



**TOGETHER,
We Make Great Things Happen**

CRE MARKET PLACE STATS

Commercial Real Estate Market Overview Mid Year

What areas does RCASENC COVER

WE COVER EASTERN NC, AN AREA
DEEMED AS TERTIARY BUT ON THE RISE

THIS MEANS THAT WE ARE SEEING
INCREASED INTEREST IN LOCATING
HERE AND MAKING OUR REGION STRONGER

HOW WE ASSEMBLE OUR DATA

USING OUR MLS SYSTEM WE ARE ABLE TO EXTRACT
DATA AND TRACK WHAT OUR REGIONS CURRENT
MARKET STATS ARE FOR THE CRE VERTICALS

We also incorporate information from COSTAR

Industrial Market Place

- Our industrial Sector saw 606,191 sf leased through 33 transactions
- Average Lease rate for all buildings is \$13.13 per sf
- High Rental was \$27.00 per sf
- Low rental was \$1.00 per sf

- Industrial encompasses - Flex Space, Warehouse and Distribution, Research and Development.

- Our vacancy rate is 2.4%
- Sold Price per sf is at \$88.00 per sf. This is weighted by lower price per sf sales of large facilities.
- Asking rental growth is 5.8%

Retail Market Place

- Our industrial Sector saw 106,626 sf leased through 54 transactions
- Average Lease rate for all buildings is \$21.12 per sf
- High Rental was \$45.00 per sf
- Low rental was \$11.00 per sf

- Retail encompasses - Lifestyle, Regional Power, Grocery Anchored, Strip and Standalone Centers and Buildings.

- Our vacancy rate is 1.5%
- Sold Price per sf is at \$189.00 per sf. This is weighted by lower price per sf sales of large facilities.
- Asking rental growth is 4.5%

Office Market Place

- Our Office sector saw 222,315 sf leased through 104 transactions
- Average Lease rate for all buildings is \$22.78 per sf
- High Rental was \$54.00 per sf
- Low rental was \$9.00 per sf

- Office is made up of - Vertical Buildings, condos, owner occupied, and Medical Space .

- Our vacancy rate is 1.8% - Reported by NAR and Costar to be the Lowest In the Nation
- Sold Price per sf is at \$164.00 per sf. This is weighted by lower price per sf sales of large facilities.
- Asking rental growth is 1.9%

Multifamily Market Place

- Our Multifamily Sector saw a growth of 1447 units delivered in the past 12 months
- We have 1,677 units under construction (all phases from planning to construction)
- Market Asking Rent per unit \$1,536
- Average Price per Door - \$196,000.

- Multifamily encompasses - Apartment Complexes with more than 10 Units that are Leased.

