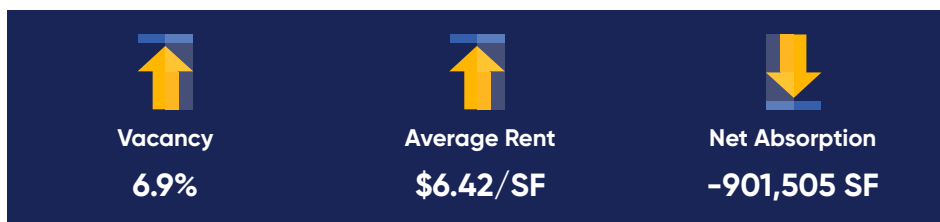


Industrial Market Report

In Q1 2021, Charlotte's industrial market echoed other markets around the country with growth in e-commerce driving demand for bulk industrial space in the region. Speculative industrial development continues to keep up with strong demand, resulting in a slight uptick in vacancy from the previous quarter (6.5% to 6.9%). 483,000 SF of new construction was delivered in Q1 with an additional 10.8 million SF currently under construction. The demand continues to drive up rental rates with an average rate of \$6.42, a year-over-year growth of 4%.



Rental and Vacancy Rates

Direct Asking Rent (\$/SF)	Total Vacancy Rate	YoY Change
\$14.08	CBD 6.0%	▲ 2.8%
\$8.33	North 5.7%	▼ -0.8%
\$6.83	Airport/West 7.7%	▼ -0.6%
\$6.74	Stateline 9.0%	▲ 2.0%
\$12.50	South 0.5%	▲ 0.5%
\$6.71	Union County 2.9%	▲ 0.6%
\$3.15	Lancaster County 26.2%	▲ 1.3%
\$6.11	York County 9.4%	▼ -0.8%
\$4.41	Gaston County 3.7%	▲ 1.4%

Recent Transactions

Tenant	Size	Submarket	Sector
1 Gas Fired Products	156,419 SF	Airport/West	Industrial
2 Gorgo Group	100,000 SF	York County	Industrial
3 Sato	98,967 SF	Stateline	Industrial
4 Hendrick Automotive	58,000 SF	East	Industrial
5 Muzak, LLC	48,087 SF	Stateline	Industrial
6 Firehouse Casual Living	42,190 SF	Stateline	Industrial
7 Herren's Carolina Moving	33,000 SF	Stateline	Industrial
8 Cregger Company	32,000 SF	Stateline	Industrial

Occupier's Perspective

5 largest submarkets by total inventory: Stateline, 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 prior to lease expiration.

Market Trends

Amazon grows in the region.

Amazon continues to grow in the Charlotte region recently leasing another 1 million SF. This brings the online giant's total area footprint to 4 million SF.

Under construction. 10.8 million SF of industrial projects are currently under construction.

E-commerce drive demand.

Construction of larger bulk warehouse facilities, 250,000 SF and larger, are being built in the region in response to greater e-commerce market demands.