



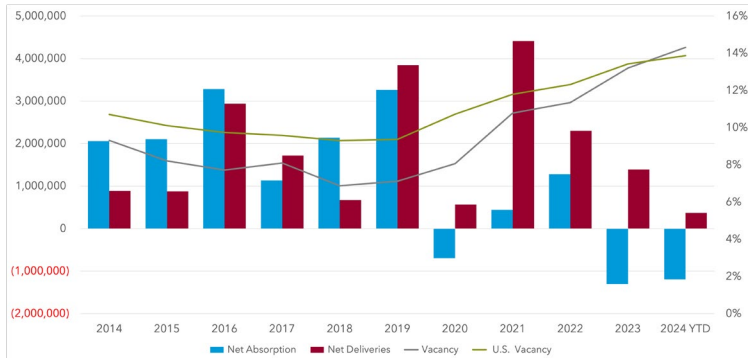
### OFFICE MARKET OVERVIEW

GREG PIERATT, *President, Principal*; MATT FRAZEE, *Principal*

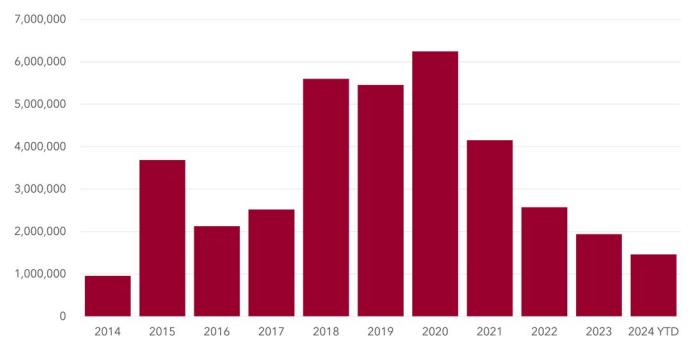
Charlotte's office market faced increasing vacancies and a sharp decline in leasing activity in Q2 2024. The vacancy rate peaked at 14.3%, driven by major employer consolidations and move-outs. Notable deals included Vanguard's purchase of Centene's abandoned campus. Despite a low construction pipeline, with only 1.5 million SF under construction, pre-leasing rates are under 25%. Rent growth is bifurcated, with new high-quality spaces seeing increases while older properties struggle. Sales volume dropped significantly, dominated by owner-user transactions and smaller deals, reflecting cautious institutional investment. The market anticipates a slow recovery amid economic uncertainties.

MARKET INDICATORS	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
▲ 12 Mo. Net Absorption SF	(1,327,069)	(1,396,059)	(1,302,729)	(660,864)	78,867
▲ Vacancy Rate	14.24%	13.96%	13.21%	12.65%	12.52%
▲ Avg NNN Asking Rate PSF	\$32.95	\$32.84	\$32.67	\$32.44	\$32.12
▼ SF Under Construction	1,462,165	1,814,715	1,936,612	2,968,878	2,747,935
▲ Inventory SF	137,053,193	136,826,928	136,681,375	135,901,896	135,875,009

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2405 Governor Hunt Road Charlotte, NC	700,000 SF	\$117,000,000 \$167.14 PSF	The Vanguard Group Centene	Class A
10100 Park Cedar Drive Charlotte, NC	51,982 SF	\$7,800,000 \$150.05 PSF	Mava Capital Waters Investments, Inc.	Class B
511 Yellowstone Drive Charlotte, NC	24,000 SF	\$6,500,000 \$270.83 PSF	Charlotte-Mecklenburg Bd of Edu Mecklenburg Bar Foundation	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
9335 Harris Corners Parkway Charlotte, NC	28,278 SF	CP Group, Siguler Guff	Truist Insurance Holdings	Arts, Entertainment & Recreation
1040 Red Ventures Drive Fort Mill, SC	26,045 SF	Yujie Zhang, Wellman Building LLC	Department of Homeland Security	Professional, Scientific & Technical Services
3600 South Boulevard Charlotte, NC	19,925 SF	Beacon Partners, Thrift CRE	CPL	Professional, Scientific & Technical Services

