



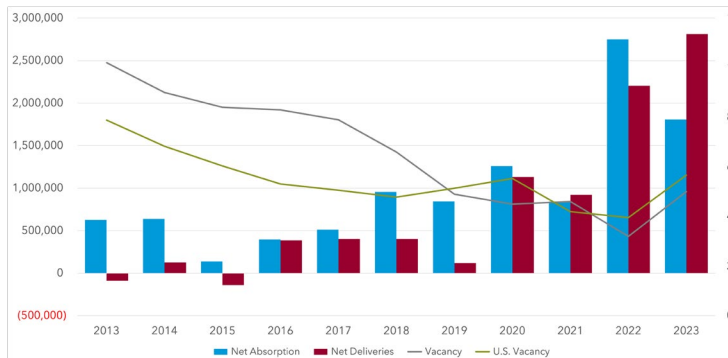
INDUSTRIAL MARKET OVERVIEW

RYAN LAWLER, *Senior Director*

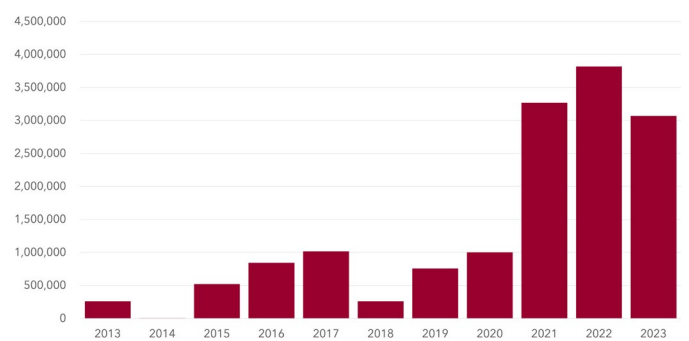
Annual net absorption was 1.7 million SF, almost double Durham's 10-year annual average. Leasing activity represented a diverse tenant base, life science operations and the e-commerce sector. Net absorption was highest in Chatham County and Research Triangle. The vacancy rate of 5.2% remained below Durham's historical average and the national average. Although demand was high, new deliveries totaled 2.7 million SF and absorption for 4Q23 was negative. Annual rent growth slowed but remained above Durham's historical average. Representative of current trends, annual sales volume, \$183 million, was lower than normal in 2023. Durham's industrial pipeline, with 3.1 million SF under construction, may cause vacancies to increase in 2024.

MARKET INDICATORS	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
▼ 12 Mo. Net Absorption SF	1,806,589	2,315,364	2,610,991	2,945,275	2,750,255
▲ Vacancy Rate	5.0%	4.2%	4.7%	4.9%	3.2%
▲ Avg NNN Asking Rate PSF	\$11.39	\$11.25	\$11.07	\$10.81	\$10.53
▼ SF Under Construction	3,067,086	3,168,736	2,741,659	3,043,945	3,816,815
▲ Inventory SF	50,597,603	50,438,953	49,876,030	49,100,844	47,784,654

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1510 E. Lawson Street Durham, NC	20,000 SF	\$2,300,000 \$115.00 PSF	Dunham Trust Company 4318 Medical Park LLC	Class B
1023 S. Miami Boulevard Durham, NC	11,809 SF	\$1,718,000 \$145.48 PSF	Durham County Government Randal A. Brame	Class C
402 Wicker Street Sanford, NC	8,400 SF	\$915,000 \$109.00 PSF	Environmental Service Systems Private Individual	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3871-3877 S. Alston Avenue Durham, NC	108,830 SF	Clarion Partners	Undisclosed Sublease	Undisclosed
Liberty Ridge 1955 TW Alexander Durham, NC	56,700 SF	Prologis, Inc	Undisclosed	Undisclosed
606 United Drive Durham, NC	10,000 SF	Private Individual	Atomic Clock Brewing	Accommodation Food Services

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