

# Industrial Market Report

The Charlotte industrial market continues to be characterized by robust demand, a heavy construction pipeline, and record rent growth. These factors combine to create a continued challenging CRE environment for tenants and occupiers to maneuver.

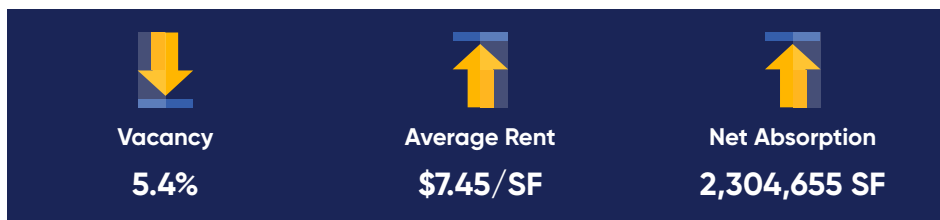
In addition to pushing lease rates up by 12.3% in just the last year, landlords are demanding higher fixed annual escalations and reducing concessions such as free rent and improvement allowances.

Some poor economic indicators and the announcement that Amazon is pausing additional take-down of space may lead to some tempered demand for more product, but it is unlikely to dramatically shift momentum over the next 12 months.

## Occupier's Perspective

5 largest submarkets by total inventory: Stateline, Iredell County, York 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.



## Rental and Vacancy Rates

Direct Asking Rent (\$/SF)	Total Vacancy Rate	YoY Change
\$16.97	CBD 2.0%	▼ -4.0%
\$9.47	North 6.1%	▲ 0.4%
\$7.87	Airport/West 5.1%	▼ -2.6%
\$7.78	Stateline 4.4%	▼ -4.6%
\$14.30	South 2.7%	▲ 2.2%
\$8.01	Union County 1.2%	▼ -1.7%
\$3.86	Lancaster County 22.5%	▼ -3.7%
\$7.08	York County 5.8%	▼ -3.6%
\$5.30	Gaston County 4.5%	▲ 0.8%

## Recent Transactions

Tenant	Size	Submarket	Sector
1 Logistics Plus	497,989 SF	York County	Industrial
2 Spirit Halloween	329,697 SF	Stateline	Industrial
3 Arrival Automotive USA	315,000 SF	Airport/West	Industrial
4 Amazon	286,272 SF	Gaston County	Industrial
5 Trinity Transport	201,788 SF	York County	Industrial
6 Ferguson Enterprises LLC	150,120 SF	Gaston County	Industrial

## Market Trends

**Investment sales** After a record year for industrial sales volumes in 2021, the appetite continues for quality industrial product in the Carolinas region.

**Development** Nearly 15.5M SF of industrial product is currently under construction, much of it being built on speculative basis. Both regional and national developers have shown a healthy appetite to take on risk with large, cross-docked facilities with square footages north of 500,000 SF.

**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 market.