



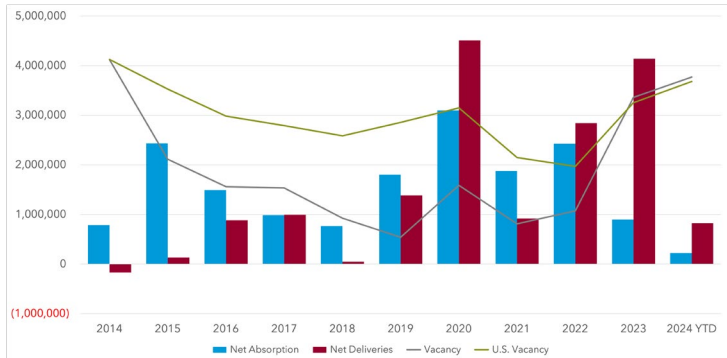
INDUSTRIAL MARKET OVERVIEW

SCOTT HADLEY, *Vice President, Principal*

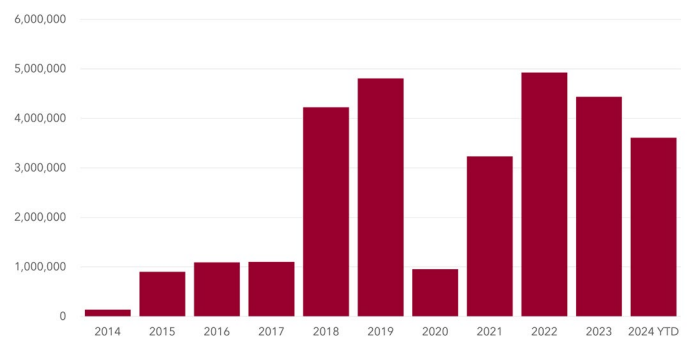
Consistent with national trends, industrial construction in Raleigh has fallen for multiple quarters in a row, and demand for industrial space has not kept pace with new supply. Approximately 40% of the 3.7 million SF of inventory under construction is released, putting downward pressure on rent growth. Vacancy increased to 6.4%, which is in line with the US vacancy rate of 6.2%. Johnston County, Southeast Wake and Southwest Wake counties, represent the highest demand, positive absorption, strong population, and employment growth. Over forty-two companies expanded or moved to Wake, Johnston, Franklin, and Nash counties in the last few years.

MARKET INDICATORS	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
▲ 12 Mo. Net Absorption SF	1,091,675	898,187	716,138	2,625,019	2,378,980
▲ Vacancy Rate	6.3%	5.8%	5.2%	3.7%	4.1%
▲ Avg NNN Asking Rate PSF	\$11.97	\$11.82	\$11.63	\$11.43	\$11.17
▼ SF Under Construction	3,608,941	4,434,440	5,335,737	6,436,131	5,647,204
▲ Inventory SF	103,188,121	102,362,622	101,096,850	99,925,690	99,717,292

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
400 E. Gannon Avenue Zebulon, NC	148,004 SF	\$7,618,000 \$51.47 PSF	Gannon Properties LLC General Sportswear Company	Class B
2100 Harrod Street Raleigh, NC	89,017 SF	\$10,500,000 \$118.00 PSF	Oak City Commercial Blind Industries Services of Maryland	Class C
600 Germantown Road Morrisville, NC	14,524 SF	\$5,000,000 \$344.00 PSF	Gallo Mechanical Bobbitt Group	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2201 S. Wilmington Street Raleigh, NC	143,246 SF	Pennybacker Capital	Drop Shot + Pin Point	Arts, Entertainment and Recreation
3209 S. Church Street Rocky Mount, NC	35,450 SF	Nashville Realty LLC	Global Retool Group	Services
10310 Globe Road Morrisville, NC	10,500 SF	Globe Road Investment	Tesla, Inc	Services

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