MARKET RESOURCE

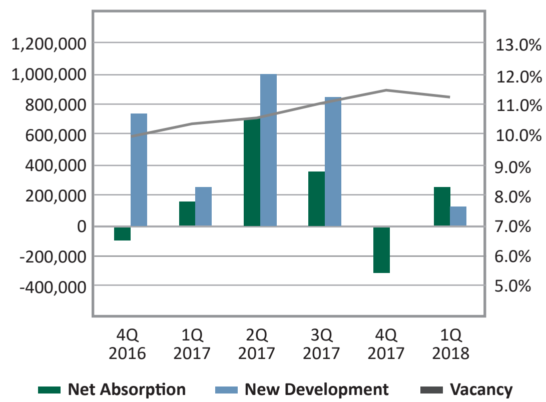
Charlotte, North Carolina - *OFFICE MARKET*

Q1 2018

OFFICE MARKET SNAPSHOT

	1Q 2018	4Q 2017	CHANGE
Market Supply (SF)	60,679,278	60,559,278	—
Under Construction (SF)	3,001,728	1,607,475	▲
Direct Vacancy (%)	11.2%	11.4%	▼
Total Vacancy (%)	11.8%	12.0%	▼
Total Net Absorption (SF)	234,098	-327,926	▲
YTD Net Absorption (SF)	234,098	175,167	▲
Direct Asking Rent	$27.18	$26.19	▲
Class A Direct Asking Rent	$29.73	$28.70	▲
Class B Direct Asking Rent	$21.06	$20.78	▲

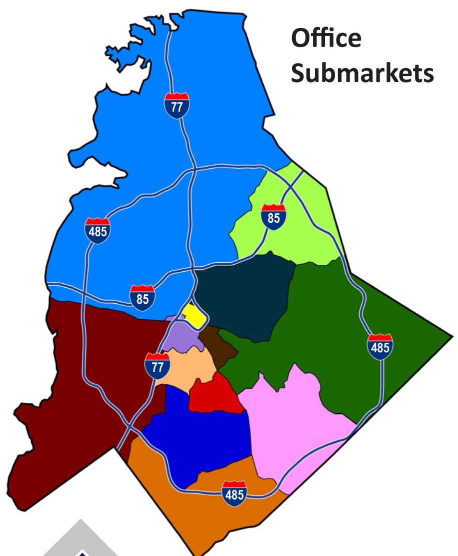
HISTORICAL VACANCY & NET ABSORPTION



HIGHLIGHTS

- New data shows metro Charlotte's population averaging 136 people per day moving to the area between July 2016 and 2017 - 2.0 percent increase
- The Charlotte region added approximately 25,000 jobs in 2017, and Mecklenburg County is expected to grow to about 1.4 million people by 2030 - a nearly 40 percent increase
- The Lynx Blue Line extension opened on March 16th - more than 5,000 apartments are under construction, planned, or recently completed along the extension
- Charlotte was one of three top cities on the list for the largest anticipated growth in technology hiring and office rent over the next year, according to Forbes
- Ernst & Young LLP is planning to create 375 jobs and invest $8.2 million in Charlotte over the next five years through an expansion and creation of a new innovation center

