

# BENEATH THE SURFACE

//// //// Decoding Charlotte's Industrial Vacancy //// ////

Following a period of tight supply in the early 2020s, the Charlotte industrial market experienced rising vacancy, increasing by 390 basis points (bps) since Q4 2023. **In prior reports, big-box properties (500,000+ sf) disproportionately drove vacancy** as newly delivered, single-tenant facilities remained unleased for extended periods.

The dynamic has since shifted. Vacancy is now more concentrated in smaller size ranges as development has more closely aligned with tenant demand. **The need for additional big-box product remains**, with limited options available for users seeking space above 500,000 sf.

This study examines the composition of current market conditions and models how market conditions would change if all buildings under construction delivered at current preleasing levels.

**KEY TERMS**

**Vacant Availability**  
The total available product that is completely vacant, excluding spaces that have been leased by tenants who have not yet occupied.

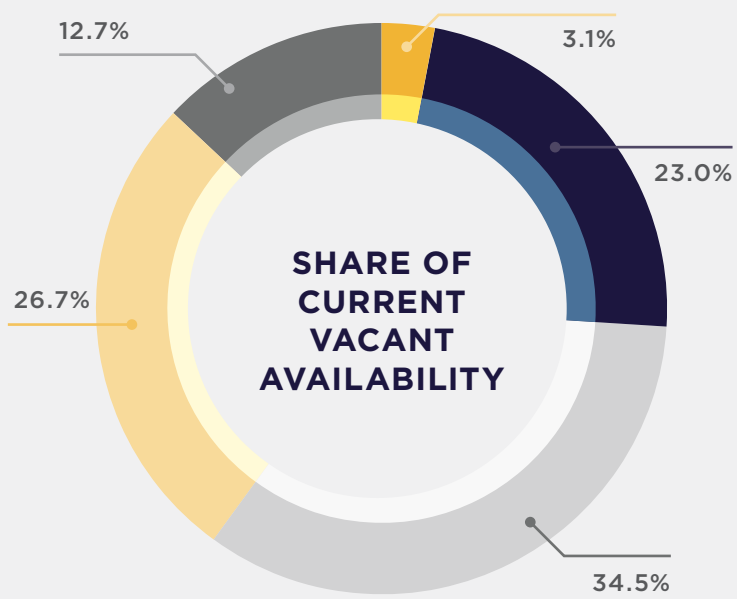
**Forecasted Vacant Availability**  
The total vacant available product plus all space presently under construction, with current preleasing included.

**Class A**  
Highest tier of industrial built from 2010 to present.

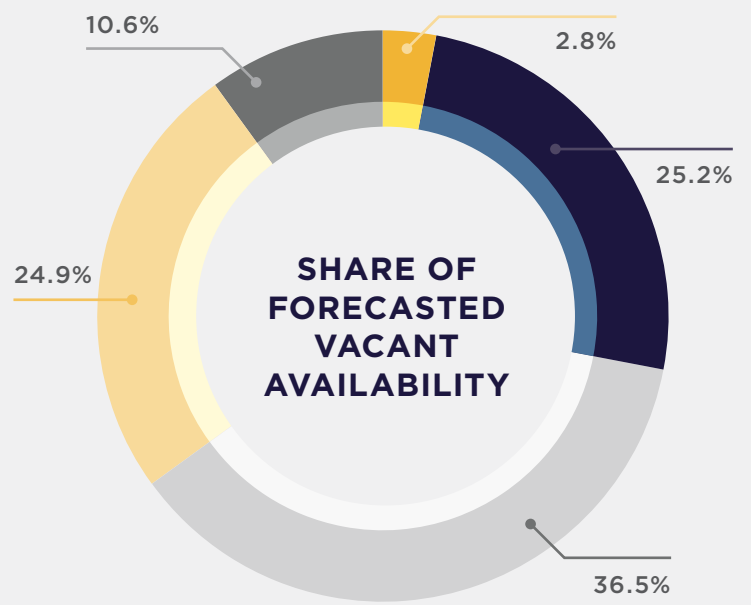
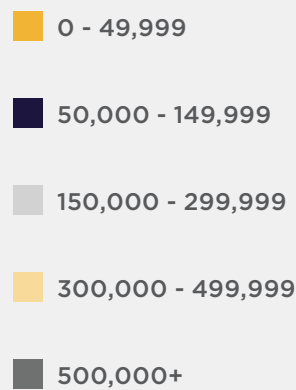
## VACANT AVAILABILITY BY BUILDING SIZE



The [previous report \(Q3 2024\)](#) cited an 11.9% vacant available rate for big-box inventory. That figure has since **declined by 760 bps**, driven largely by the sale of Kings Mountain Corporate Center—a 1.3-million-square-foot (msf) speculative development—to Walmart for a new fulfillment center. As a result, **only two options exceeding 500,000 sf** remain available for large users in the Charlotte market.



