

Q1 2023

TRINITY
PARTNERS

CHARLOTTE INDUSTRIAL MARKET WAREHOUSE REPORT

QUARTERLY RECAP QUARTERLY RECAP QUAR



THE STATS

Q1 2023

±21M SF

UNDER
CONSTRUCTION

\$6.49

AVERAGE WAREHOUSE
ASKING RATE

3.9%

VACANCY RATE



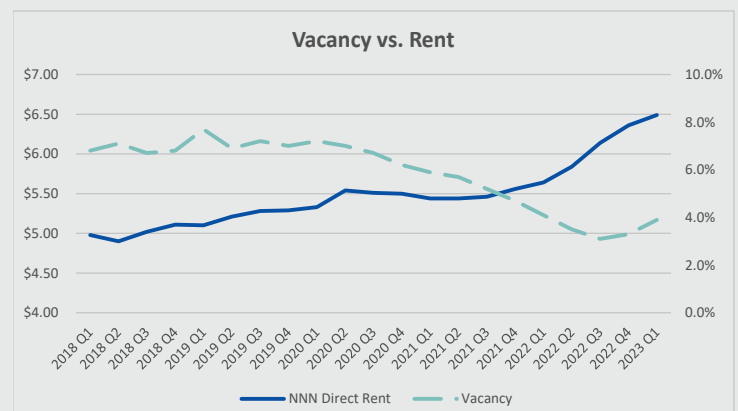
TRINITY TRENDS

- Industrial demand remains strong as Charlotte experienced a rental rate growth of 16.7% YoY in the first quarter reaching a historical high average rent of \$6.49/sf for warehouse space. With the US growth rate at 7.1% YOY and the current average rate at \$7.15/sf, further rate growth potential still exists for Charlotte and the ever growing Sunbelt region.
- Charlotte has gained recognition as an expanding market with the 11th largest US pipeline of inventory under construction. However, there has been a deceleration for commencing new projects and delivery of existing ones affected by the rise of interest rates that are increasing capital costs. Coupling this with a reduction of large box leasing stemming from a reduction in consumer demand implies a more long-term absorption of the inventory coming online in the coming years.
- Overall, the region's track record of maintained population growth, continuous announcements of economic incentives, and the successful attraction of new-to-market companies such as Pallidus promotes optimism for sustained industrial success. Furthermore, Charlotte's unemployment rate has remained below 4% for over a year and a half, a trend of successful workforce engagement that has not been experienced since 2019.



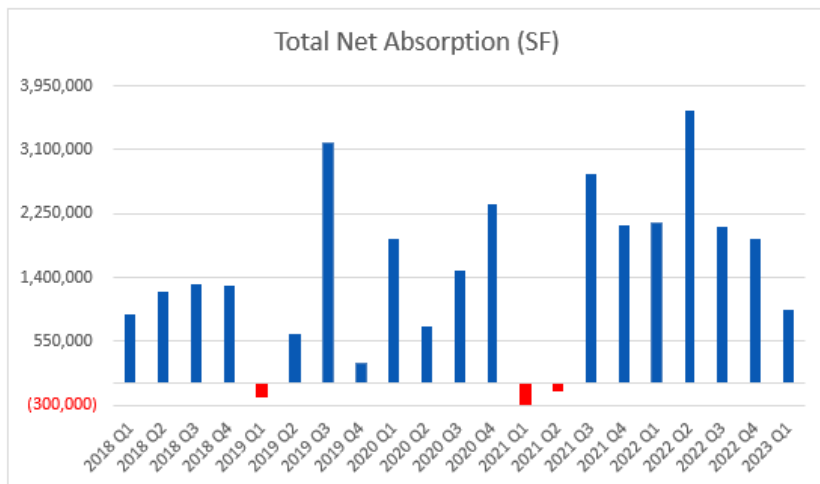
VACANCY VS. RENT

Rental rates recorded another 2% push upward in Q1 from the availability of new Class A construction and reduced availability of smaller footprint options. Vacancy also continues to rise this quarter now up to 3.9% market wide as another 1.4M sf delivered. As the amount of large footprint supply continues to increase in coming months and years, a softening of rental growth rate can be anticipated with current market conditions in place.





