



MARKET FUNDAMENTALS

	YOY Chg	Outlook
7.8% Vacancy Rate	▼	—
4.7M YTD Net Absorption, SF	▲	▲
\$8.60 Asking Rent, PSF (Overall, Net Asking Rent)	▲	▲

ECONOMIC INDICATORS*

	YOY Chg	Outlook
1.4M Charlotte Employment	▲	▲
3.5% Charlotte Unemployment Rate	▼	▲
4.2% U.S. Unemployment Rate	▲	▲

Source: BLS
*2026Q3 figures are based on latest available data

ECONOMY

Charlotte remained one of the nation’s fastest-growing metropolitan areas, adding 20,600 jobs (+1.5%) year-over-year (YOY) and ranking fifth for employment growth among markets tracked by Cushman & Wakefield Research. Notably, the trade, transportation, and utilities sector grew by 1.1% YOY and accounted for 20.2% of nonfarm jobs, the metro’s largest employment sector, reinforcing Charlotte’s position as a major Southeast logistics hub.

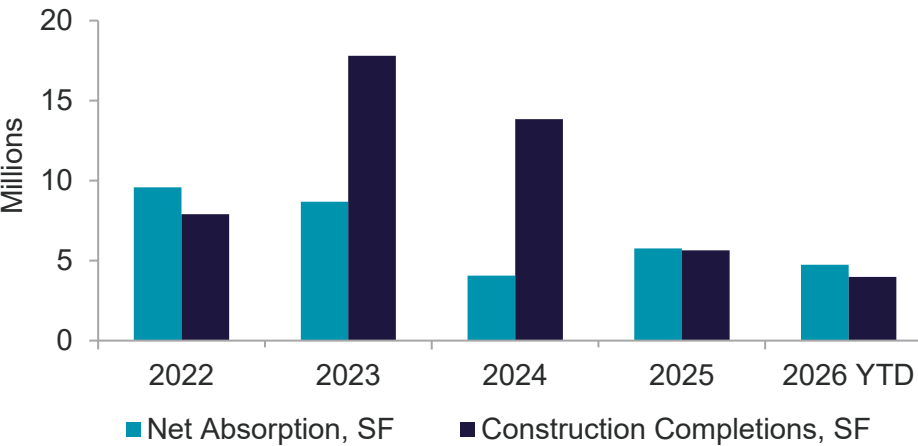
Major industrial investments also reinforced the region's growth in Q3, led by Prysmian's announced \$1.0 billion expansion of its Catawba County manufacturing operations, adding 975,000 square feet (sf) of space and 385 jobs, and Octapharma's \$1.5 billion manufacturing project in York County. Trench Group opened its first U.S. manufacturing facility in Charlotte following a \$60.0 million investment, while Asahi Kasei expanded its battery-component production capabilities. Together, these projects highlight continued investment across advanced manufacturing, energy infrastructure, and life sciences.

SUPPLY

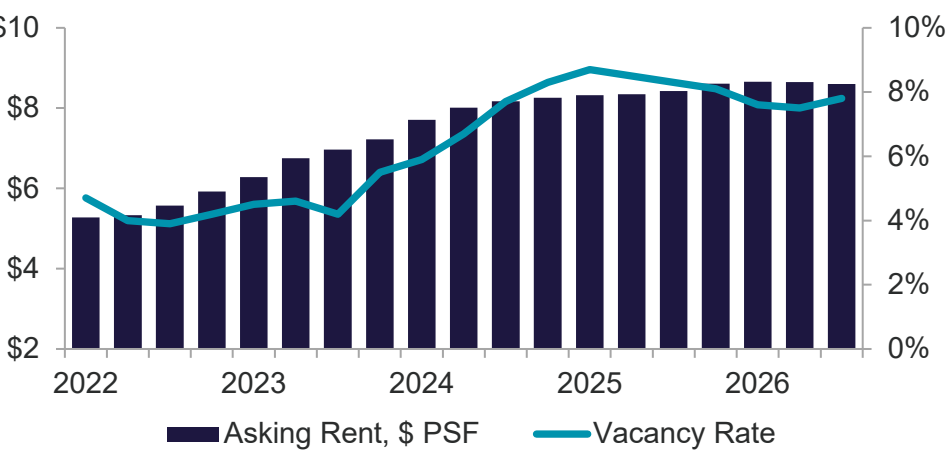
Overall vacancy increased for the first time in six quarters, rising by 30 basis points (bps) quarter-over-quarter (QOQ) to 7.8% overall. Despite more than 650,000 sf of occupancy gains in Q3, a wave of speculative construction completions contributed to rising vacancy, with 91.4% of the 1.9 million square feet (msf) delivered in Q3 vacant upon completion. Vacancy increased across both the urban core and outlying submarkets, rising 30 bps and 40 bps QOQ to 8.4% and 7.4%, respectively. While additional speculative deliveries may place upward pressure on vacancy in the near term, sustained demand for newer, high-quality space should help moderate further increases.

