

Greensboro

Market expansion rate slows as capital market speculation persist

- Toyota plans to add \$2.5 billion and 350 jobs to the \$1.29 billion and 1,750 job previously announced
- East Greensboro saw the largest net absorption in Q4 2022 as built to suits and new to market tenants occupy new construction facilities

The Greensboro industrial market continues to expand as demand for warehouse and distribution space remains strong. The limited supply and low vacancy rate has led to a 37.4% Y-o-Y increase in rental rates. Although rates have increase significantly, Greensboro's industrial product offers tenants a discounted rate when compared to other Carolina markets. Due to its centralized location and proximity between Charlotte and Raleigh, the Greensboro market has garnered attention from out of market investors.

Development activity across the market remains robust despite delivering 3.6 million square feet in Q4 2022. The most notable delivery for Q4 2022 is the completion of 940,000 s.f. which is to be occupied by a grocery retailer aimed at expanding the facility by 1.2-million s.f. and adding more than 1,000 jobs by 2025. UPS announced a \$54.2 million equipment expansion at its existing distribution hub, while investing \$262 million into future 510,000 square foot facility.

Interest rate increases have led a shorter list of active buyers of industrial space across the Carolinas, but Greensboro is able to provide highly functional facilities, providing mark-to-market opportunities. Brennan Investment Group sold a 324,650 s.f. facility in High Point for \$24.4 million. Buildings with mid to long term WALT will continue to trade despite economic uncertainty. These asset provide investors with the opportunity to expand footprints in the market while remaining risk adverse.

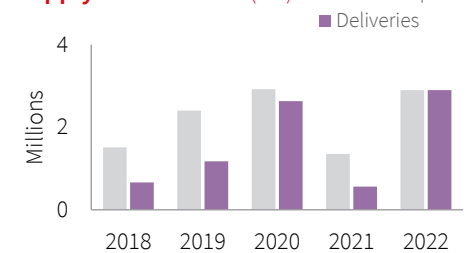
Outlook

The Triad region's industrial economy will grow at a steady pace as much of the demand is over spill from both Charlotte and Raleigh markets. Piedmont Triad International Airport, rail access, and interstate connections prove to be key assets for users and investors. Five major interstates connect the Greensboro market to 60% of the U.S. population in a day's drive while GSO houses four air cargo facilities providing access to both gateway and international markets.

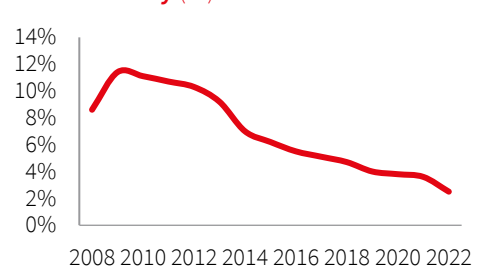
Fundamentals

	Forecast
YTD net absorption	3,556,683 s.f. ▲
Under construction	4,282,738 s.f. ►
Total vacancy	2.5 % ►
Sublease vacancy	36,000 s.f. ►
Direct asking rent	\$5.73 p.s.f. ►
Sublease asking rent	\$6.42 p.s.f. ▲
Concessions	Stable ►

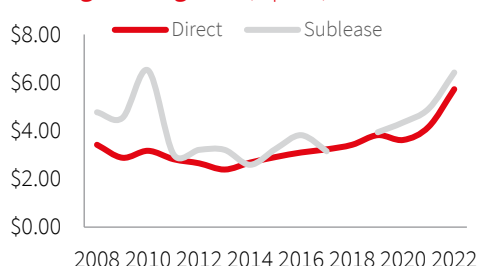
Supply and demand (s.f.)



Total vacancy (%)



Average asking rent (\$ p.s.f.)



Industrial Statistics

	Inventory (s.f.)	Quarterly total net absorption (s.f.)	YTD total net absorption (s.f.)	YTD total net absorption (% of stock)	Total vacancy (%)	Total availability (%)	Average total asking rent (\$ p.s.f.)	Quarterly Completions (s.f.)	YTD Completions (s.f.)	Under construction (s.f.)
Greensboro/Winston-Salem total										
Warehouse & Distribution	112,107,477	1,228,205	2,731,463	2.4%	3.6%	7.3%	\$5.78	1,787,333	3,470,683	4,282,738
Manufacturing	84,432,697	81,891	746,549	0.9%	1.0%	1.2%	\$5.36	86,000	86,000	0
Overall Total	196,540,174	1,310,096	3,478,012	1.8%	2.5%	4.8%	\$5.73	1,873,333	3,556,683	4,282,738
Alamance County										
Warehouse & Distribution	8,144,494	-143,177	-29,895	-0.4%	2.0%	5.5%	\$5.57	0	0	297,675
Manufacturing	12,438,181	150,000	216,648	1.7%	0.7%	1.8%	\$5.99	0	0	0
Overall Total	20,582,675	6,823	186,753	0.9%	1.2%	3.3%	\$5.70	0	0	297,675
East Greensboro										
Warehouse & Distribution	15,342,013	1,308,223	1,490,864	9.7%	5.2%	7.1%	\$6.02	1,342,010	1,790,560	293,760
Manufacturing	7,143,795	86,000	142,662	2.0%	0.4%	0.4%	\$3.75	86,000	86,000	0
Overall Total	22,485,808	1,394,223	1,633,526	7.3%	3.7%	5.0%	\$5.97	1,428,010	1,876,560	293,760
Forsyth County										
Warehouse & Distribution	26,241,070	-52,044	795,473	3.0%	4.4%	3.1%	\$5.04	175,163	1,175,963	0
Manufacturing	14,698,972	0	-76,331	-0.5%	0.7%	0.7%	\$6.54	0	0	0
Overall Total	40,940,042	-52,044	719,142	1.8%	3.1%	2.3%	\$5.21	175,163	1,175,963	0
Northern Counties										
Warehouse & Distribution	4,821,140	0	0	0.0%	14.7%	16.4%	\$4.38	176,000	176,000	100,000
Manufacturing	7,123,601	-60,000	-162,997	-2.3%	2.2%	2.2%	\$4.64	0	0	0
Overall Total	11,944,741	-60,000	-162,997	-1.4%	7.3%	8.0%	\$4.43	176,000	176,000	100,000
Southwest & Central Counties										
Warehouse & Distribution	20,535,195	90,960	40,000	0.2%	1.6%	4.2%	\$5.88	0	0	554,652
Manufacturing	24,778,056	-127,000	203,340	0.8%	0.5%	0.5%	\$3.42	0	0	0
Overall Total	45,313,251	-36,040	243,340	0.5%	1.0%	2.2%	\$5.57	0	0	554,652
West Greensboro										
Warehouse & Distribution	37,023,565	24,243	435,021	1.2%	2.4%	11.0%	\$6.11	94,160	328,160	3,036,651
Manufacturing	18,250,092	32,891	423,227	2.3%	1.9%	2.3%	\$5.68	0	0	0
Overall Total	55,273,657	57,134	858,248	1.6%	2.2%	8.3%	\$6.07	94,160	328,160	3,036,651