



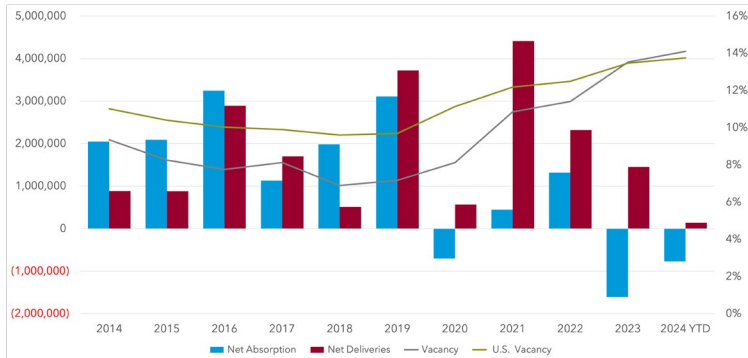
OFFICE MARKET OVERVIEW

GREG PIERATT, SIOR, CEO, and Principal

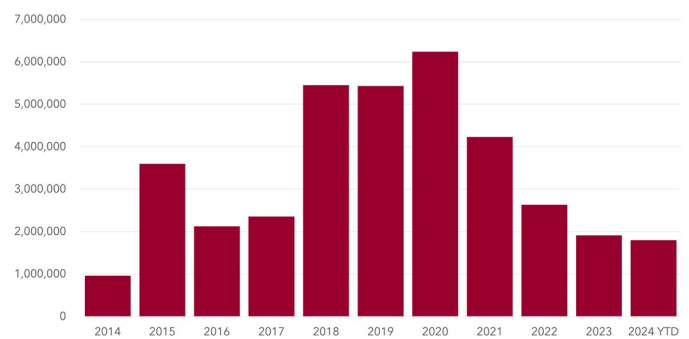
Office consolidations, remote work, tech layoffs, and flattening job growth influenced negative absorption in Uptown, Charlotte's central business district. In the first quarter, five submarkets with 20-25% vacancy, drove the greater Charlotte office vacancy to 14%. Market conditions include decade low new construction, high delinquency rates, 70% sales volume decline YOY, and decline in price PSF. However, with clear optimism, the Charlotte Regional Business Alliance envisions increasing opportunities for Queen City, as more than one hundred people move to Charlotte every day, for employment, better quality of life, and lower cost of living.

| MARKET INDICATORS | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 | Q1 2023 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| ▲ 12 Mo. Net Absorption SF | (1,445,639) | (1,607,931) | (677,359) | 62,475 | 716,601 |
| ▲ Vacancy Rate | 14.1% | 13.5% | 12.7% | 12.6% | 12.2% |
| ▲ Avg NNN Asking Rate PSF | \$32.61 | \$32.46 | \$32.27 | \$32.02 | \$31.86 |
| ▼ SF Under Construction | 1,796,215 | 1,911,772 | 3,014,038 | 2,793,095 | 2,982,726 |
| ▲ Inventory SF | 136,332,307 | 136,193,094 | 135,343,615 | 135,316,728 | 135,083,753 |

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|--|-----------|-----------------------------|---|----------------|
| 4210 Yancey Redevelopment Charlotte, NC | 48,931 SF | \$9,500,000 \$194.15 PSF | Madison Capital Group White Point Partners | Class C |
| 1001 E. Morehead Street Charlotte, NC | 13,000 SF | \$8,510,000 \$654.62 PSF | Atrium Health Falson & Associates | Class C |
| 208 East Boulevard Charlotte, NC | 9,976 SF | \$7,210,000 \$723.00 PSF | Faison & Associates Atrium Health | Class C |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|-----------|----------------------------|---------------------------|----------------------------|
| 550 S. Caldwell Street* Charlotte, NC | 69,271 SF | Cousins Properties | Truist Insurance Holdings | Finance & Insurance |
| First Citizens Plaza - 128 Tryon Charlotte, NC | 40,802 SF | Dornin Investment Group | Regus | Real Estate |
| 3600 Arco Corporate Drive Charlotte, NC | 17,362 SF | American Asset Corporation | Expeditors | Logistics & Transportation |

*Sublease