**Big-box product is no longer the primary driver of elevated vacancy**, accounting for just **12.7%** of total available space — down from **37.5%** in Q3 2024.

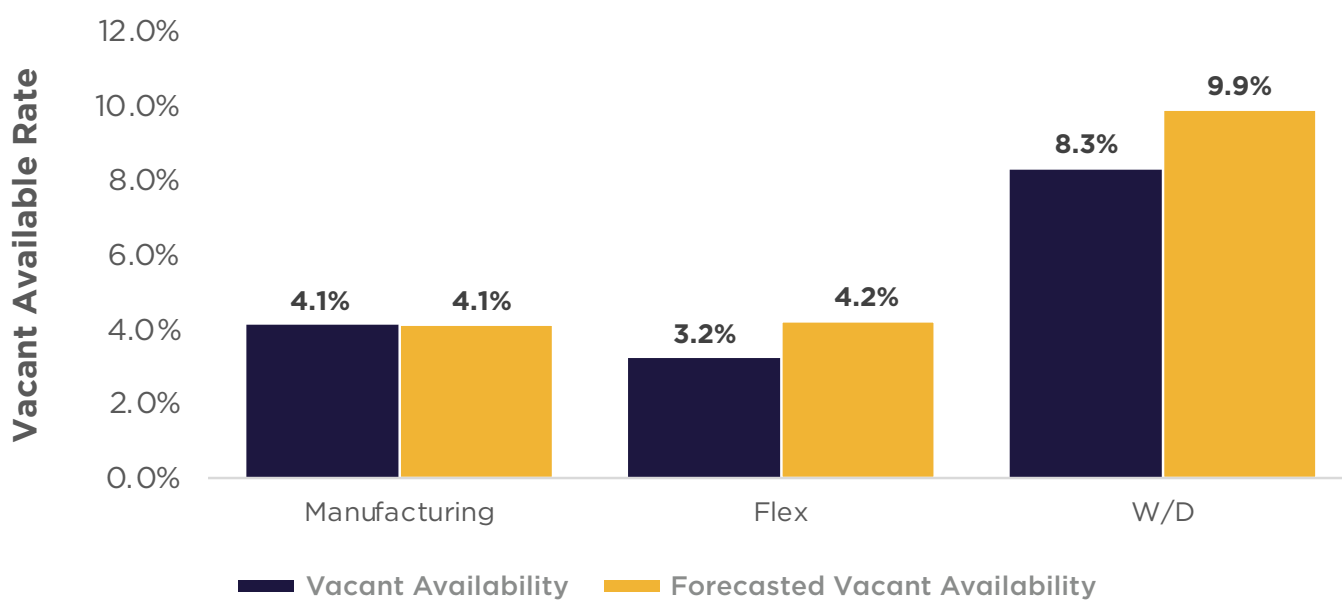


At present, the only big-box development underway is a build-to-suit (BTS) manufacturing facility for Red Bull, Rauch, and Ball Corporation. With no new speculative supply in the pipeline, the **shortage of large-format options** is likely to intensify as big-box users remain active in the market.

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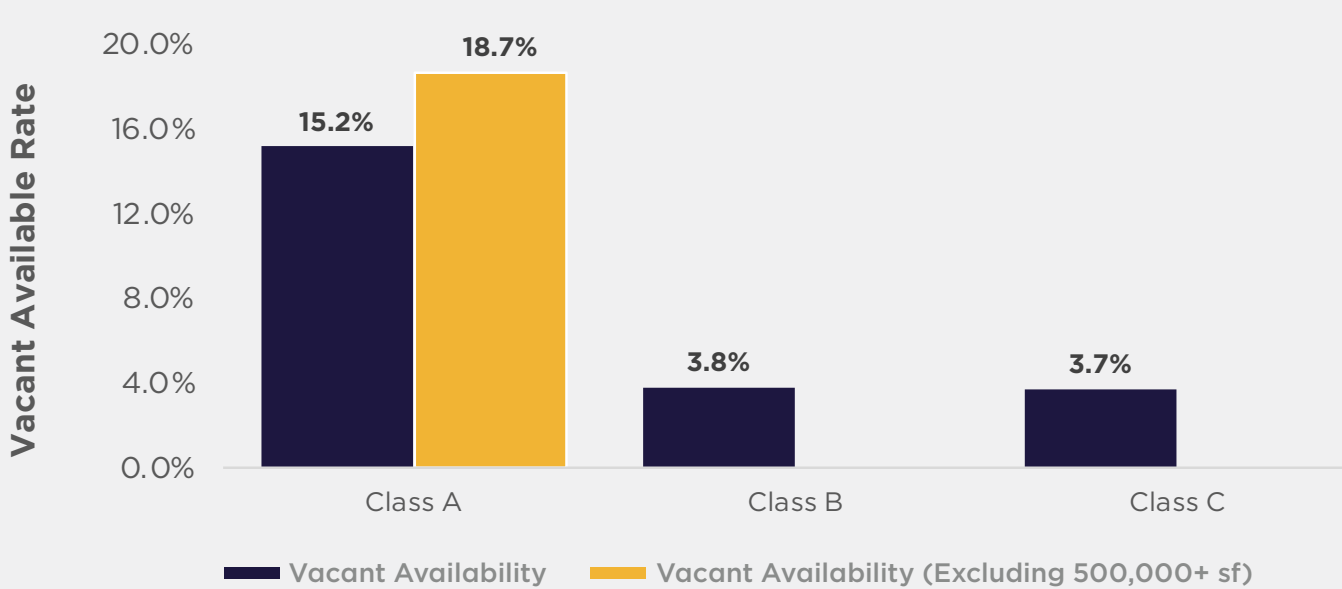
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## VACANT AVAILABILITY BY BUILDING TYPE