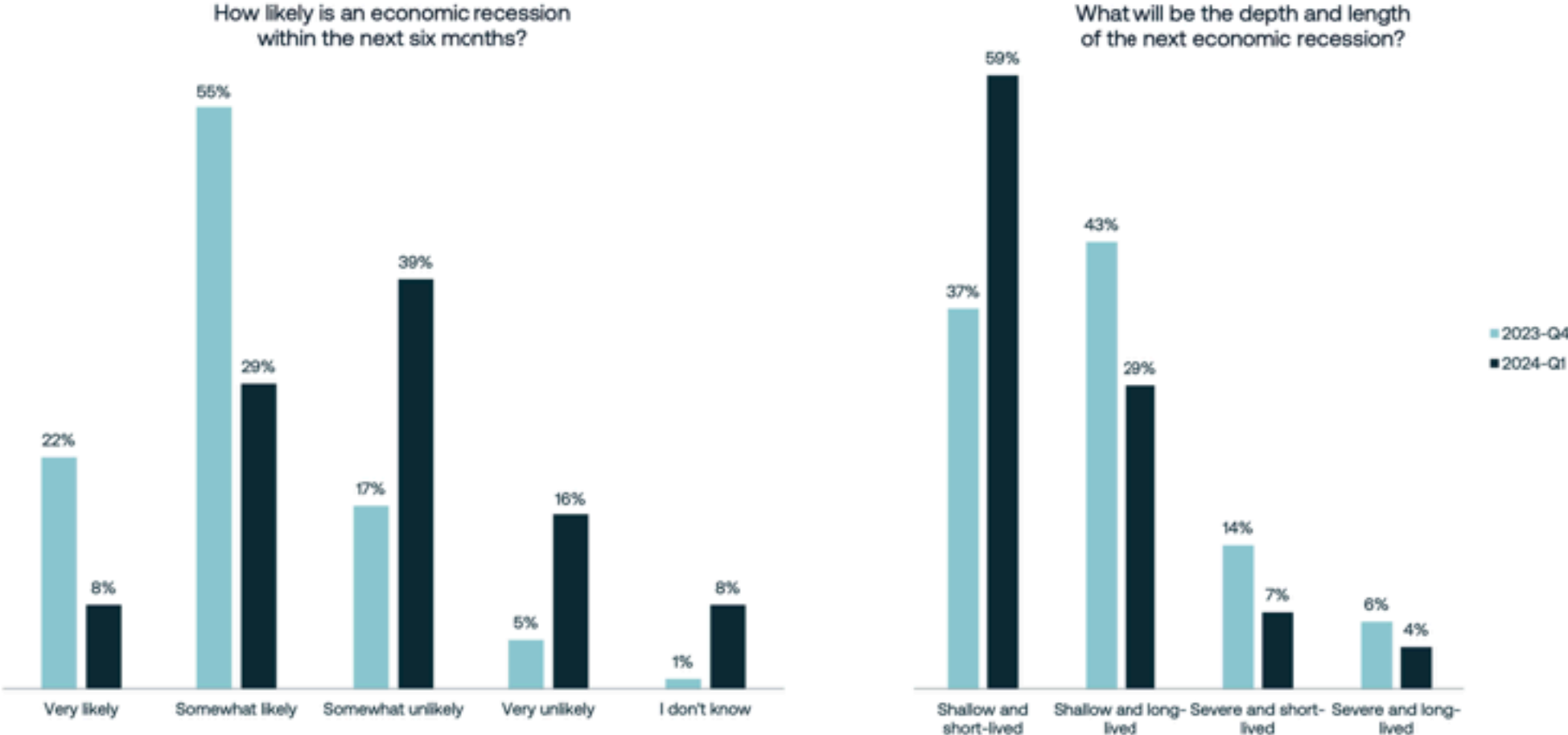
- Our vacancy rate is 13.3% this is Up
- Asking rental growth is -0.8%
- Total Inventory of 26,872

Regional Outlook

- The Commercial Real Estate marketplace faces multiple challenges across several fronts.
- Average development cycle used to take 12 months is now 18-24
 - Extensive permitting cycles and costs as well as delays based not on statutory items hurt the timeline for development.
- What you're seeing built or delivered today closed 12-24 months ago.
 - Interest Rate hikes
 - Construction Costs
 - Debt and Equity Requirements have hurt the development area of Commercial Real Estate
- Investment Side
 - Cap Rates are feeling pressure based on interest rates and the 1031 exchange process has created opportunities but buyers are being cautious.
- Leasing
 - We need space all sectors are at historical Lows in Vacancy Rate. See development issues above

