

Market Report

While the effects of Covid-19 cloud the future of the office market in Charlotte, the first quarter of 2020 featured continued strength. Vacancy continued to be at low levels, at 7.3%, just slightly up from 6.9% in Q1 of 2019. Absorption remains strong as well, with a positive 243,629 SF becoming occupied. Institutional activity also remains vibrant with several record transactions.

Absorption, Vacancy and Rental Rates



Vacancy Rates			Rental Rates	
	Q4 2019	Q1 2020	Q1 2020	
Class A CBD	6.6%	6.2%	Class A CBD	\$39.15
Class B CBD	6.6%	6.2%	Class B CBD	\$37.21
Class A Suburban	14.7%	10.8%	Class A Suburban	\$36.92

Source: CoStar

Recent Transactions

Occupier	Size	Submarket	Type	Sector
1 Ally Financial	118,720	CBD	Class A	Office
2 Driven Brands	69,018	CBD	Class A	Office
3 Maestro Health	31,475	Matthews	Class B	Office
4 Driven Brands	28,758	CBD	Class A	Office
5 ATF	27,360	Airport	Class A-	Office
6 Baker and Taylor	26,317	Airport	Class A/B	Office
7 Undisclosed	20,546	Airport	Class C	Office
8 Undisclosed	20,162	Airport	Class C	Office

Occupier's Perspective



5 largest submarkets by total inventory: 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



Covid-19 makes the future of the office market uncertain. How will tele-working affect the corporate real estate demand?

Annual deal volume reached a record level over the past **12 months of \$2.5 billion.**

Truist closed on the purchase of a headquarters building for \$455.5 million.