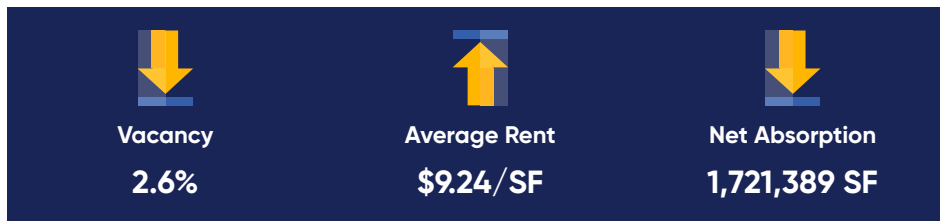
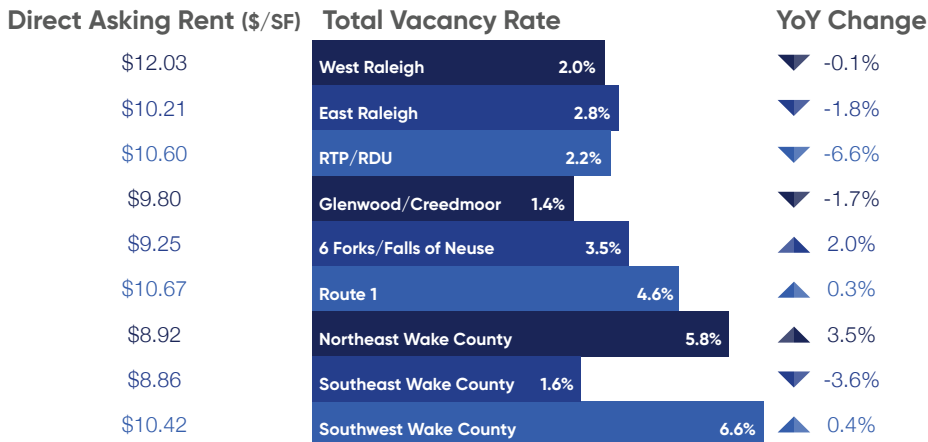


Industrial Market Report

Yet again, the Raleigh industrial market remains incredibly tight with historically low vacancy. Year-over-year vacancy has dropped almost 25%. The scarcity of available land and shift of product to life sciences uses continues to drive rents with year-over-year growth of nearly 8%. With approximately 2.4 million SF in the construction pipeline, new construction seems particularly active in the eastern half of the market, where land is more available for developers.



Rental and Vacancy Rates



Recent Transactions

Tenant	Size	Submarket	Sector
1 Confidential Tenant	42,240 SF	Northeast Wake County	Industrial
2 Rite Rug Flooring	31,243 SF	Research Triangle	Industrial
3 Piedmont Plastics Inc.	17,024 SF	RTP/RDU	Industrial
4 Confidential Tenant	16,000 SF	Glenwood/Creedmoor	Industrial
5 Charlotte Air Freight Carrier	15,270 SF	Research Triangle	Industrial
6 Prosource Industries Inc.	14,917 SF	Route 1	Industrial
7 Confidential Tenant	11,630 SF	Route 1	Industrial
8 Rising Sun Pools	11,100 SF	West Raleigh	Industrial

Occupier's Perspective

5 largest submarkets by total inventory: Johnston County, Southeast Wake County, Northeast Wake County, Route 1, and Southwest Wake County

We recommend that occupiers begin to formulate their strategy for renewal or relocation a minimum of 12 months prior to lease expiration.

Market Trends

Investment sales activity returns. Sales activity in the region has begun to pick back up in the second half of 2021. The metro's fundamentals are expected to continue this trend long term.

Population increased across Raleigh and the Research Triangle by 1.3% over the last year. Consistent with the areas growing population and increased interest in delivered good, Amazon has announced further expansion in Raleigh, signing two new leases and expanding by 291,000 SF.

Tight supply has allowed for maintained momentum in rent growth. A year-over-year rent growth of 7.4%, exceeds historical average, with all submarkets reporting with a 6-8% range. The strongest of these submarkets are RTP/RDU, Southeast Wake County and 6 Forks/Falls of Neuse, due to their proximity to major travel routes and limited supply.