National Outlook

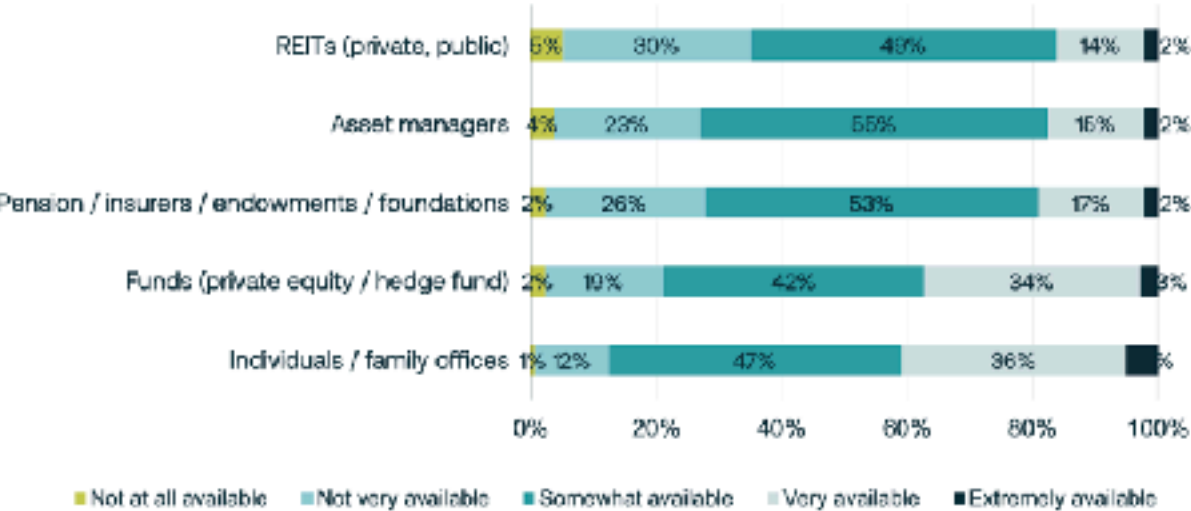
Recession expectations



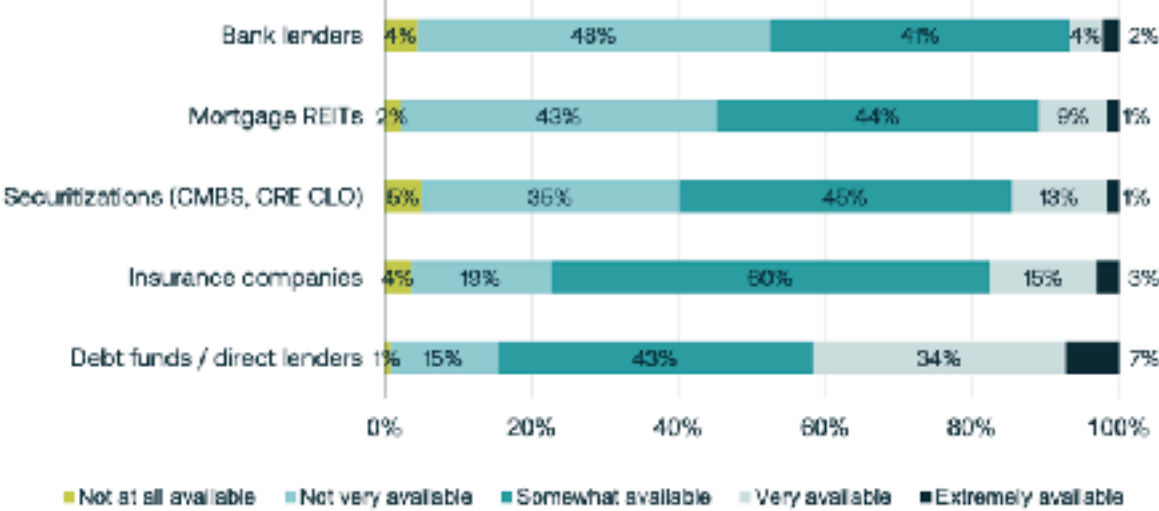
National Outlook

What are your expectations for the availability of capital over the next 12 months?

