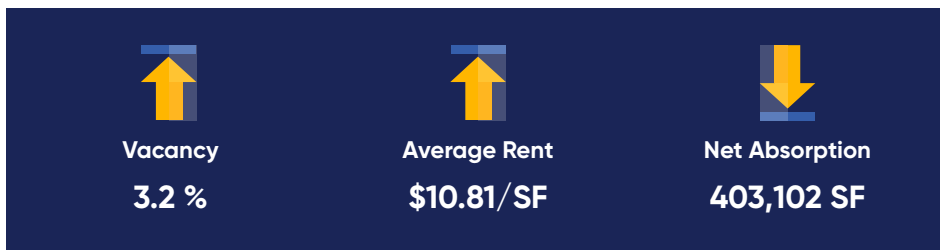


Industrial Market Report

While Raleigh's industrial vacancy has risen slightly over the past year to 3.2%, the market continues to be below the national average of 4%. This lack of inventory is a main driver in rent growth of 11% year over year.

The strong demand for land for life science and technology campuses is also a contributor to making Raleigh a challenging environment for regional and national industrial occupiers looking to grow their footprint in the region.

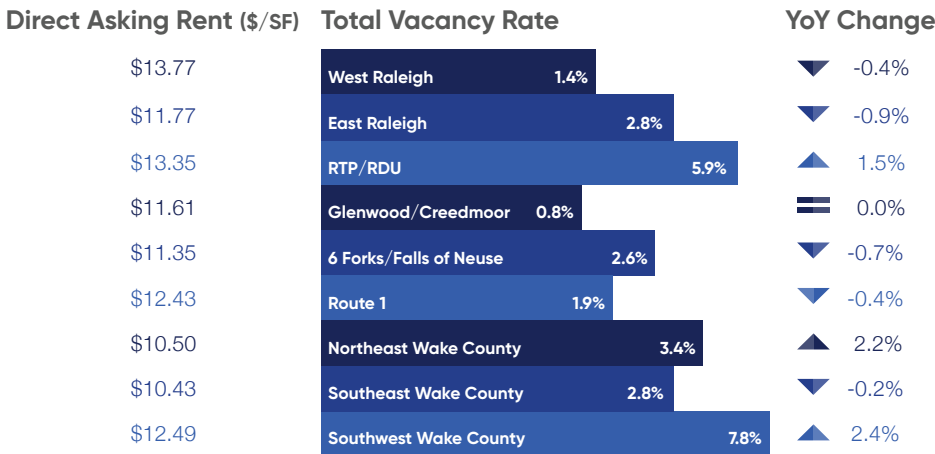


Occupier's Perspective

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 as early as possible to generate leverage with current or future landlords.

Rental and Vacancy Rates



Recent Transactions

Tenant	Size	Submarket	Sector
1 Confidential Client	45,129 SF	Research Triangle	Industrial
2 Confidential Client	24,050 SF	Northeast Wake County	Industrial
3 Acme Plumbing	15,862 SF	South Durham	Industrial
4 Coverings Group LLC	13,900 SF	Glenwood/Creedmoor	Industrial
5 East Coast Electric	10,580 SF	West Raleigh	Industrial

Market Trends

Supply

Construction activity has grown to roughly 4.8M SF with about 30% preleased. New large industrial developments are most active in the southern and eastern sides of the market. The largest project underway is a speculative 1M SF distribution center in the Johnston County submarket, scheduled to deliver mid-2023.

Net absorption continues to be strong with just over 400,000 SF absorbed in the Raleigh market in 4Q 2022.

Acquisitions

Prologis' acquisition of Duke Realty this quarter involved 22 properties in the Triangle area, totaling almost 2.3M SF and valued at \$252M.