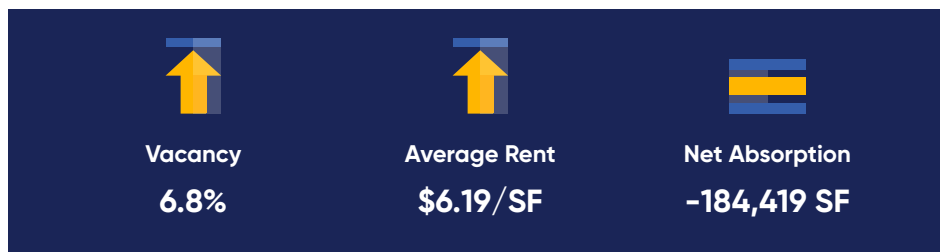


# Market Report

How will Covid-19 affect Charlotte's industrial market? That is the big question on owners' and users' minds moving forward. For now, the first quarter of 2020 continued to evidence strength in the industrial asset class. According to CoStar, year over year, average market rents have risen 5% from \$5.92 in Q1 2019 to \$6.19 in Q1 2020. Industrial vacancy rose slightly from 6.2% in Q4 2019 to 6.8% in Q1 2020 as nearly 1.8 million square feet of industrial product was delivered.

## Absorption, Vacancy and Rental Rates



### Absorption Rates

Q1 2020	▲	-184,419 SF
Q4 2019	▼	-491,610 SF
Q3 2019	▲	2,438,570 SF
Q2 2019	▲	1,268,318 SF

### Vacancy Rates

Q1 2020	6.8%
Q4 2019	6.3%
Q3 2019	6.7%
Q2 2019	6.9%

### Rental Rates

Flex	\$12.00/SF
Warehouse	\$6.20/SF
Q1 2020 Industrial	\$6.19/SF
Q4 2019 Industrial	\$6.00/SF

Source: CoStar

## Recent Transactions

Occupier	Size	Submarket	Type	Sector
1 Undisclosed	230,614	State Line Ind	Bulk Warehouse	Industrial
2 Power Distributors	198,010	Airport/West	Bulk Warehouse	Industrial
3 Eastern Metal Supply	114,978	I-85/Beatties Ford	Bulk Warehouse	Industrial
4 Elgi Compressor	102,960	State Line Ind	Bulk Warehouse	Industrial
5 Custom Polymers	101,200	I-85/Beatties Ford	Bulk Warehouse	Industrial
6 Colquimica	100,577	Airport/West	Bulk Warehouse	Industrial
7 Yandle-Witherspoon	99,052	Airport/West	Bulk Warehouse	Industrial
8 Printful	86,450	State Line	Bulk Warehouse	Industrial

## Occupier's Perspective



5 largest submarkets by total inventory: State Line, York County, Iredell County, Gaston County and North.



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

## Market Trends



**Changes to supply chains** may positively affect industrial real estate in the long-term.

**Amazon** appears to be targeting a new 200,000 SF distribution site in Concord.

Nearly **6.2 million square feet** of industrial facilities are currently under construction in the Charlotte market.