by equity source



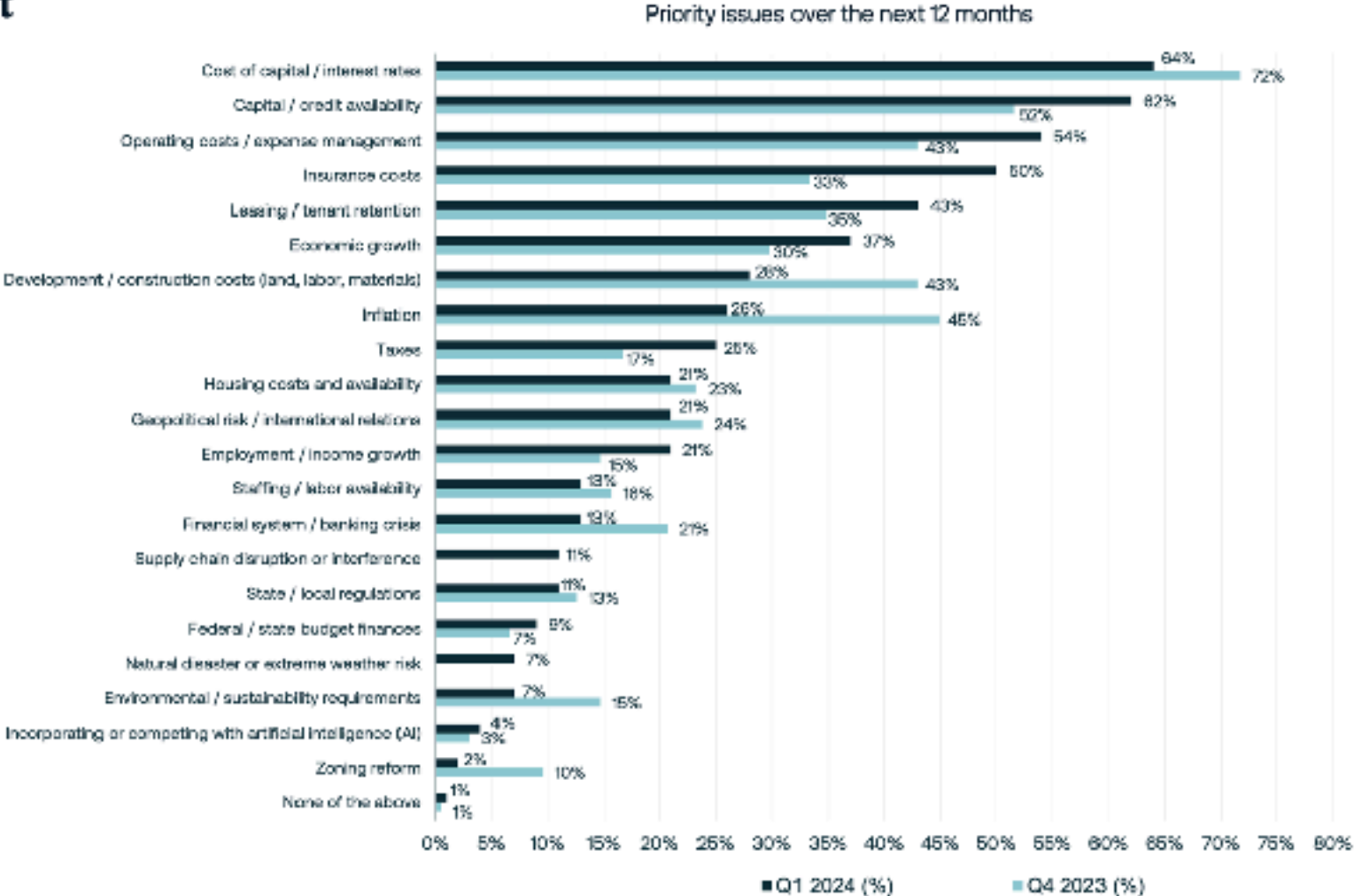
by debt source



National Outlook

Priority issues over the next 12 months

Expenses catching up to capital concerns as top priorities. Similar to the previous quarter, cost of capital and credit availability topped the list of expected priorities over the next 12 months, with 64% and 62% citing them respectively. These concerns were followed closely by operating costs (54%), insurance costs (50%), and leasing/tenant retention (43%), which all saw spikes over the previous quarter. On the other hand, development costs and inflation saw large drops relative to Q4 2023, but are still the top priorities of more than one in four respondents. (Note: "Supply chain disruption or interference" and "Natural disaster or extreme weather risk" were added to the Q1 2024 survey, so a comparison to the prior quarter's results was not possible.)

