

# CHARLOTTE OFFICE MARKET

Yardi® Matrix

## Market Analysis

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## Enhanced Infrastructure Draws Business



Charlotte's economic upswing continues. Strong market dynamics, consistent tenant demand and solid investor interest has boosted the metro's office sector. Charlotte has been effectively diversifying its economy—not only is the metro the second-largest banking center in the U.S., but the Queen City is also a burgeoning fintech hub and home to a vibrant startup scene. And with a finely tuned infrastructure, Charlotte is poised for further growth.

The metro's robust development pipeline is underpinned by the \$1.1 billion LYNX Blue Line light rail extension. According to the Charlotte Area Transit System's projections, the economic impact across the metro is expected to reach \$44 billion by 2035. Furthermore, the \$600 million expansion of Charlotte Douglas International Airport commenced in December. As of October, some 3.6 million square feet of construction was underway. Eleven projects totaling 2.5 million square feet came online year-to-date through October, exceeding 2009's cycle-high of 2.3 million square feet.

Charlotte ranked fourth in the nation among markets to watch for overall real estate prospects in 2020, according to PricewaterhouseCoopers and the Urban Land Institute's well-respected annual report. In the three-year period from 2016 through 2018, Charlotte drew 1.2% of the nation's investments, the report shows. Office investment amounted to \$1.2 billion year-to-date through October. As the metro's expansion potential held investors' interest, 2019 shaped up as another robust year for investment.