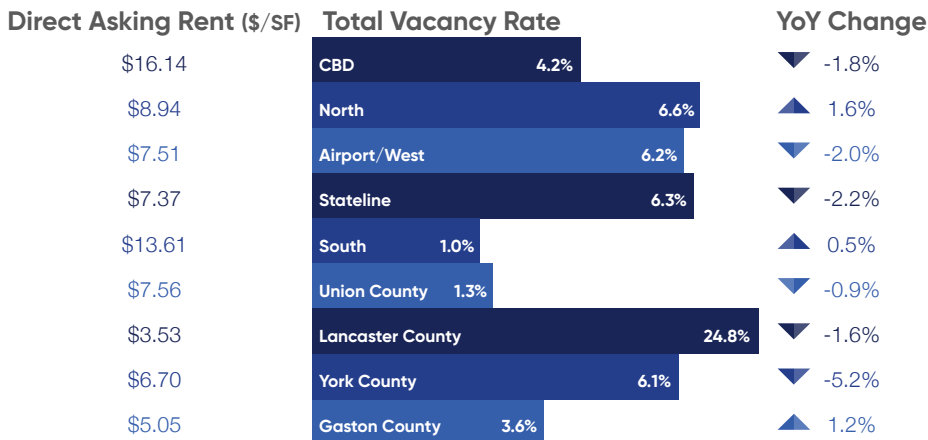


Industrial Market Report

Industrial leasing activity in Charlotte's industrial market continues at historic levels. At the end of Q4, the vacancy rate was 5.7%, 12% lower than Q4 2020, and well below the 10 year average of 7.78%. This scarcity of inventory has continued to drive average rental rates up to a current \$7.12/SF for all industrial product types and \$6.84 for bulk distribution. A further indicator of the market's strength is the positive 2.17 MSF of net absorption coming out of Q4.



Rental and Vacancy Rates



Recent Transactions

Tenant	Size	Submarket	Sector
1 Amazon	1,006,462 SF	Stateline	Industrial
2 Home Depot	403,000 SF	Stateline	Industrial
3 Prime Beverage	331,385 SF	North	Industrial
4 Confidential Tenant	246,400 SF	Stateline	Industrial
5 Lowe's	197,510 SF	Airport/West	Industrial
6 NWM Pet	148,720 SF	Stateline	Industrial
7 Premier Yarns	113,976 SF	North	Industrial
8 Motion Industries	108,160 SF	York County	Industrial
9 Victory Packaging	100,000 SF	York County	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 Charlotte is seeing a record sales of industrial assets with a total sales volume in Q4 of \$919,439,570, up 32% from Q4 2020. E-commerce and steady cash flows have made industrial assets a darling of institutional investors who have come to Charlotte after being priced out of larger markets in seeking investor returns.

Development Nearly 12.5 MSF 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 appetit 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.