

# CHARLOTTE OFFICE MARKET

Yardi® Matrix

## Market Analysis

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### Contacts

#### Jeff Adler

Vice President & General  
Manager of Yardi Matrix  
Jeff.Adler@Yardi.com  
(800) 866-1124 x2403

#### Jack Kern

Director of Research and  
Publications  
Jack.Kern@Yardi.com  
(800) 866-1124 x2444

#### Chris Nebenzahl

Senior Analyst  
Chris.Nebenzahl@Yardi.com  
(800) 866-1124 x2200

#### Veronica Grecu

Senior Real Estate Market Analyst  
Veronica.Grecu@Yardi.com  
(306) 955-1855 x7583

### Author

#### Corina Stef

Associate Editor  
Corina.Stef@Yardi.com

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expense and lease expiration  
data is available to Yardi Matrix  
subscribers. Please contact us  
for details!

For more information please contact:

#### Ron Brock, Jr.

Industry Principal, Matrix  
JR.Brock@Yardi.com  
(480) 663-1149 x2404

## Tech Boosts Power Player Status



Strong domestic in-migration and low unemployment make Charlotte one of the fastest-growing metros in the nation. By diversifying its business sectors, the metro has reached a more mature level of economic stability. The extended Lynx light rail and the upcoming \$800 million Gateway Station transportation hub—combined with the recent affordable housing pledge by Ally Financial, Barings and Bank of America—have created a hotbed for more transit-oriented, mixed-use developments. Additionally, the metro benefits from the local authorities' initiative to further improve submarkets such as East Charlotte and the Airport, bolstering growth through rezoning and adaptive reuse projects. Major developments include 4000 Raleigh St., Spectrum Cos.' South End project and The RailYard.

Some 13,000 office-using jobs were added in the metro in the 12 months ending in November. Growth is bolstered by strong activity in the tech sector, as Charlotte has been experiencing a shift toward high-paying jobs in recent years. Demand for quality office product continues to be strong, driven by companies looking for modern space that helps them attract and retain local talent. In the Central Business District, the 1.7 million square feet under construction accounts for nearly half of the metro's new-supply pipeline, which encompasses 3.8 million square feet.

Investors focused on trophy assets, new completions and built-to-suit projects in both urban and suburban submarkets. Transaction volume reached \$1.2 billion in the 12 months ending in January.