

Charlotte

Office market snapshot | Q3 2024

The Charlotte office market has seen some slowdowns, though there are also positives indicators for a stronger year in 2025. In Q3, availability rates continued to climb, reaching over 23%. Development also remains sparse, with just 1.0 msf under development, and only one delivery this year, while FS asking rents fell slightly from Q2. While these are continuing trends, major companies such as Amazon and Starbucks, are instituting return-to-office policies, opening the door for growth in office markets across the country.

23.6%

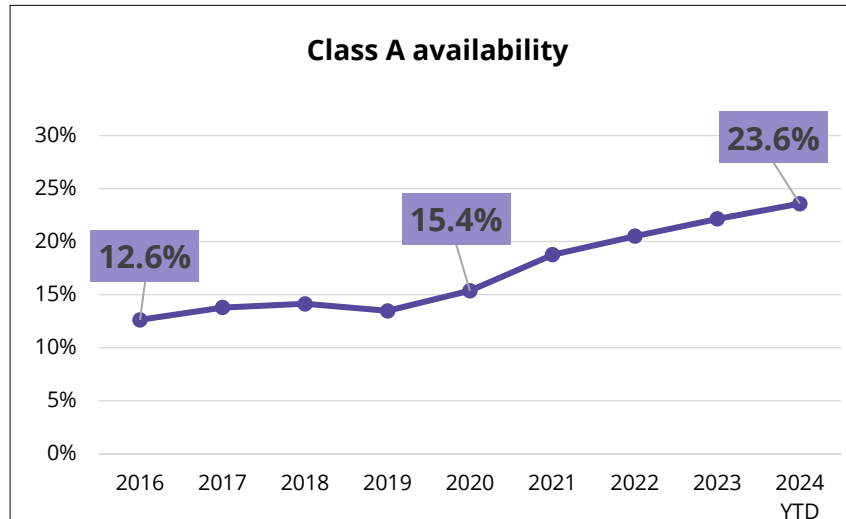
Class A availability is 23.6%. This is a 150-basis point jump from 2023, reflecting the Charlotte office market's challenging few quarters.

\$34.12

Average FS asking rent in Charlotte was \$34.12 in Q3. This is a drop of 0.13% from Q2, as the market remains fractured.

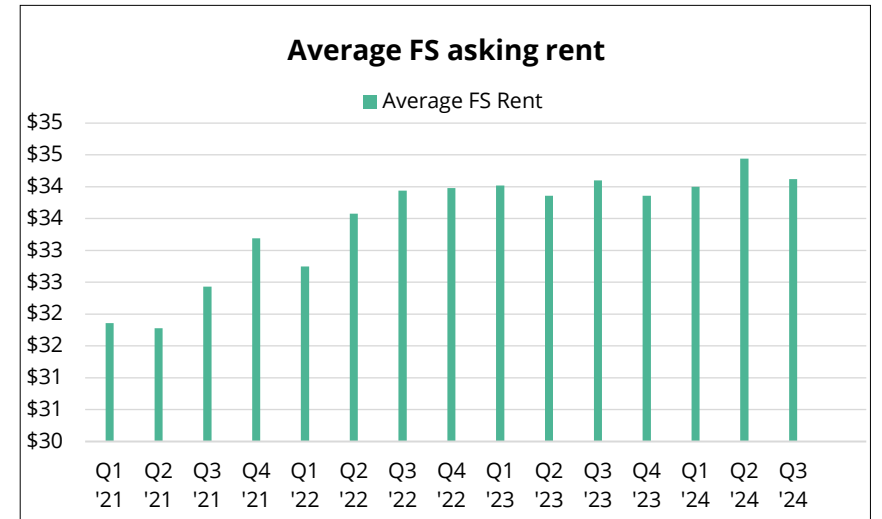
1.0 msf

As of Q3 2024, there remains just 1.0 msf of office product under development. This year, there has only been one delivery, reflecting slowdown in construction to level out the supply and demand.



The Charlotte office availability rate continues to climb, reaching 23.6% in Q3 2024. Despite this, the rate of increase is slowing, having decreased by 10 basis points since Q2 2024, suggesting the market may be headed for more positive year in 2025.