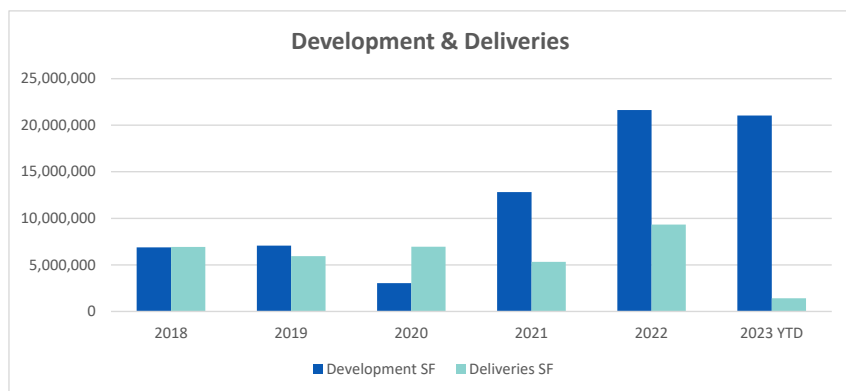
TOTAL NET ABSORPTION (SF)



Net absorption dipped just below 1M SF for the first time in 6 quarters in response to a reduction in leasing activity and further delivery of new construction. This trend will look to continue, breaking away from the red hot absorption seen since early 2021.



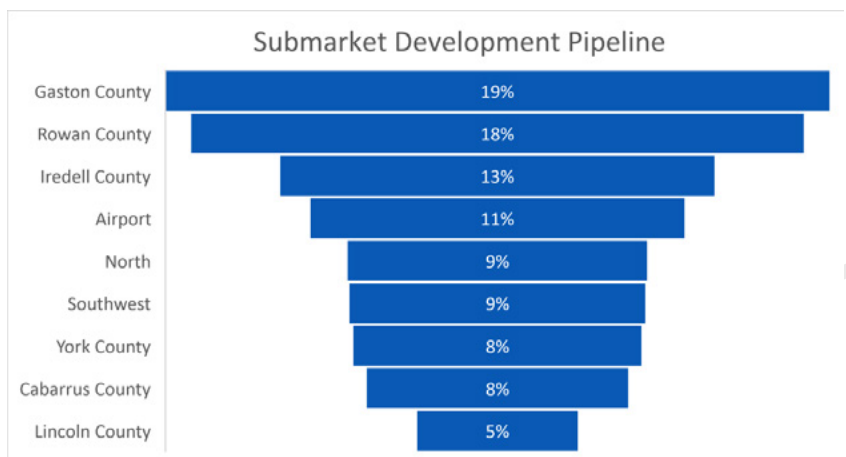
DEVELOPMENT AND DELIVERIES



First quarter deliveries came online heavily occupied, including 2 build-to-suits for BestCo and Bonakemi USA. Carolina Logistics Center #2 and Bryton Commerce Center also delivered fully leased leaving a total of 550k sf of newly delivered, vacant product. Looking forward, Q2 currently offers a larger opportunity for prospective tenants. Another 6 M sf is expected to deliver, with only 1.3 M sf being either pre-leased or build-to-suit.



SUBMARKET DEVELOPMENT PIPELINE



Construction volume is more concentrated than ever in Charlotte's suburban sub-markets that are strategically placed near major interstates and thoroughfares. Q1 starts the year with 67 industrial buildings totaling 21M sf, with only 3 sub-markets accounting for over 50% of forthcoming product. Along the I-85 corridor, Gaston County remains most active with 10 buildings totaling 4.1M sf. Rowan County followed closely, totaling 3.8M sf. Neighboring sub-market Iredell County comprises 2.7M sf, showing continued development north of the city. New construction has slowed with rising interest rates, but another 1.4M sf project is currently proposed to break ground next quarter to continue to meet demand.



DELIVERIES



CLT COMMERCE CENTER **2120 AND 2150 AIRPORT FLEX DR**

73,340 SF
Airport Submarket
Owner/Developer: Greenberg Gibbons Properties
*Bldg. 2 and 3 are vacant



MOORESVILLE BUSINESS PARK EAST **205 MANUFACTURERS BLVD**

230,000 SF
Iredell County Submarket
Owner/Developer: BestCo
*Build-to-suit for BestCo



BRYTON COMMERCE CENTER (PHASE II) **BUILDINGS D, E AND F**

376,614 SF
North Submarket
Owner/Developer: Foundry
*Building D is Fully Leased to
Brewers Supply Group. E & F are vacant.



