



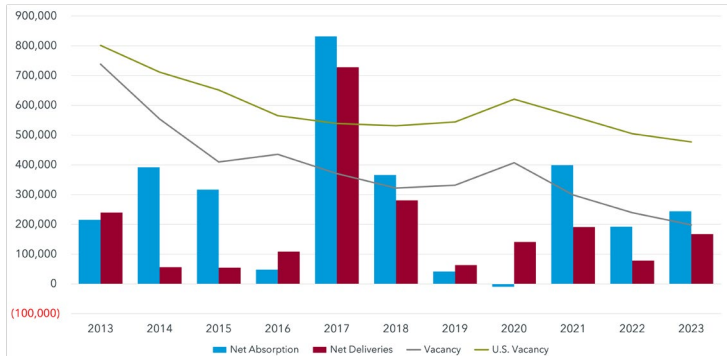
RETAIL MARKET OVERVIEW

CHRISTINA COFFEY, *Vice President*

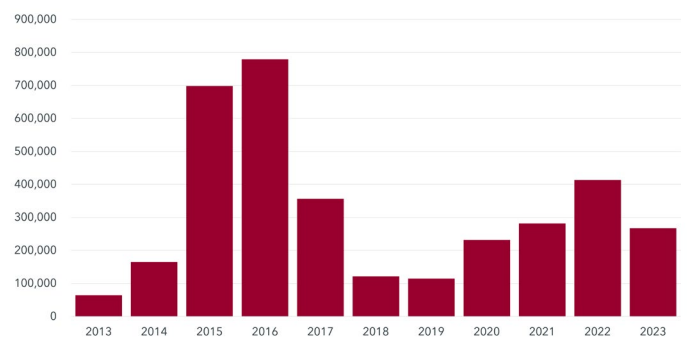
As of 4Q23, demand and absorption are positive, and vacancy is a record low at 2.1%, down year over year. The market's low vacancy rate makes it challenging for retail tenants to find quality space. Durham's average rental rate of \$23 SF is a little below the national average. Although rent growth has slowed, Durham has experienced higher rent growth than the U.S. average. Absorption has outpaced new deliveries and less than 10% of space under construction is available due to pre-leasing. Smaller lease deals and sales volume below Durham's historical annual average is consistent with national trends because of interest rates and economic uncertainty. In this market, a few high profile, large retail projects have the potential for future redevelopment.

MARKET INDICATORS	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
▲ 12 Mo. Net Absorption SF	244,161	182,277	150,397	149,755	192,245
▼ Vacancy Rate	2.087%	2.282%	2.423%	2.447%	2.40%
▲ Avg NNN Asking Rate PSF	\$23.47	\$23.21	\$22.89	\$22.61	\$22.32
◀ ▶ SF Under Construction	267,391	267,391	339,782	349,249	413,000
◀ ▶ Inventory SF	28,047,811	28,047,811	27,956,211	27,942,711	27,880,340

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
Marketplace at Ellis Crossing Durham, NC	71,336 SF	\$26,500,000 \$371.48 PSF	Publix Super Markets Thompson Thrift	Multi-Tenant
102 Merritt Mill Road Chapel Hill, NC	2,332 SF	\$3,100,000 \$1,329.23 PSF	Bencar LLC Red Ride, Inc.	Sold-for-Land-Value
1697 Hillsboro Street Pittsboro, NC	4,001 SF	\$2,200,000 \$550.00 PSF	Apple Butter Investments GEMCap Development	Single-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3500 N. Roxboro Street Durham, NC	79,454 SF	TROSA	Nova Trampoline Park	Retailer
200-208 N. Mangum Street Durham, NC	4,418 SF	Northpond Partners	Thai Angel	Accommodation Food Services
525 Hampton Pointe Boulevard Hillsborough, NC	4,160 SF	Tribek Properties	T-Mobile	Radiotelephone Comm

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