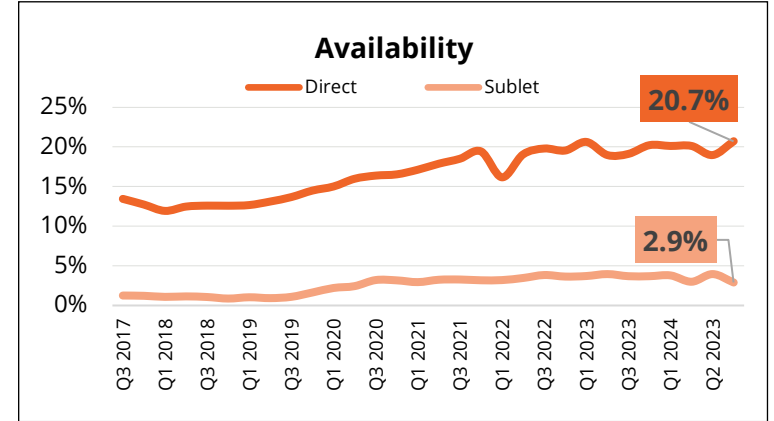
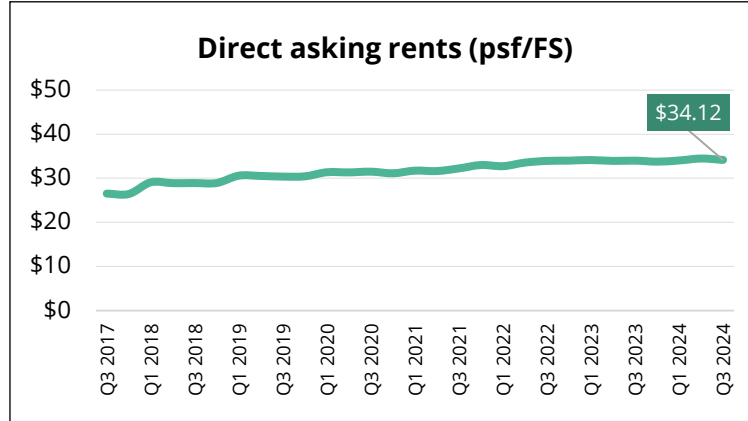
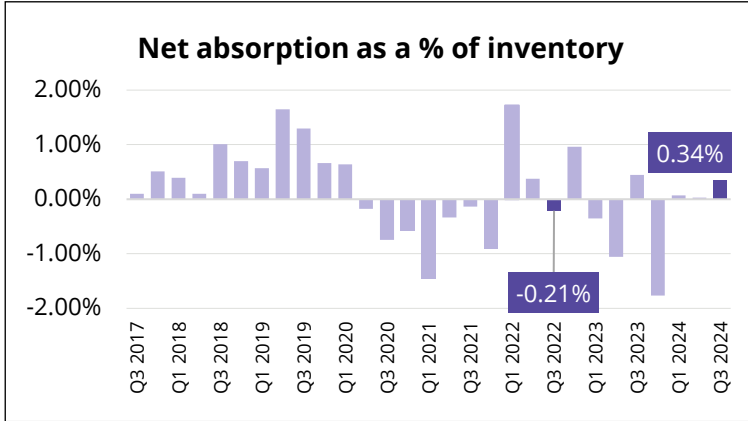
Source: AVANT by Avison Young, CoStar



Q3 saw FS asking rents at \$34.12, a drop from Q2. Leasing remains mostly static, though large companies are instituting return-to-work policies, and less development may result in a decrease in availability to level out the supply and demand ratio.

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Recent Leasing Activity

Tenant	Address	Size (sf)	Transaction type	Lease type
Premier Inc.	13520 Ballantyne Corporate Pl.	146,109	New	Direct
The Imagine Group	8405 IBM Drive	44,662	New	Direct
Spectrum Companies	101 N Tryon St.	39,480	New	Direct
Lennar	11605 N Community House Rd.	27,891	New	Direct

Recent Sales Activity

Buyer	Address	Sale price	Sale price psf	Seller
AW Real Estate	620-660 Summit Crossing Pl.	\$26,670,000	\$294.26	Healthcare Realty Trust Inc.
Redline	700 E Morehead St.	\$12,000,000	\$321.67	First & Early
Ram Realty	2320 Toomey Avenue	\$13,000,000	\$169.41	FCP

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	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct availability	Sublet availability	Total availability	Net absorption (QTD)	Net absorption % of inventory (YTD)	Annual direct asking rent psf FS
CBD	24,086,636	-	504,000	20.65%	2.1%	22.4%	23,084	0.10%	\$37.05
Midtown/South End	7,516,311	370,000	-	22.41%	0.73%	15.0%	18,309	2.77%	\$45.02
Plaza Midwood/Noda	1,662,875	-	280,157	26.09%	0.9%	33.3%	46,948	2.82%	\$42.61
Urban Subtotal	33,265,822	370,000	784,157	22.02%	2.0%	21.8%	88,341	0.27%	\$42.53
Airport	11,234,129	-	-	16.08%	2.6%	23.8%	183,335	1.63%	\$26.98
East Charlotte	1,807,987	-	-	11.95%	0.0%	17.0%	12,764	0.71%	\$21.07
North Charlotte	4,245,314	-	226,759	28.60%	2.1%	22.1%	(78,950)	(1.21%)	\$35.91
Park Road	845,731	-	-	18.24%	1.2%	19.4%	9,522	1.13%	\$31.90
South Carolina	3,471,336	-	-	17.36%	13.3%	32.4%	(3,220)	(0.13%)	\$25.85
South Charlotte	1,643,034	-	-	29.67%	0.8%	12.8%	20,238	1.33%	\$28.35
South/485	6,327,308	-	-	16.78%	4.4%	30.5%	(52,919)	(1.11%)	\$36.86
Southeast Charlotte	1,194,797	-	-	22.89%	0.0%	20.9%	1,179	0.11%	\$23.41
SouthPark	4,765,580	-	-	13.71%	3.7%	22.4%	21,956	0.65%	\$39.34
University	6,931,027	-	-	18.68%	4.4%	30.6%	83,643	1.32%	\$27.48
Suburban Subtotal	44,129,118	-	226,759	18.12%	3.86%	25.4%	197,548	0.47%	\$30.18
Market total	77,394,940	370,000	1,010,916	20.63%	5.7%	23.6%	285,889	0.3%	\$34.12

Source: AVANT by Avison Young, CoStar