CAROLINA LOGISTICS PARK BUILDING 2 **12004 CAROLINA LOGISTICS DR**

202,403 SF
Southwest Submarket
Owner/Developer: Beacon Development
*Fully leased to E2i Solutions, Elnik Systems, LLC, VIP Products, ProSource



NEVADA BUSINESS PARK BUILDING 2 **2011 NEVADA BLVD**

94,500 SF
Southwest Submarket
Owner/Developer: Childress Klein
*Vacant



MONROE CORPORATE CENTER **4110 PROPEL WAY**

280,000 SF
Union County submarket
Owner/Developer: Bonakemi USA, Inc.
*Build-to-suit for Bonakemi USA



LAKEMONT BUSINESS PARK **2840 LAKEMONT BLVD**

155,320 SF
York County Submarket
Owner/Developer: Johnson Development Associates, Inc.
*Vacant



CRANE WATCH



AIRPORT SOUTH LOGISTICS **AIRPORT DR, CHARLOTTE**

Buildings 300 & 500: 138,600 & 113,000 SF
Airport Submarket
Owner/Developer: McCraney Property Company



AXIL BONDS FARM **656 PITTS SCHOOL RD NW, CONCORD**

Buildings 1, 2 and 3 totaling 809,720 SF
Cabarrus County Submarket
Owner/Developer: Crescent Communities, LLC



DELTA INDUSTRIAL PARK **1502 DELTA DR, GASTONIA**

878,104 SF
Gaston County Submarket
Owner/Developer: TCA/PGIM



THE OAKS COMMERCE CENTER **OAKS PKWY, GASTONIA**

143,000 SF
Gaston County Submarket
Owner/Developer: LBA Logistics



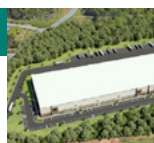
WESTEND LOGISTICS CENTER **1338 MOUNT OLIVE CHURCH RD, GASTONIA**

188,604 SF
Gaston County Submarket
Owner/Developer: Tectonic Real Estate & Tribek Properties



NORTHWEST GATEWAY LOGISTICS **1215 JENKINS RD, GASTONIA**

Buildings 1 and 2: 298,765 SF
Gaston County Submarket
Owner/Developer: GCP (Growth Capital Partners)



SOUTHRIDGE 85 **150 SOUTHRIDGE PKWY**

280,460 SF
Gaston County Submarket
Owner/Developer: Foundry



KINGS MOUNTAIN CORPORATE CENTER **799 SARA LEE ACCESS RD**

1,256,278 SF
Gaston County Submarket
Owner/Developer: The Keith Corporation



CRANE WATCH



NORTH CHARLOTTE COMMERCE CENTER

CAYUGA DRIVE AND EXMORE RD, STATESVILLE

Building 1 and 3 totaling 813,520 SF
Iredell County Submarket
Owner/Developer: Link Logistics



STATESVILLE COMMERCE CENTER

BARKLEY RD, STATESVILLE

Building 2: 263,701 SF
Iredell County Submarket
Owner/Developer: Williams Development Group



PARK 4077

136 ODESSA DR, STATESVILLE

Building 4: 585,880 SF
Iredell County Submarket
Owner/Developer: NorthPoint Development



LINCOLN COMMERCE CENTER WEST PHASE 1

NC HWY 16, DENVER

Buildings 1, 2 and 3 totaling 990,920 SF
Lincoln County Submarket
Owner/Developer: Crow Holdings Industrial



LAKESHORE CORPORATE PARK

STADIUM DR, CHINA GROVE

Buildings 1, 2 and 3 totaling 702,250 SF
Rowan County Submarket
Owner/Developer: Fortius Capital Partners



INNOVATION LOGISTICS CENTER

0 PEELER ROAD, CHINA GROVE

Building 1: 713,388 SF
Rowan County Submarket
Owner/Developer: Crow Holdings Industrial



OVERLOOK 85 AT KANNAPOLIS CROSSING PHASE I

OLD BEATTY FORD RD & I-85, CHINA GROVE

Building 1 and 2 totaling 890,000 SF
Rowan County Submarket
Owner/Developer: Hudson Capital Properties/
Commercial Properties Realty Trust (CPRT)



PAW CREEK LOGISTICS CENTER

8812 MT HOLLY RD

112,980 SF
Northwest Submarket
Owner/Developer: Link Logistics



CAROLINA LOGISTICS PARK

CAROLINA LOGISTICS DR, PINEVILLE

Building 3: 173,471 SF
Southwest Submarket
Owner/Developer: Beacon Development



NEVADA BUSINESS PARK

NEVADA BLVD, CHARLOTTE

Building 1 and 3 totaling 225,000 SF
Southwest Submarket
Owner/Developer: Childress Klein



