

## **Industrial Market Report**

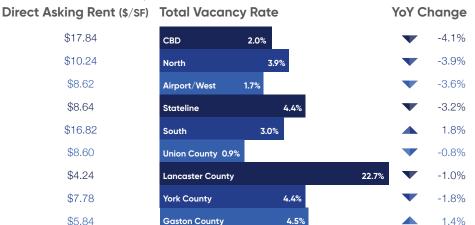
Industrial vacancy continued to fall, lease rates continued to rise, and the leasing environment for industrial occupiers in Charlotte continues to be challenging.

20 million square feet of product is still under construction. Reduced rates of preleasing coupled with additional sublease space coming on-line indicates softening and stabilization for the Charlotte industrial market in the next 12 months.

In the near term, occupiers are still having to move very quickly to secure properties that fit their needs and pay a premium to be there.

# Vacancy Average Rent Net Absorption 4.6% \$8.07/SF 1,719,382 SF

#### **Rental and Vacancy Rates**



#### **Recent Transactions**

Tenant		Size	Submarket	Sector
1	As Colour	240,000 SF	Stateline	Industrial
2	Amazon Delivery Station	183,090 SF	Tyvola Road	Industrial
3	Big Beverage Company	124,000 SF	North	Industrial
4	Special Services Freight Company	100,677 SF	Airport / West	Industrial
5	Fox Factory Inc.	41,967 SF	North	Industrial
6	Global Outdoor	26,884 SF	North	Industrial

# 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.

### Market Trends

Investment Sales After a record year for industrial sales volumes in 2021, the appetite continues for quality industrial product in the Carolinas, but it is being tempered relative to 2021 demand by rising interest rates and some sluggish national economic indicators.

Development Nearly 20M SF of industrial product is currently under construction, much of it being built on a 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.