



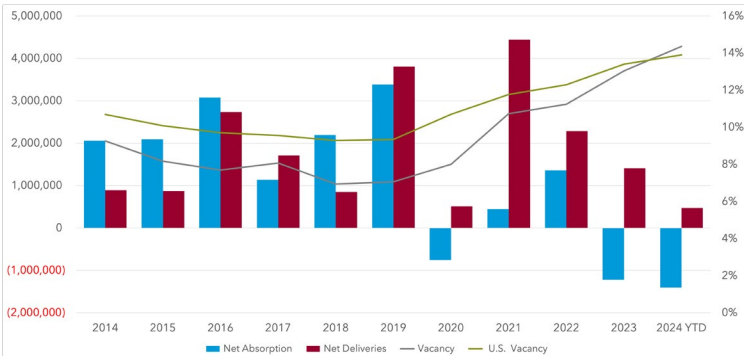
### OFFICE MARKET OVERVIEW

GREG PIERATT, *President, Principal*; MATT FRAZEE, *Principal*

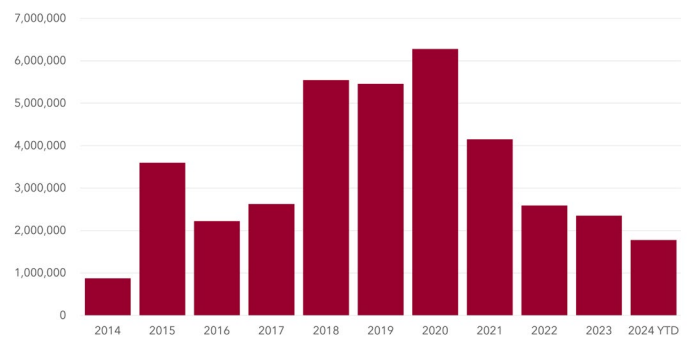
Charlotte's Office market in 2024 is marked by rising vacancies and slowing demand. Vacancy rates have increased to a record high of 14.4%, surpassing national averages, primarily driven by space consolidations from major employers like Bank of America, Wells Fargo, and Duke Energy. The market has seen a decline in larger corporate relocations, favoring smaller leases and in-market moves to newer spaces. While rent growth persists in trendy submarkets like South End, where rates exceed \$50 PSF, older office towers, particularly in Uptown, are struggling with elevated vacancies and declining rents. With limited new supply under construction and a focus on adaptive reuse projects, the market faces challenges as demand for large office spaces wanes.

MARKET INDICATORS	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
▲ 12 Mo. Net Absorption SF	(1,221,802)	(1,597,099)	(1,428,543)	(1,220,016)	(600,837)
▼ Vacancy Rate	14.17%	14.28%	13.88%	13.05%	12.49%
▲ Avg NNN Asking Rate PSF	\$32.99	\$32.91	\$32.75	\$32.62	\$32.42
▲ Sale Price PSF	\$247.65	\$246.98	\$246.38	\$247.62	\$253.32
▼ Cap Rate	7.95%	7.97%	7.96%	7.90%	7.74%
▼ Under Construction SF	1,775,575	1,865,858	2,218,348	2,352,245	3,384,511
▲ Inventory SF	137,673,882	137,583,599	137,357,334	137,199,781	136,420,302

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
3480 & 3476 Stateview Boulevard* Fort Mill, SC	338,301 SF	\$15,750,000 \$46.56 PSF	Foundry Commercial LXP Industrial Trust	Class A/B
620-660 Summit Crossing Place Gastonia, NC	90,633 SF	\$26,670,000 \$294.26 PSF	AW Real Estate Management LLC Healthcare Realty Trust, Inc.	Class A
5250 77 Center Drive Charlotte, NC	85,000 SF	\$71,426,000 \$840.31 PSF	Ares Management Corporation Dilweg	Class A

\*Part of a 2-Property Portfolio Sale

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
13520 Ballantyne Corporate Place Charlotte, NC	146,109 SF	Northwood Investors LLC	Undisclosed	Undisclosed
615 S. College Street Charlotte, NC	51,547 SF	CBRE Investment Management	WeWork	Real Estate
8405 IBM Drive Charlotte, NC	44,662 SF	Access Partners	The Imagine Group LLC	Manufacturing

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