WESTINGHOUSE LOGISTICS PARK

13331 SAM NEELY, CHARLOTTE

Building 2: 232,259 SF
Southwest Submarket
Owner/Developer: The Keith Corporation



LEGACY PARK WEST

1533 GALLERIA BLVD

231,000 SF
York County Submarket
Owner/Developer: Scannell Properties



LEGACY PARK EAST

2087 WILLIAMS INDUSTRIAL BLVD, ROCK HILL

851,500 SF
York County Submarket
Owner/Developer: INDUS



LAKEMONT BUSINESS CENTER

2840 LAKEMONT, ROCK HILL

144,131 SF
York County Submarket
Owner/Developer: GCP
(Growth Capital Partners)



I-77 COLD STORAGE

LAZY HAWK RD

278,485 SF
York County Submarket
Owner/Developer: Karis Cold



77 NORTH LOGISTICS CENTER

12010 MT HOLLY HUNTERSVILLE RD

153,350 SF
North Submarket
Owner/Developer: IDI Logistics



BELTWAY 77

ALEXANDRIA RD

Buildings A and C totaling 821,409 SF
North Submarket
Owner/Developer: Strategic Capital Partners



INTERCHANGE LOGISTICS CENTER

10701 HAMBRIGHT RD

224,979 SF
North Submarket
Owner/Developer: TCA/ Clarion Partners
*Fully leased to SEG Systems



NORTH CHASE AT THE PARK

PATTERSON RD

Buildings 200, 300 and 500 totaling 450,480 SF
North Submarket
Owner/Developer: McDonald Development Company



BAILEY COMMERCE CENTER

10855 AND 10856 BAILEY RD

Buildings 1 and 2 totaling 195,250 SF
North Submarket
Owner/Developer: Crow Holdings Industrial



LEASED NOTABLE TRANSACTIONS

224,979 SF



ORBUS/SEG SYSTEMS
INTERCHANGE LOGISTICS PARK
North Submarket
*Under Construction, estimated delivery May 2023

202,403 SF



**ELNIK SYSTEMS, LLC/
PROSOURCE/ VIP PRODUCTS/
E2I SOLUTIONS**
CAROLINA LOGISTICS PARK
BUILDING 2
Southwest submarket
*Building completed Feb 2023 and fully leased

160,000 SF



DHL
RIVER OAKS CORPORATE CENTER
BUILDING D
Cabarrus County submarket

M@C DISCOUNT

1335 ISLEY DR
158,438 SF
Gaston County submarket

**AIR DISTRIBUTION
STEELE CREEK COMMERCE
PARK BUILDING 12**

73,507 SF
Southwest submarket
*Under Construction estimated delivery
May 2023

**GORDON TEXTILE
PIEDMONT INTERSTATE
COMMERCE CENTER**

51,840 SF
York County Submarket



SOLD NOTABLE TRANSACTIONS

\$93.25 MILLION



**2501 AND 2600 DAVID
HUTCHISON RD**

Rock Hill Commerce Center
Bldg. B and A
792,081 SF | Feb - 23
Buyer: MetLife Real Estate
York County Submarket
*Investment Portfolio Sale

\$8.69 MILLION



4017 CHESAPEAKE DR

Starnes Pallet Service
341,514 SF | Feb - 23
Buyer: Starnes Commercial Properties
Northwest Submarket
*Owner User

\$28.7 MILLION



1000 EXCHANGE ST

Exchange St
222,596 SF | Jan - 23
Buyer: GTJ REIT, Inc.
Northwest Submarket
*Investment

1010 CORPORATE CENTER DR.

Summit Corporate Center
204,104 SF
\$11.35 million | Jan - 23
Buyer: W.P Carey
Rowan County Submarket
*Sale Leaseback