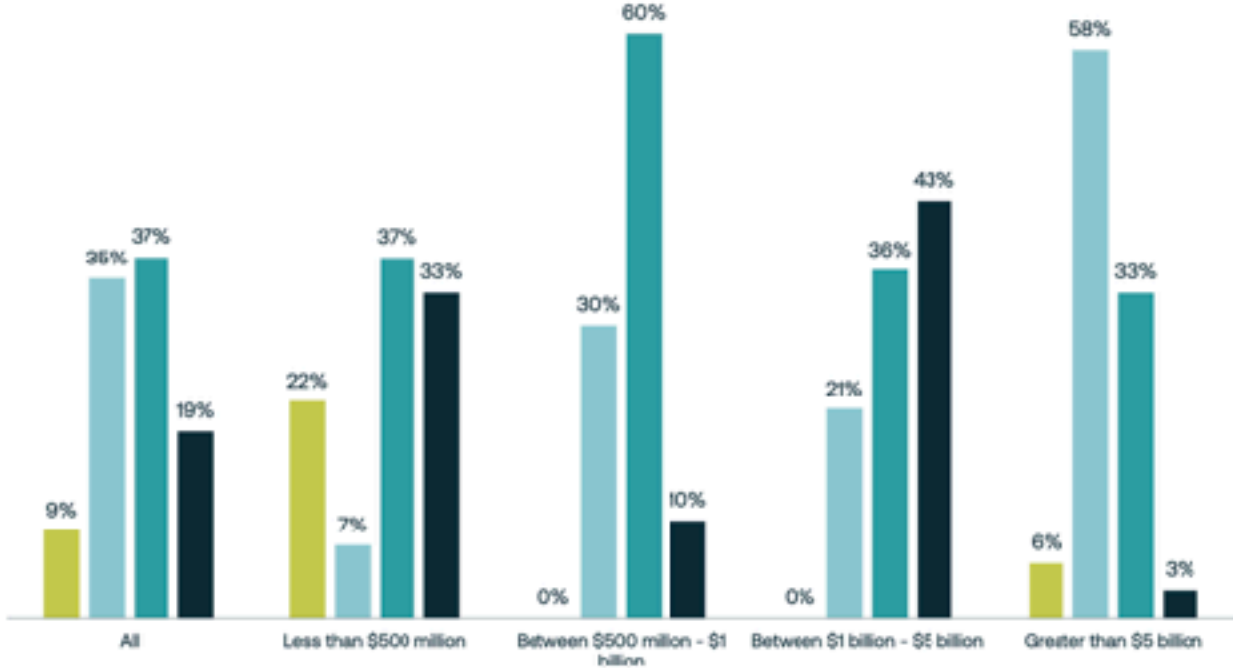


National Outlook

ESG considerations in capital decisions

ESG a minor to negligible consideration in the US currently. More than half (56%) of all US respondents indicated that ESG considerations factor into their investment decisions "minutely" or "negligibly". Just over one in three respondents agreed that ESG factors into their decision-making process "moderately". And fewer than 10% of US respondents stated that ESG was an integral part of their decision process, the clear minority. While firm size appeared to be a factor in the Canadian results for this question, size as measured by CRE exposure, was less clearly a factor for ESG consideration in the US.

In what way do ESG (environmental, social, governance) considerations affect your investment or credit decisions?



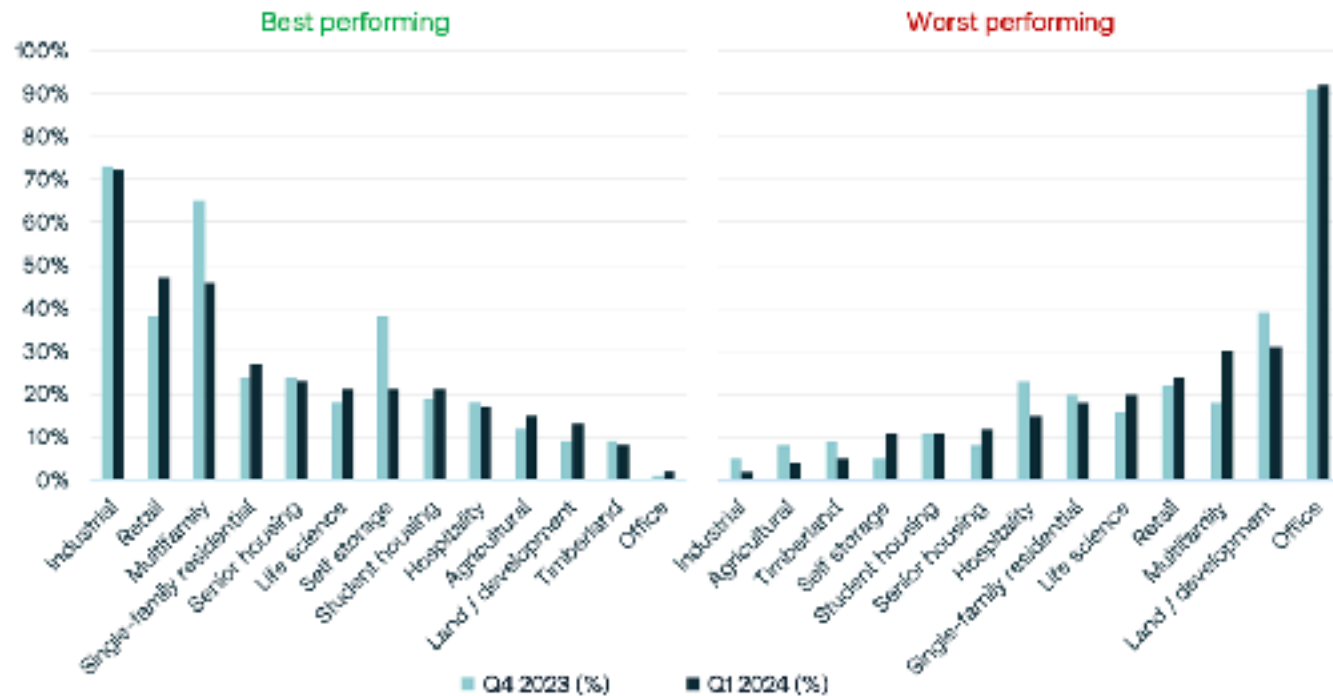
- Significantly - ESG is an integral part of our capital decision-making process
- Moderately - we apply ESG frameworks to assess decisions, but rely on many other determining factors
- Minutely - the only ESG considerations are related to reporting (to internal/external stakeholders, regulators, etc.)
- Negligibly - we don't take ESG considerations into account when making capital decisions

