



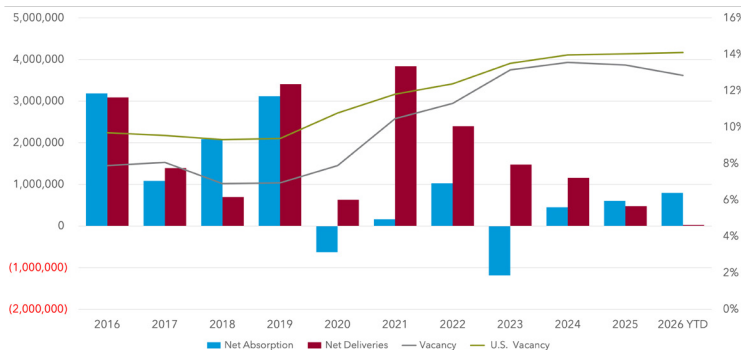
OFFICE MARKET OVERVIEW

GREG PIERATT, CEO, *Principal*, MATT FRAZEE, *Partner*

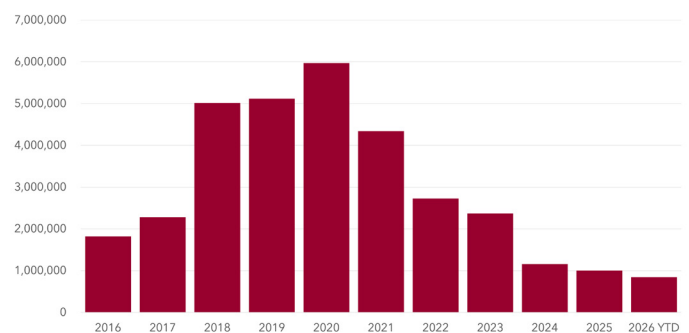
Charlotte's office market continued its recovery through the third quarter as steady leasing activity and positive absorption supported further improvements in market fundamentals. Vacancy declined to 12.68%, while trailing 12-month net absorption surpassed 1.2 million square feet. Corporate expansions and continued investment in the region have helped sustain demand for high-quality office space. With limited availability in newer buildings, recently renovated properties are increasingly attracting tenants seeking modern amenities at more competitive rates. Meanwhile, aging office buildings continue to face leasing challenges. Limited new construction and the ongoing removal of obsolete inventory should help support further market stabilization heading into 2027.

MARKET INDICATORS	Q3 2026	Q2 2026	Q1 2026	Q4 2025	Q3 2025
▲ 12 Mo. Net Absorption SF	1,220,311	457,440	405,984	602,441	1,238,811
▼ Vacancy Rate	12.68%	13.06%	13.44%	13.41%	13.89%
▲ Avg NNN Asking Rate PSF	\$35.72	\$35.48	\$35.47	\$35.21	\$34.67
▼ Sale Price PSF	\$266.40	\$270.51	\$269.79	\$253.90	\$239.93
▲ Cap Rate	7.89%	7.87%	7.94%	8.19%	8.41%
▲ Under Construction SF	844,951	839,558	921,654	1,003,579	568,975
▼ Inventory SF	136,946,455	136,964,631	137,043,659	136,898,817	137,461,305

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
301 S McDowell St Charlotte, NC	192,287 SF	\$24,900,000 \$129.49 PSF	Perkins Fund, LP The Fallon Company, LLC	Class B
10714 David Taylor Dr Charlotte, NC	159,487 SF	\$24,500,000 \$153.62 PSF	Research Park Properties, LLC Crescent Communities, LLC	Class A
5200 77 Center Dr Charlotte, NC	107,925 SF	\$12,671,029 \$117.41 PSF	Investicore Ares Management Corporation	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
500 S Turner Ave Charlotte, NC	51,428 SF	Portman Holdings	Huber Engineered Woods	Manufacturing
8845 Red Oak Blvd Charlotte, NC	50,000 SF	Engineering Consulting Services	Undisclosed	Undisclosed
9013 Perimeter Woods Dr Charlotte, NC	44,687 SF	Adler Real Estate Partners	Lucid Bots	Robotics & Automation

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