



TOWER CAPITAL

Commercial Real Estate Services

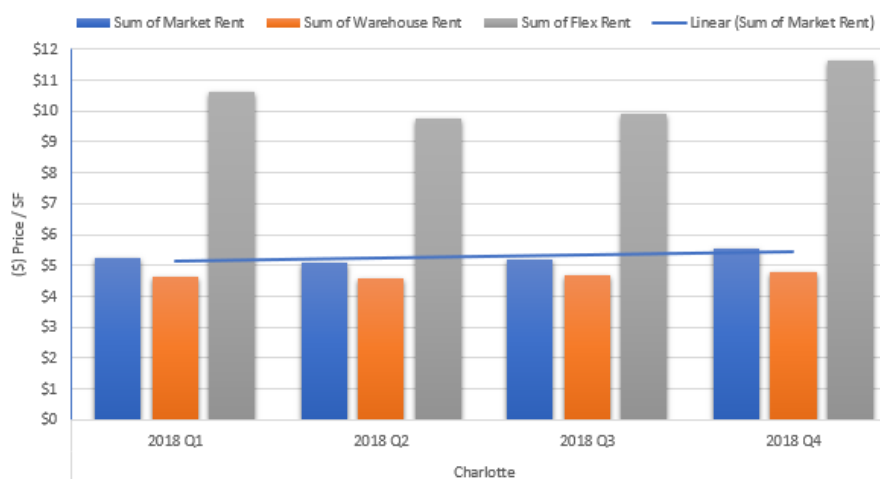
Industrial Market Report Charlotte, NC | Q4 2018

Local Market

The industrial market ended the year on multiple high notes and is set for a great 2019. All indications point to a strong market poised for additional growth.

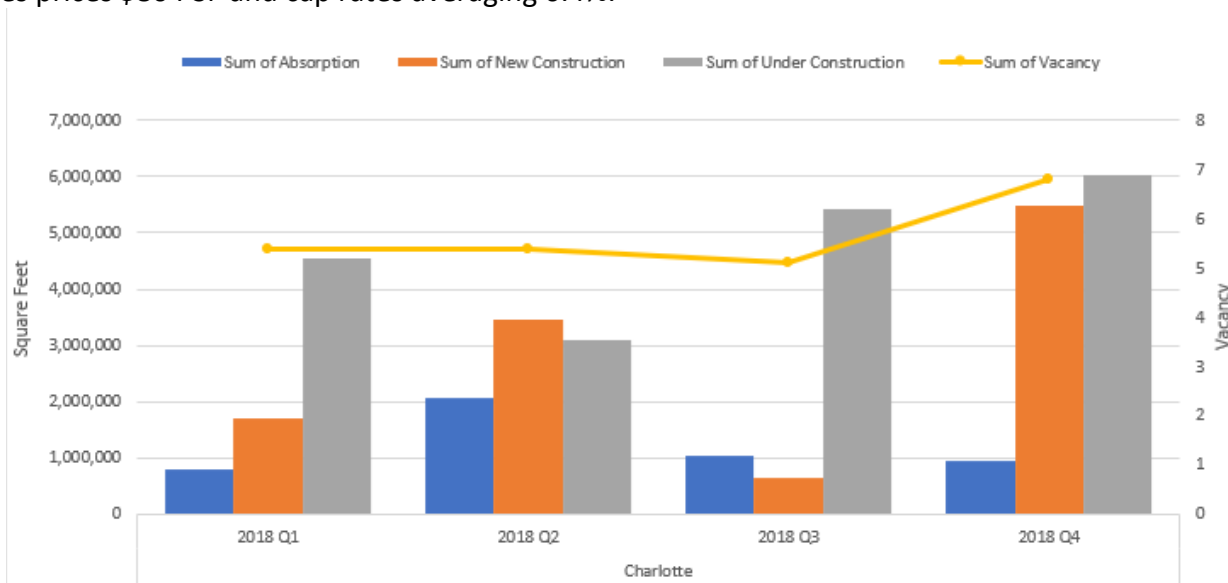
- Rent rates are at consistent highs
- Below average vacancy
- Positive absorption each quarter
- High mark for new construction in Q4

Rental Rates



Statistics

Absorption was highest in York County followed by the North, Airport, and South submarkets in order. Average rent rates climbed to a new high at \$5.57 PSF, approximately a 35% increase since 2011. Sales remain strong with limited available product and high demand. Vacancy in the 25,000-100,000 SF buildings is much lower than the overall market at 2.8 percent while 1 million SF buildings hold 43% vacancy. Newer construction, increased land values, and demand are pushing sales north of \$100 SF. At 12520 General Drive, Lineage Logistics bought 197,623 SF at \$103 PSF in Q4. Higher sales prices are squeezing investor cap rates with average sales prices \$80 PSF and cap rates averaging 6.4%.



Data source: Colliers International_2018 Q4 Industrial Market Report Charlotte