Office Submarkets



OFFICE MARKET STATISTICS

Submarket	Inventory	Vacant Space	Vacancy Rate	1Q 2018 Absorption	1Q 2017 Absorption	Completions	Construction	Direct Asking Rate
UPTOWN	19,370,979	2,485,024	12.8%	90,204	180,658	0	1,595,073	$31.58
MIDTOWN/RANDOLPH RD	1,626,360	129,900	8.0%	-35,376	-10,166	0	0	$30.11
MIDTOWN/SOUTH END	3,250,766	204,663	6.3%	-11,190	17,461	0	777,456	$34.23
URBAN TOTALS	**24,248,105**	**2,819,587**	**11.6%**	**43,638**	**187,953**	**0**	**2,372,529**	**$32.06**
AIRPORT	10,964,721	1,496,594	13.6%	116,675	-125,191	120,000	250,469	$20.35
EAST	1,277,249	191,355	15.0%	3,676	-7,246	0	0	$15.65
MATTHEWS	1,125,295	163,853	14.6%	1,166	3,186	0	0	$19.70
NORTH	3,121,457	332,801	10.7%	-35,979	5,638	0	30,000	$23.09
PARK ROAD	635,563	129,036	20.3%	3,974	24,550	0	0	$27.82
PLAZA MIDWOOD/NODA	669,449	40,000	6.0%	0	0	0	169,730	$16.60
SOUTH CHARLOTTE	1,444,174	91,879	6.4%	-1,820	84,794	0	0	$23.29
SOUTH I-485	5,973,728	511,467	8.6%	114,303	7,712	0	179,000	$31.43
SOUTHPARK	5,067,257	734,141	14.5%	26,269	-11,634	0	0	$31.00
UNIVERSITY	6,152,280	629,168	10.2%	-37,804	**5,405**	0	0	$22.56
SUBURBAN TOTALS	**36,431,173**	**4,320,294**	**11.9%**	**190,460**	**-12,786**	**120,000**	**629,199**	**$24.21**
CHARLOTTE TOTALS	**60,679,278**	**7,139,881**	**11.8%**	**234,098**	**175,167**	**120,000**	**3,001,728**	**$27.18**

Market Data Source: CoStar data pulled 5.9.18 | Real Capital Analytics | Charlotte Business Journal | The Charlotte Observer | Lincoln Harris Research

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NEW OFFICE SPACE UNDER CONSTRUCTION

Building	Submarket	Developer/Owner	SF	SF Preleased	% Preleased	Completion Qtr.	Asking Rents	Major Tenant(S)
Legacy Union	Uptown	Lincoln Harris	843,000	547,000	64.8%	2Q 2019	Negotiable	Bank of America
Ally Charlotte Center	Uptown	Crescent Communities	742,000	530,000	71.4%	1Q 2021	Negotiable	Ally Bank
The RailYard	South End	Beacon Partners	296,000	100,000	33.8%	1Q 2019	$37.00	ALLSTATE
Dimensional Place	South End	Cousins/Dimensional Fund Advisors	265,000	265,000	100.0%	3Q 2018	NA	Dimensional Fund Advisors
Nexus at Waverly	South I-485	Childress Klein	154,000	31,004	20.1%	2Q 2019	$37.00	The Remi Group
Gama Goat Building	Plaza Midwood/NODA	ATCO/Shorenstein	140,000	0	0.0%	1Q 2019	$26.50	NA
Arrowood Station	Airport	White Oak RE Advisors	114,000	0	0.0%	1Q 2019	$15.00 NNN	NA
The Refinery	South End	Insite Properties	107,000	0	0.0%	4Q 2018	$34.00	NA
300 W Summit Ave	South End	Stiles Realty	64,000	0	0.0%	3Q 2018	$36.00	NA

Market Data Source:
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- *Real Capital Analytics*
- *Charlotte Business Journal*
- *The Charlotte Observer*
- *Lincoln Harris Research*

RECENT INVESTMENT SALES

Building	Submarket	RBA	Sale Price	Price/SF
The Park Huntersville (5 bldgs)	North	395,800	$62,500,000	$158.00
Adbel Plaza	Matthews	92,310	$26,200,000	$283.00
The Park Huntersville (2 bldgs)	North	117,120	$14,700,000	$125.00
Three South Executive Place	SouthPark	54,125	$11,300,000	$209.00
600 S College Street	Uptown	44,000	$6,000,000	$136.00

SIGNED LEASE TRANSACTIONS

Tenant	Building	Submarket	Size	Type
Bank of America	Fifth Third Center	Uptown	294,000	Renewal
Bank of America	Fifth Third Center	Uptown	24,000	Expansion
Albemarle Corp	Capitol Towers North	SouthPark	141,500	New
615 S College	Little Diversified Architects	Uptown	60,000	New
2116 Hawkins Street	Krispy Kreme	South End	21,000	New

OFFICE STATISTICS BY TYPE

Building Class	Buildings	Inventory	Vacant Space	Vacancy Rate	YTD 2018 Absorption	Direct Asking Rent (PSF)
Class A	232	37,409,129	5,046,220	13.5%	261,955	$29.73
Class B	314	23,270,149	2,093,661	9.0%	-27,857	$21.06
MARKET TOTALS	**546**	**60,679,278**	**7,139,881**	**11.8%**	**234,098**	**$27.18**

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