

Market Report

The outlook for Charlotte's office market remains unclear and largely hinges on when large occupiers return employees to the office. 4Q 2020 data is indicative of this sentiment. Vacancy grew for the third consecutive quarter and was 20% higher year over year, although it remains well below the national average. Net absorption was negative 670,716 SF with average rent virtually flat from the preceding quarter. **Data provided by CoStar**

Absorption, Vacancy and Rental Rates



Vacancy Rates			Rental Rates	
	Q3 2020	Q4 2020		Q4 2020
Class A CBD	6.3%	7.7%	Class A CBD	\$38.32
Class B CBD	6.1%	7.5%	Class B CBD	\$36.48
Class A Suburban	11.2%	11.4%	Class A Suburban	\$35.50

Source: CoStar

Recent Transactions

Occupier	Size	Submarket	Type	Sector
1 Arrival Technologies	42,566	Midtown/SouthEnd	Office	Office
2 Clariant Chemical	31,560	Midtown/SouthEnd	Office	Office
3 Undisclosed	16,181	Airport	Office	Office
4 First National Bank	16,000	South/485	Office	Office
5 Undisclosed	14,363	Airport	Office	Office
6 Undisclosed	10,232	SouthPark	Office	Office
7 Undisclosed	9,383	Park Road	Office	Office
8 McKinsey & Company	8,656	CBD	Office	Office

Occupier's Perspective



The five largest submarkets by total inventory are CBD, Airport, University, Midtown/SouthEnd, and York County.



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

Market Trends



How long before workers come back to the office in a **meaningful way?**

Uncertainty in Charlotte's office market, vacancy continues to rise as **sublease space is abundant.**

Office vacancy is just above a 10-year average but **26% below the national average.**