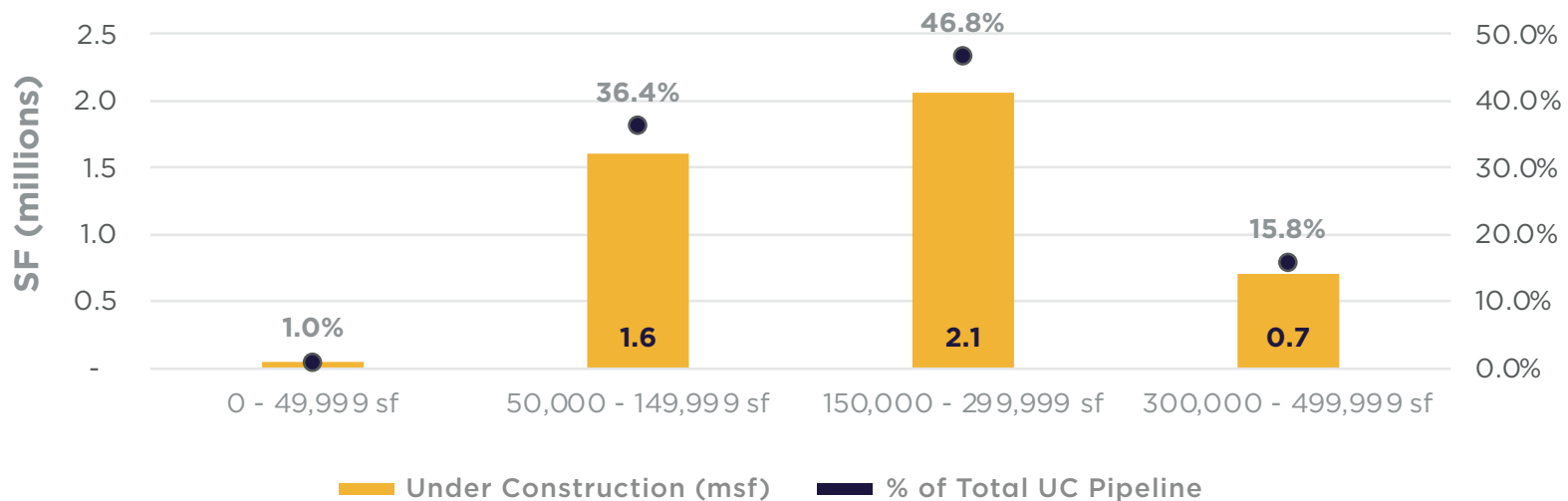
Speculative warehouse/distribution (W/D) product dominates the pipeline, with **4.0 msf under construction**, accounting for 91.5% of total development activity. With **no space currently preleased**, vacancy for this asset type is projected to increase by 160 bps if leasing levels remain unchanged at delivery.

## VACANT AVAILABILITY BY CLASS



**Class A product carries the highest vacancy rate** at 15.2%, driven largely by recent deliveries still in early lease-up. Notably, excluding big-box availability pushes the Class A vacancy rate higher, as smaller-format space has begun to exert greater influence on overall market metrics.

## SPECULATIVE DEVELOPMENT PIPELINE BY BUILDING SIZE



Buildings between **150,000 and 499,999 sf**—where development activity has been concentrated in response to tenant demand—now account for **61.2%** of total available space. That share is expected to rise modestly as current construction remains focused in these bands with no preleasing reported.