The development pipeline expanded 4.9% QOQ to 7.9 msf as nine projects broke ground despite 15 deliveries in Q3. Speculative projects accounted for 5.2 msf or 65.4% of space under construction, providing additional options for occupiers seeking modern industrial facilities. Preleasing activity showed signs of improvement, highlighted by FedEx leasing and occupying 13021 General Dr. in the Southwest submarket. Notably, construction began on FireTower 77, a 1.0-msf speculative project in York County, making it one of only two existing or under construction big-box availabilities (500,000 sf+) in the market and the only 1.0-msf building under construction in the Carolinas.

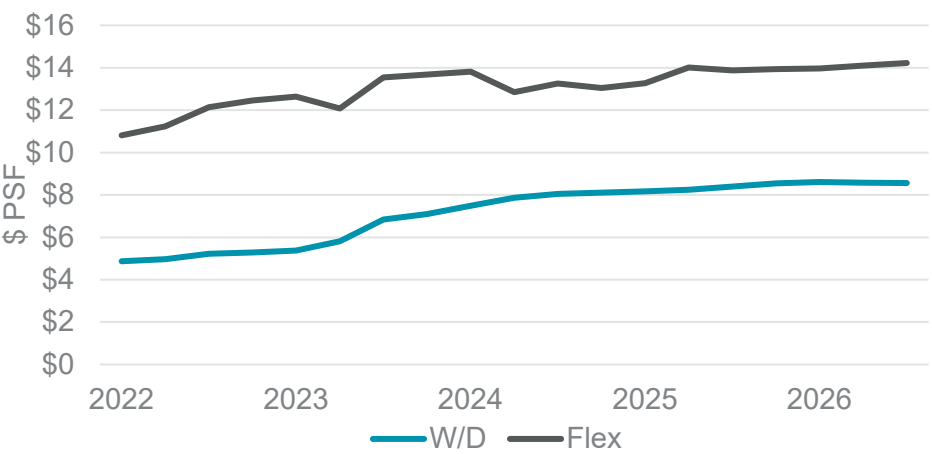
SPACE DEMAND / DELIVERIES



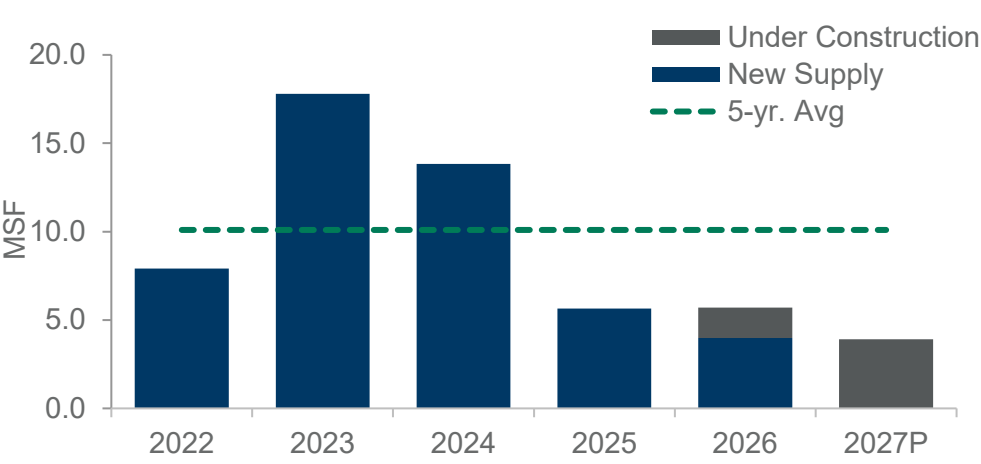
OVERALL VACANCY & ASKING RENT



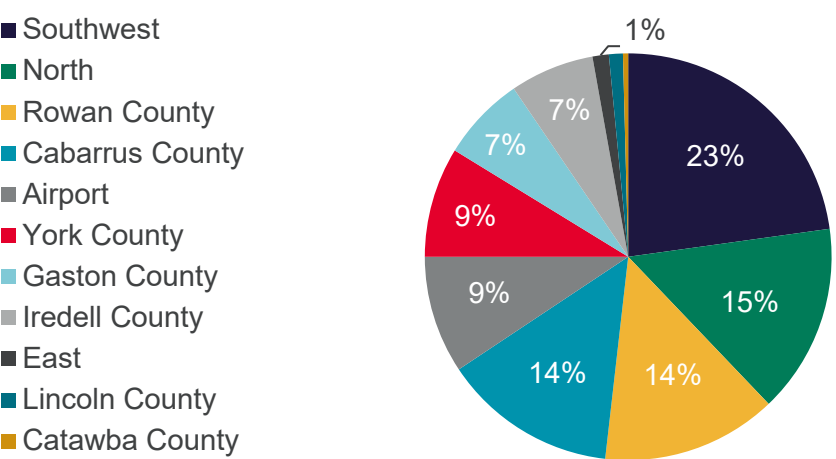
ASKING RENT COMPARISON



NEW SUPPLY



NEW LEASING ACTIVITY YTD



DEMAND

New leasing activity totaled nearly 2.5 msf in Q3, bringing year-to-date (YTD) figure to 9.7 msf, surpassing the full-year 2024 total. Among the quarter’s largest transactions, third-party logistics (3PL) company West Logistics renewed and expanded in the Southwest submarket, adding 221,750 sf to double its total footprint at 11701 Goodrich Dr. The Southwest submarket accounted for 22.8% of new leasing YTD, supported by its connectivity and access to the broader Charlotte market. Urban core submarkets captured 69.1% of quarterly leasing, bringing their YTD share to 48.5%, reflecting relatively balanced demand between the urban core and outlying counties.

