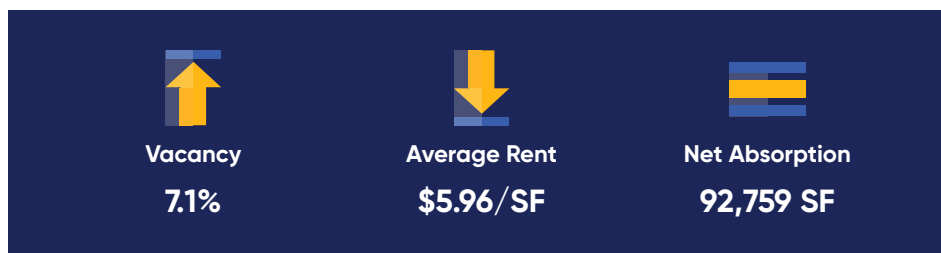


Market Report

Charlotte's industrial market continues to demonstrate strength. According to CoStar, over a one-year period, average market rents have risen from \$5.58 in Q1 2018 to \$5.96 in Q1 2019. Vacancy has remained steady over the past year at around 6.9%, well below the 10-year average of 9.9%. Continued interest by e-commerce and last mile shippers continue to drive development and investment in the market as institutional dollars continue to flow to the Queen City.

Absorption, Vacancy and Rental Rate



Absorption Rates

Q1 2019	▼	92,759 SF
Q4 2018	▼	965,948 SF
Q3 2018	▲	1,564,144 SF
Q2 2018	▼	691,939 SF

Vacancy Rates

Q1 2019	7.1%
Q4 2018	6.5%
Q3 2018	6.4%
Q2 2018	6.7%

Rental Rates

Flex	\$11.36/SF
Warehouse	\$5.83/SF
Q4 2018 Industrial	\$5.99/SF
Q3 2018 Industrial	\$5.75/SF

Source: CoStar

Recent Transactions

Occupier	Size	Submarket	Sector
1 Northern Tool and Equipment	201,788	York County Industrial	Industrial
2 Undisclosed	100,000	State Line Industrial	Industrial
3 Undisclosed	99,286	State Line Industrial	Industrial
4 Raymond Carolina Handling	55,789	State Line Industrial	Industrial
5 Undisclosed	48,865	State Line Industrial	Industrial
6 Undisclosed	43,066	State Line Industrial	Industrial
7 Beezer Holdings	40,000	State Line Industrial	Industrial
8 Undisclosed	30,000	State Line Industrial	Industrial

Occupier's Perspective



The Stateline submarket is the largest in the market with a quarter of the industrial inventory.



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



Industrial development continues to be strong, with roughly 8,000,000 square feet currently under construction, much of it on a speculative basis.

Market Trends



Are we headed to an average of \$6.00 per square foot? Market rents continue to rise and the outlook continues to be rosy.

Construction continues to be robust with just over 1,000,000 square feet of industrial space delivered in Q1 2019.

Charlotte continues to mature as an industrial investment market. Q1 2018 saw an average of \$59.00 per square foot while Q1 2019 saw an increase to \$65.00 per square foot.