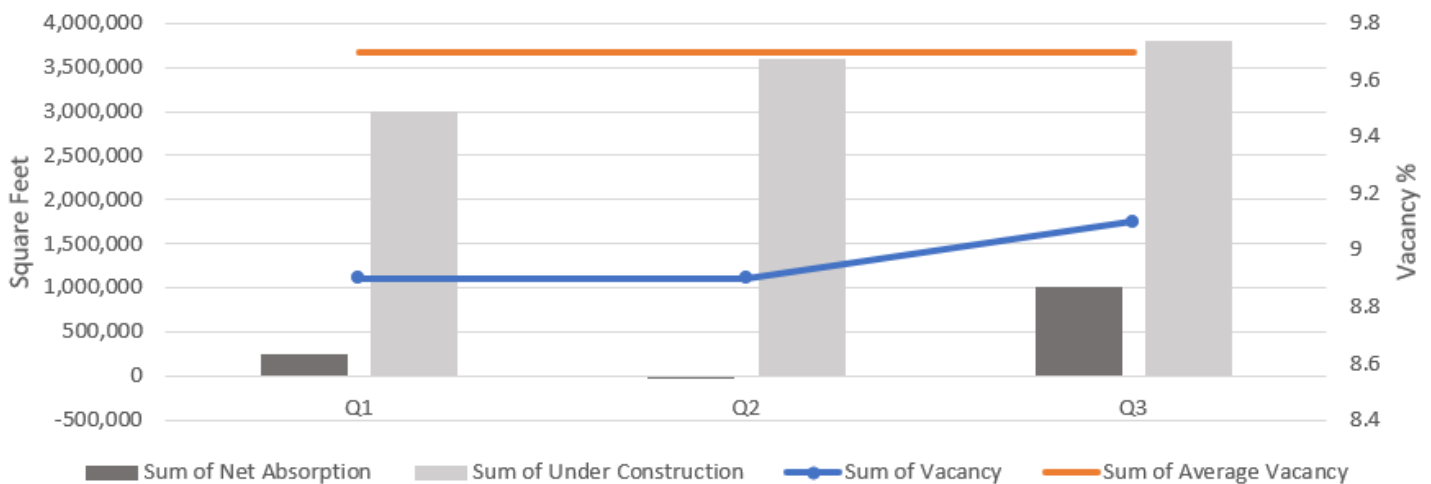


# Charlotte Office Report Q3 2018

Charlotte continues its blistering growth trend. On average 60 people per day move to Charlotte. Local unemployment is down .1% from the previous quarter to 3.7%. These factors are leading to near record low vacancy in office space now at 9.1%, well below the average of 9.7%. Additional inventory has led to the recent uptick in vacancy as there was 3.8 million SF of new construction in Q3. Absorption was positive this quarter in spite of the added supply. For these reasons there appears to be plenty more runway for the Charlotte office market.

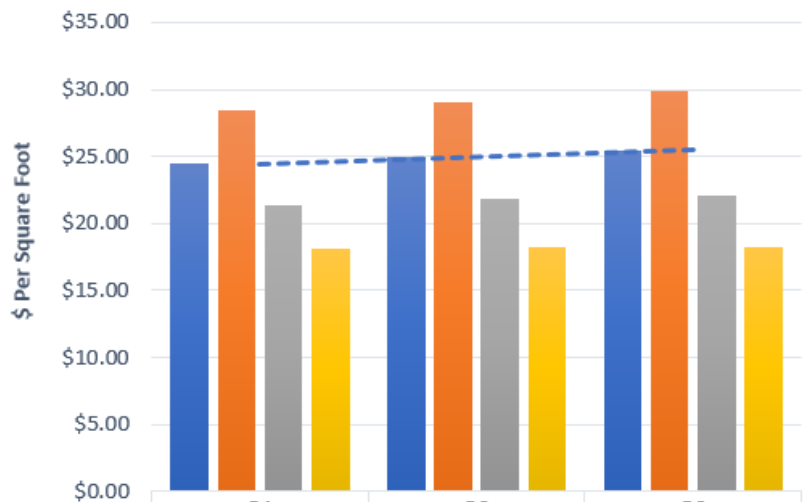
### Charlotte Office Demand



In Q3 the highest rent went to the South/485 (Ballantyne) submarket at \$33.00 per SF followed by Midtown at \$32.48 and Uptown at \$32.39. Other markets to note were Southpark at \$30.40; Plaza Midwood/Noda \$28.49; University at \$23.05; Airport at \$22.25. Rents continue to climb due to low vacancy and the cost of newly constructed spaces.

Average office rent rates across all Charlotte markets have risen 4.1% since January.

### Charlotte Office Rental Rates



	Q1	Q2	Q3
Sum of Average Rent	24.46	24.98	25.48
Sum of Class A Rent	28.41	29.1	29.89
Sum of Class B Rent	21.34	21.82	22.02
Sum of Class C Rent	18.11	18.18	18.25

Data Source: Cushman & Wakefield, Charlotte Office Q32018