Net absorption exceeded 650,000 sf in Q3, marking the 22nd consecutive quarter of occupancy gains. Move-ins by 3PL occupiers Elite Logistix and IGL Logistics contributed nearly 438,000 sf combined. Eight Q3 move-ins above 100,000 sf offset five move-outs of comparable size. Notable departures included IPS, which downsized and vacated 310,960 sf at Ridge Creek West I, and Momentec Brands, which, vacated and sublet a 302,000-sf building at 111 Badger Ln. following its earlier consolidation to Metro 63.

PRICING

Overall average asking rents declined marginally by 0.6% QOQ to \$8.60 per square foot (psf), remaining near the historic high of \$8.66 psf recorded in Q1 2026. While this marked the first quarterly decrease in 23 quarters, asking rents had increased 72.0% over that period, driven by high demand and higher-priced new construction deliveries. Larger blocks of below-market space became available during Q3, pulling down the market average, while sustained demand for premium product continued to reduce higher-priced options. Rates are anticipated to resume an upward trajectory as sustained demand for high-quality industrial space persists.

INVESTMENT SALES

Sales activity remained robust, totaling more than \$556.0M across 15 transactions in Q3. Eight deals exceeding \$25.0M accounted for 79.0% of quarterly volume, all involving investor acquisitions. The largest transaction was CBRE Investment Management's \$134.7M purchase of North Charlotte Commerce Center in Iredell County, comprising three buildings totaling more than 929,000 sf, marking the fifth-largest industrial sale in the market over the past five years. Tighter underwriting and financing conditions could moderate sales activity, although strong leasing fundamentals and creditworthy tenants should continue to support investor interest in Charlotte.

