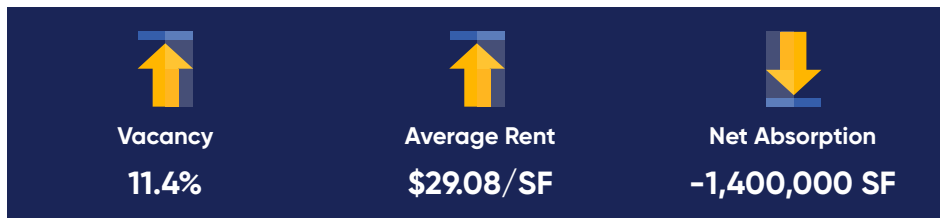


Office Market Report

Corporate decision-making hesitancy in Charlotte is beginning to wane, bringing some clarity to the office market. However, this decision-making is manifesting itself in conflicting ways. On one end, major employers such as Bank of America are making plans to bring employees back in the fall, and companies such as Credit Karma, USAA, and Robinhood are bringing new large office operations to Charlotte. On the opposite end, companies such as Belk and Lash Group have decided to sublease massive office spaces as they employ a more permanent work from home strategy. Record sublease inventory, along with nearly 5 million square feet of space under construction is likely to tamp down any near-term rent growth.



Rental and Vacancy Rates

Direct Asking Rent (\$/SF)	Total Vacancy Rate	YoY Change
\$38.34	CBD Class A 10.8%	▲ 4.9%
\$26.08	CBD Class B 6.1%	▲ 2.3%
\$37.17	South/485 Class A 20.1%	▲ 8.3%
\$32.32	South/485 Class B 7.0%	▲ 1.8%
\$38.64	Midtown/SouthEnd Class A 16.1%	▲ 5.9%
\$32.16	Midtown/SouthEnd Class B 3.7%	▼ -0.7%
\$28.66	Airport Class A 15.4%	▲ 7.4%
\$25.80	Airport Class B 29.2%	▲ 12.3%
\$38.84	Southpark Class A 14.4%	▲ 5.9%
\$33.04	Southpark Class B 13.7%	▲ 3.5%

Recent Transactions

Tenant	Size	Submarket	Sector
1 Credit Karma	94,588 SF	South/485	Office
2 USAA	87,209 SF	Midtown/Southend	Office
3 Accenture	60,447 SF	Airport	Office
4 Robinhood	48,000 SF	CBD	Office
5 Flores & Associates, LLC	36,000 SF	Midtown/Southend	Office
6 Cardinal Financial	24,591 SF	South/485	Office
7 Service Logic	24,031 SF	CBD	Office
8 Accenture	15,075 SF	Airport	Office

Occupier's Perspective

Workplace strategy continues to be a key service line for clients as we look at how post-pandemic offices look and function.

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

Market Trends

Out-of-market demand coupled with local demand is allowing for Charlotte office rental rates to remain steady.

Flight to quality. We continue to see a flight to quality for Charlotte tenants, as they look to exploit concessions being offered with new lease terms.

Strong recovery expected to continue over the next 18 months. The fundamentals that were driving rapid growth in Charlotte pre-pandemic, remain the same. We expect a continued strong recovery for the market in the coming months.