**NORTHEDGE PARK
5005-5035 W W.T HARRIS BLVD**

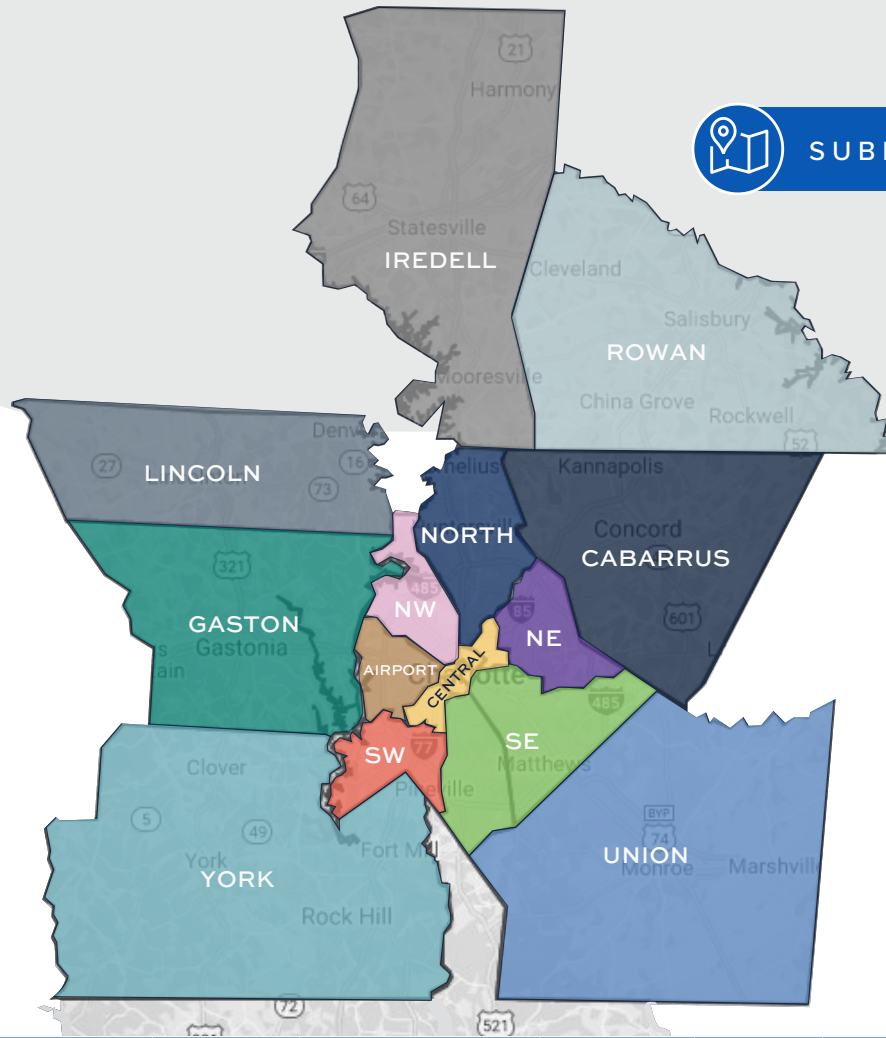
174,506 SF
Buyer: The Arden Group
\$25.25 million | Mar - 23
North Submarket
*Investment

1100 BOND ST

Chemway Industrial Park
101,400 SF
Buyer: W.P Carey
\$ 6.72 million | Jan - 23
Northwest Submarket
*Sale Leaseback/Portfolio Sale



SUBMARKET MAP



SUBMARKET	INVENTORY (SF)	VACANCY (%)	NET ABSORPTION	LEASING ACTIVITY (SF)	DELIVERIES (SF)	UNDER CONSTRUCTION (SF)	NNN RENT
Airport	11,291,067	3.0%	(51,599)	42,547	73,340	2,303,482	\$8.15
Cabarrus County	13,301,500	8.3%	277,068	162,973	0	1,609,720	\$6.79
Central	6,476,803	3.7%	(17,388)	5,400	0	0	\$8.62
Gaston County	9,854,440	3.2%	(185,490)	-	0	4,091,559	\$6.02
Iredell County	14,996,312	4.7%	126,463	57,200	230,000	2,676,601	\$5.27
Lincoln County	6,221,901	4.9%	-	-	0	990,920	\$4.82
North	16,318,440	2.6%	113,151	342,828	376,614	1,845,468	\$7.66
Northeast	1,424,186	9.2%	(286,000)	32,832	0	112,980	\$7.50
Northwest	7,212,089	0.6%	101,218	-	0	0	\$6.08
Rowan County	12,629,776	6.6%	729,907	-	0	3,773,988	\$5.49
Southeast	2,479,281	0.0%	5,000	-	0	36,000	\$5.30
Southwest	35,139,138	2.4%	420,550	519,547	296,903	1,823,697	\$7.55
Union County	4,749,971	0.0%	-	0	280,000	0	\$6.17
York County	23,156,229	6.0%	(404,132)	108,483	155,320	1,775,673	\$5.40
YORK COUNTY	165,251,133	3.9%	972,652	1,271,810	1,412,177	21,040,088	\$6.49

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