OUTLOOK

- Vacancy is expected to remain flat in the near term as speculative deliveries add new supply to market while demand continues to offset the new space additions.
- Occupancy gains from anticipated tenant move-ins will help to offset vacant new supply and keep vacancy within a healthy range.
- Rising interest rates and stricter underwriting are expected to slow investment sales, although Charlotte’s strong leasing activity and creditworthy tenant base may help sustain transaction volume.

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)*	OVERALL WEIGHTED AVG NET RENT (FLEX)*	OVERALL WEIGHTED AVG NET RENT (W/D)*
Airport†	25,300,663	1,924,418	7.6%	283,722	1,351,544	905,615	820,118	394,211	-	\$12.31	\$10.26
East†	7,074,143	710,891	10.1%	-131,933	-77,264	125,543	0	55,467	\$8.60	\$12.68	\$9.00
North†	35,672,412	4,119,485	11.6%	500,015	632,255	1,460,724	914,397	588,168	\$13.31	\$14.78	\$8.95
Northwest†	10,463,661	361,615	3.5%	-446	-26,746	0	0	0	-	-	\$8.61
Southwest†	51,259,202	3,847,421	7.5%	-106,983	310,031	2,210,627	1,310,227	509,525	\$8.94	\$14.86	\$8.90
Cabarrus County	24,614,446	1,828,837	7.4%	-5,990	614,273	1,342,878	2,737,250	916,373	-	\$14.00	\$8.33
Catawba County	21,714,774	167,875	0.8%	0	0	40,000	0	0	\$7.95	-	-
Chester County	5,109,682	428,497	8.4%	0	0	0	0	0	\$5.50	-	-
Cleveland County	8,884,045	45,000	0.5%	0	0	0	0	0	-	-	-
Gaston County	32,356,270	3,530,756	10.9%	-132,384	747,873	653,011	462,000	479,006	\$6.92	-	\$7.83
Iredell County	29,357,462	1,373,429	4.7%	-250,954	150,549	649,044	0	375,608	\$9.00	\$15.90	\$7.75
Lincoln County	10,670,033	1,732,717	16.2%	0	0	107,544	0	0	-	-	\$7.62
Rowan County	15,112,920	2,562,095	17.0%	-31,160	379,908	1,351,572	0	199,268	-	-	\$7.62
Union County	10,353,693	82,500	0.8%	-22,500	-22,500	0	493,904	0	-	-	\$11.55
York County	32,632,118	2,385,404	7.3%	550,244	680,465	848,617	1,198,765	464,384	\$8.93	\$15.17	\$8.74
CHARLOTTE TOTALS	320,575,524	25,100,940	7.8%	651,631	4,740,388	9,695,175	7,936,661	3,982,010	\$7.61	\$14.22	\$8.56

*Rental rates reflect weighted net asking \$psf/year
†Denotes urban core submarkets; all others represent outlying counties