National Outlook

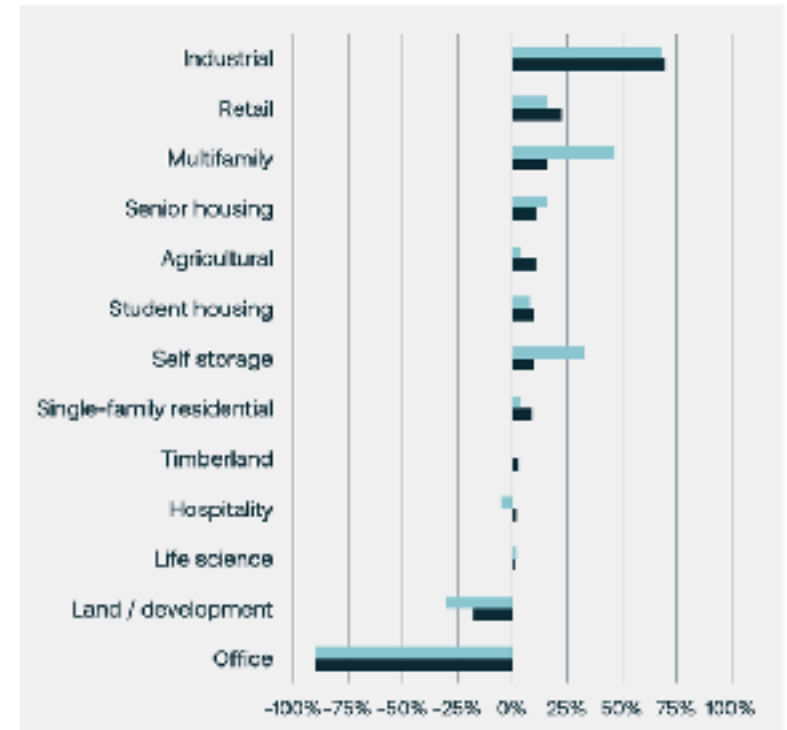
Expectations for property type performance

Expectations quickly souring for multifamily and self storage. Survey participants still expect industrial to be the best-performing property type and office to be the worst over the next 12 months, but retail has overtaken both multifamily and self-storage in terms of net favorability. Net expectations sentiment toward multifamily fell 31 percentage points to -16%, while falling 23 percentage points for self storage to +10%. Little change over the same period was noted for other sectors, though sentiment toward hospitality flipped positive from -2% to +5%.

Rank which property types you expect to be the best and worst performing in the next 12 months.



Net sector sentiment



About the Presenter

- 2024 President Nicholas Silivanch
 - 20 years in Commercial Real Estate in Eastern NC
 - Brokers Assistant
 - Development Coordinator - MF Development Group
 - Junior Broker
 - Broker
 - Director of Retail at CBC SCP
 - Vice President of Retail At CBC
 - Partner at Eastern Carolinas Commercial Real Estate founded in 2014
 - Board of Directors for RCASENC 2012, 2020, 2021, 2022, 2023 President Elect, 2024 President



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