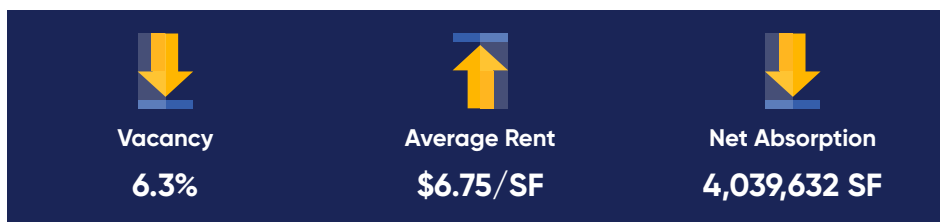
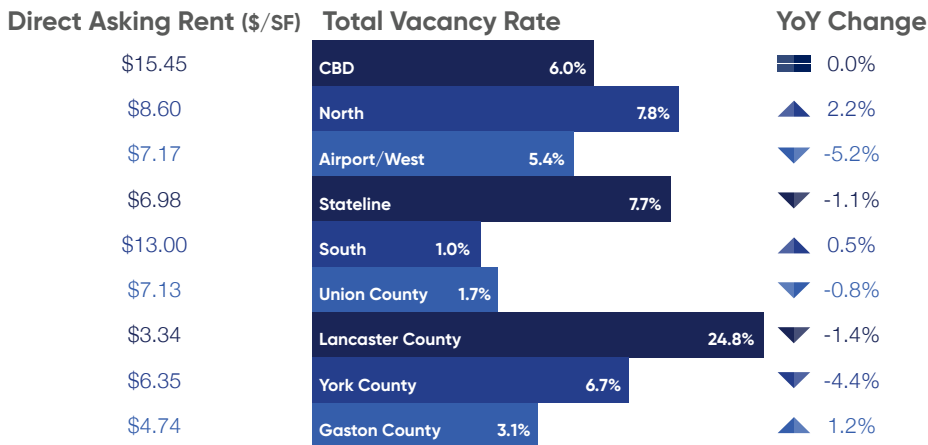


Industrial Market Report

Charlotte industrial leasing activity remains strong this quarter, with rental rates continuing to rise. Year over year, average industrial lease rental rates have risen nearly 7% to \$6.75/SF. Vacancy has been generally flat over the past year but fell to 6.3% in the most recent quarter. Employment growth and an increased, yet largely speculative, construction pipeline are bolstering a fast-leasing industrial inventory. These fundamentals along with the pandemic-led acceleration of the e-commerce economy, have all contributed to the continuation of very brisk leasing activity in the market.



Rental and Vacancy Rates



Recent Transactions

Tenant	Size	Submarket	Sector
1 Confidential Tenant	256,052 SF	Stateline	Industrial
2 Confidential Tenant	209,746 SF	Airport/West	Industrial
3 Productiv, Inc.	123,200 SF	Stateline	Industrial
4 Confidential Tenant	106,378 SF	Stateline	Industrial
5 Confidential Tenant	105,600 SF	North	Industrial
6 Philadelphia Truck Lines Inc.	95,484 SF	Stateline	Industrial
7 Confidential Tenant	87,609 SF	Airport/West	Industrial
8 Confidential Tenant	80,895 SF	North	Industrial
9 Priority Wire & Cable	64,000 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

12.1 million SF construction pipeline. While a large percentage of this pipeline remains speculative, more than half will be in just three of Charlotte's suburban submarkets - Gaston County, York County and Rowan County. This is a shift from Iredell County and North, which have led the pipeline in net deliveries over the last year.

Investor activity returns to average pace in 2021.

Investors continue to be interested in flex and light distribution space in suburban submarkets, while urban interest continues in converting older properties into adaptive reuse projects. National buyers are focusing on Charlotte as a part of their larger Carolinas' strategy.

Transportation infrastructure fosters Charlotte's industrial growth.

Regional connectivity and focused improvement to the market's air, rail and interstate infrastructures have warranted continued industrial growth in the region.