KEY LEASE TRANSACTIONS Q3 2026

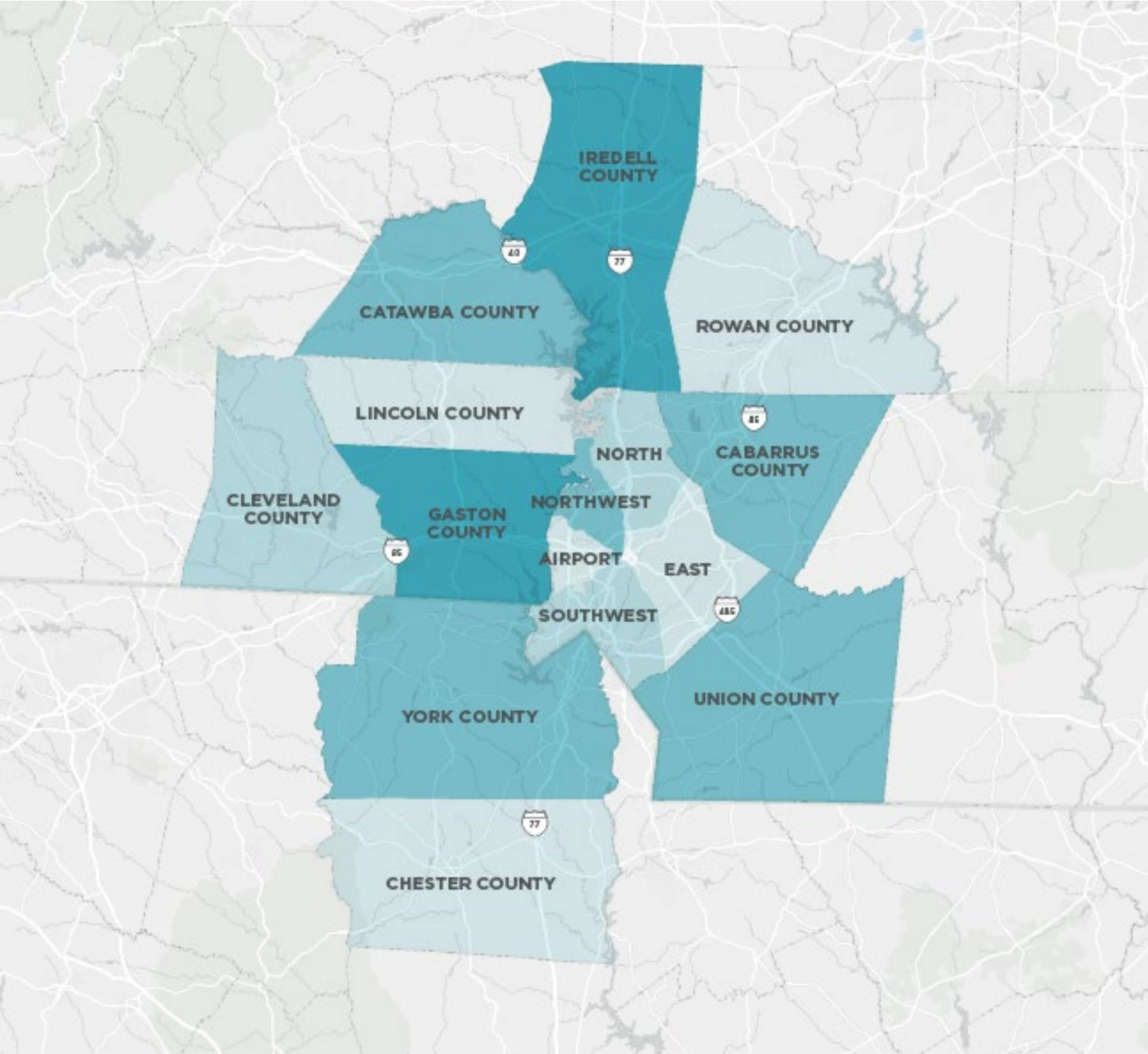
PROPERTY	SUBMARKET	TENANT	SF	TYPE
11701 Goodrich Dr	Southwest	West Logistics, LLC	438,650	Renewal*/Expansion
Pinnacle Park - Building 1	Gaston County	City Electric Supply	378,000	New Lease
Carowinds Distribution Center	York County	Legrand North America	344,050	Renewal*
77 Beltway - Bldg C	North	Liquid Wizards	315,896	New Lease
InnerLoop North I	North	Premier Yarns	192,258	Renewal*/Expansion

*Renewals not included in leasing statistics

KEY CONSTRUCTION COMPLETIONS 2026 YTD

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER DEVELOPER
CenterPoint Carolinas Bldgs 1, 2 & 3	York County	N/A	464,384	Foundry Commercial
Runway Logistics – Bldgs 1 - 4	Airport	N/A	394,211	Foundry Commercial
Concord Commerce Center – Bldg 1	Cabarrus County	N/A	392,040	Tribek Properties / Tectonic
SunPoint Huntersville	North	N/A	306,450	SunCap Property Group
85 Exchange – Bldgs B & E	Cabarrus County	N/A	301,900	Barings / Trinity Capital Advisors

INDUSTRIAL SUBMARKETS



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