

MARKET HIGHLIGHTS

savills

Q3 2020 • Charlotte, NC



14.5%

OVERALL AVAILABILITY RATE



\$31.24

PSF CLASS A ASKING RENT



60.6%

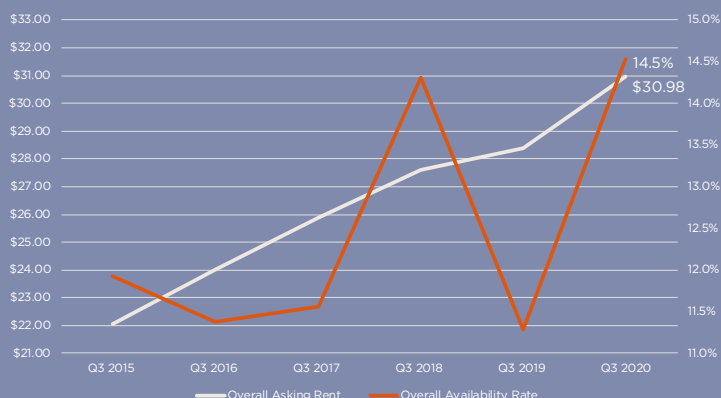
OF LARGE TRANSACTIONS OCCURRED
IN THE WEST CHARLOTTE SUBMARKET



52.5%

OF MAJOR TRANSACTIONS WERE NEW
LOCATIONS BY SQUARE FOOTAGE

Q3 Over the Years



In the past few years, Charlotte's availability has risen and fell largely due to absorption of new and or existing square footage entering the market. The narrative around the rising availability space in the current quarter is in direct correlation with the large blocks of subleases that have (and will continue to) hit the market. Charlotte has not yet witnessed a decrease in asking rents, only a slowdown in growth; this is especially true in well-leased properties or tight submarkets, where landlords have held on to their asking rents.

Availability Rate

+320

basis points
year-over-year

Asking Rent

\$2.61

year-over-year

MAJOR TRANSACTIONS

1. RETIREMENT
CLEARING HOUSE
44,880 SF
RELOCATION

2. CENTENE
37,129 SF
NEW LOCATION

3. CARDINAL FINANCIAL
31,260 SF
RENEWAL

4. GENERAL SERVICES
ADMINISTRATION
25,940 SF
NEW LOCATION

5. CONTERRA NETWORKS
20,962 SF
NEW LOCATION



As the predicted movement towards suburbs comes to fruition, the Charlotte market will experience an imbalance in supply, with inner-city submarkets like the CBD surging upward in availability while outer, suburban submarkets tighten.



As the construction pipeline keeps delivering and preleasing decreases, net absorption will slip further into the negatives and overall availability will continue to climb.



In the coming quarters, Charlotte will begin to benefit from the overall migration to the Sunbelt as it is an alluring alternative to more costly major markets at a time when occupiers are focused on their bottom lines.

KEY TAKEAWAYS