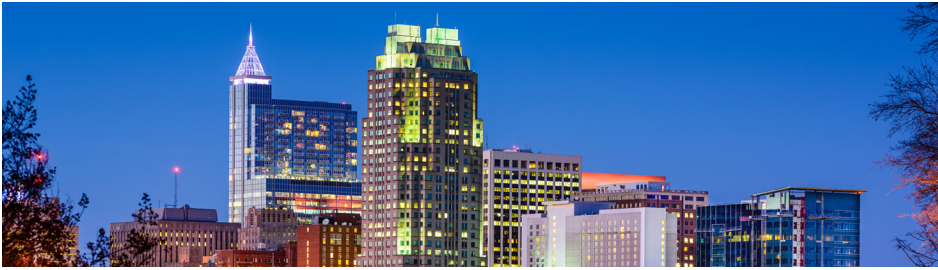





Industrial Market Report



As with many markets around the country, the effect of COVID-19 on the Raleigh industrial market remains up in the air but according to CoStar, market fundamentals remain strong. Raleigh's vacancy rate rose slightly year over year in the 2nd quarter to 3.3% but remains below the national average of 5.5% industrial vacancy. Asking rental rates increased as well in the past year, rising from \$8.08/SF in Q2 2019 to \$8.40/SF in Q2 2020.

 Vacancy 3.3%	 Average Rent \$8.40/SF	 Net Absorption 14,912 SF
--------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------

Rental and Vacancy Rates

Direct Asking Rent (\$/SF)	Total Vacancy Rate	Q1 Change
\$8.40	Industrial 3.1%	▲ 0.20%

Recent Transactions

Tenant	Size	Submarket	Type	Sector
1 Undisclosed	98,205	Falls of Neuse	Bulk Warehouse	Industrial
2 Elster Electricity	58,926	NE Wake County	Bulk Warehouse	Industrial
3 Undisclosed	44,888	NE Wake County	Bulk Warehouse	Industrial
4 Triton Stone Group	42,788	Falls of Neuse	Bulk Warehouse	Industrial
5 Terracon	21,848	NE Wake County	Bulk Warehouse	Industrial
6 Undisclosed	19,470	NE Wake County	Bulk Warehouse	Industrial
7 Haskell's Hardware	11,500	NE Wake County	Bulk Warehouse	Industrial
8 Meridian Waste	11,200	SE Wake County	Bulk Warehouse	Industrial

Occupier's Perspective

- ➔ 5 largest submarkets by total inventory: Johnston County, NE Wake County, SE Wake County, Route 1 and SW Wake County.
- ➔ We recommend that occupiers begin to formulate their strategy for renewal or relocation a minimum of 12 months from lease expiration.

Market Trends



350,000 SF of speculative industrial space is set to deliver in 2020. This should work lift the current vacancy rate.

Vacancy continues to be at historic lows.

Nearly 1.7 million square feet of industrial facilities are currently under construction in the Raleigh market.