# LOOKING AHEAD

## UNDER CONSTRUCTION STATS

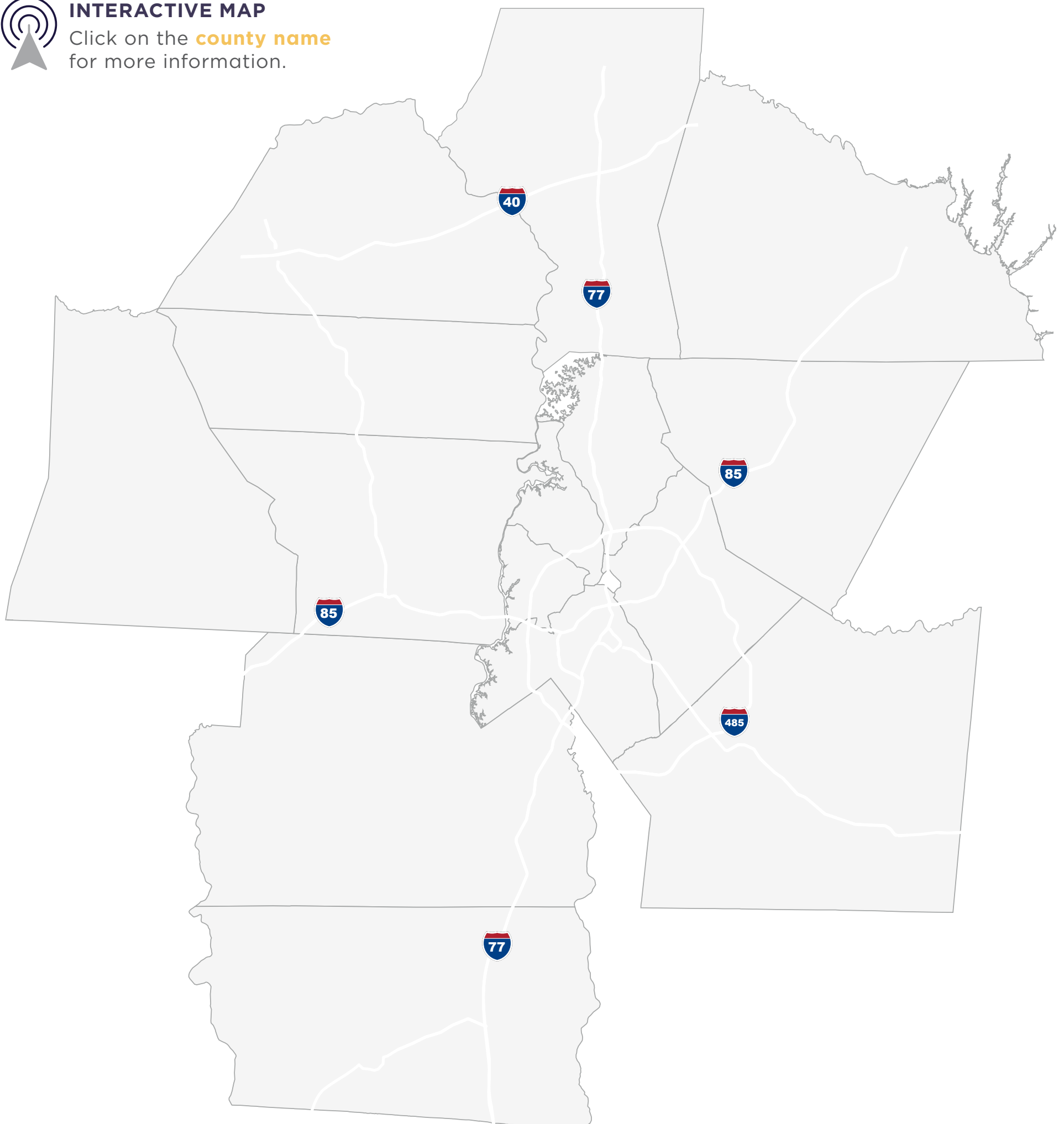
	TOTAL PIPELINE	BUILDINGS 500,000+ SF
TOTAL RSF	4,407,731	0
TOTAL AVAILABLE SF	4,407,731	0
PRELEASED	0.0%	0.0%

**Construction of sub-500,000-sf space** has exceeded demand, and vacancy pressures are expected to continue as the current pipeline delivers. Meanwhile, big-box availability remains scarce, suggesting that strong historical demand and existing large users may justify renewed consideration of projects in that size category.



### INTERACTIVE MAP

Click on the **county name** for more information.



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