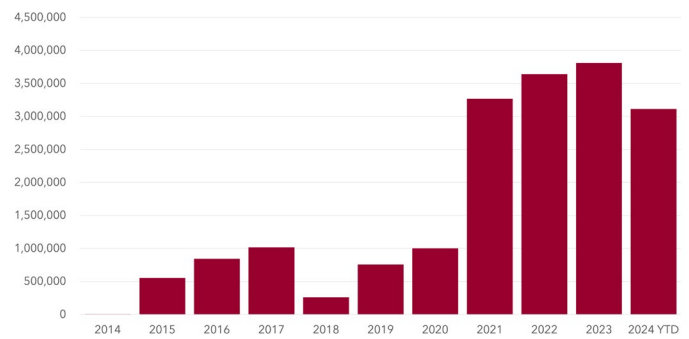
Demand for industrial space in the Durham area exceeds national averages, driven largely by economic growth fueled by the Research Triangle. This area constitutes 45% of the market's inventory, which includes a significant amount of flex space used for life-science research, development, and lab space. E-commerce and other distribution operations, notably along interstates 40 and 85, are active. However, deliveries have still outpaced demand causing vacancy rates to rise to 6.5%, while new construction has only declined slightly and remains strong with approximately 3.1 million square feet in the pipeline. High interest rates have reduced sales volume, and recent deals have been smaller, averaging around \$3 million per transaction.

MARKET INDICATORS	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
▼ 12 Mo. Net Absorption SF	1,362,918	1,731,066	2,058,150	2,379,543	2,523,499
▲ Vacancy Rate	6.50%	6.29%	5.00%	4.58%	5.07%
▲ Avg NNN Asking Rate PSF	\$11.53	\$11.51	\$11.36	\$11.18	\$10.99
▼ SF Under Construction	3,113,275	3,180,320	3,809,720	3,911,370	2,864,293
▲ Inventory SF	53,142,318	51,929,860	50,995,260	50,867,859	50,304,936

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
933 Ellis Road Durham, NC	274,370 SF	\$53,200,000 \$193.90 PSF	EastGroup Properties, Inc. Trinity Capital Advisors	Class A
920 E. Raleigh Street Siler City, NC	119,044 SF	\$3,800,000 \$31.92 PSF	Hunt Forest Resources David Kargarzadeh	Class B
712 Ellis Road Durham, NC	35,306 SF	\$3,037,500 \$86.03 PSF	Littlewood Grey Johnson Brothers Liquor Company	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3450 Hopson Road Durham, NC	340,200 SF	Undisclosed	Undisclosed	Undisclosed
6056 W. Ten Road Mebane, NC	35,559 SF	Al Neyer	Undisclosed	Undisclosed
3399 Durham Road Roxboro, NC	9,488 SF	Gold Empire Holdings	Undisclosed	Distribution

The information and details contained herein have been obtained from third-party sources believed to be reliable, however, Lee & Associates has not independently verified its accuracy. Lee & Associates makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to, the implied warranty of suitability and fitness for a particular purpose. Interested parties should perform their own due diligence regarding the accuracy of the information.

The information provided herein, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. Third-party data sources: CoStar Group, Inc., The Economist, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Congressional Budget Office, European Central Bank, GlobeSt.com, CoStar Property, and Lee & Associates Proprietary Data. ©

© Copyright 2023 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com