

FIGURES | CHARLOTTE OFFICE | Q1 2026

Leasing Velocity for Prime Office Drives Accelerated Rental Rate Growth

▼ 25.1%

Vacancy Rate

▼ 409,986

SF Net Absorption

► 0

SF Construction Delivered

► 400,720

SF Under Construction

▼ \$36.81

FSG/YR Direct Lease Rate

Note: Arrows indicate change from previous quarter.

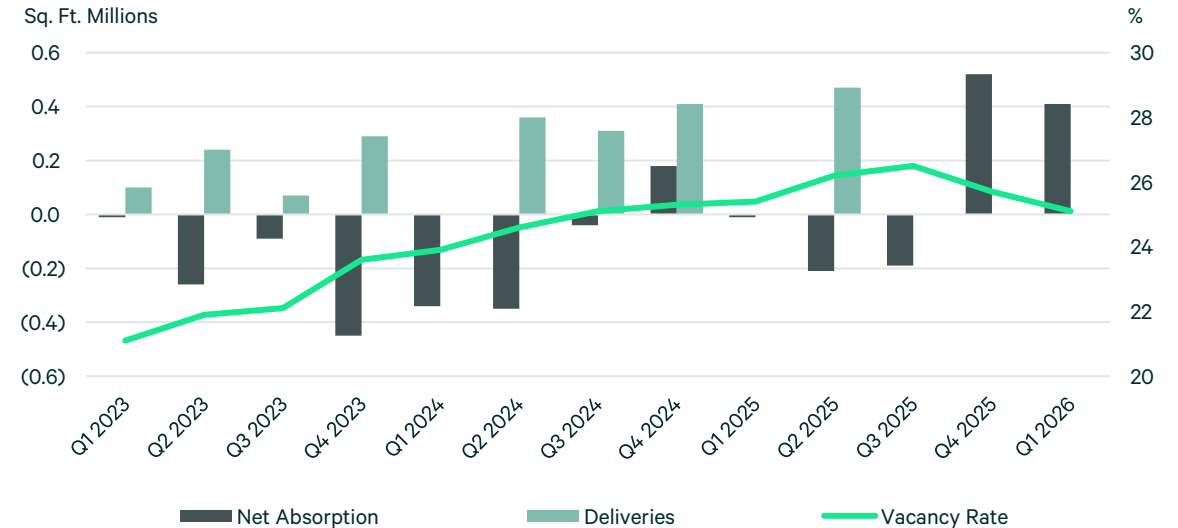
Market Overview

Leasing momentum and positive absorption remain concentrated in prime and Class A assets, while declining vacancy in the highest-quality properties further point to accelerated demand relative to the broader market. As availability of premium options narrows, renewal activity is expected to increase further into 2026, with spillover into older Class A and well-located Class B space for other new leasing activity. Measured construction is notably and quickly tightening large available contiguous blocks in the urban core.

Owners have pushed prime office asking rents by 8.4% annualized over the past three years, far outpacing the 3.2% annualized rent growth of the overall market in the same amount of time. Despite rate increases and thinning concessions, occupiers have maintained a strong interest in spec suites and earliest-available space, also capturing swing space while larger spaces are built.

Recent headquarters relocation announcements from Scout Motors, Capital Group, and SMBC highlight strong job growth momentum in the Charlotte market. Together, these projects are expected to deliver roughly 3,800 jobs and generate over 800,000 sq. ft. of leasing, supporting future absorption. These wins, alongside several other high-profile relocations in recent quarters, underscore Charlotte's growing appeal as a destination for corporate investment entering 2026.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q1 2026

Vacancy

Charlotte’s overall office market showed decreased vacancy in Q1 2026, now edging lower on a quarter-over-quarter basis. Total vacancy averaged 25.1%, lower in Q1 for both Class A and Class B space, but with nominal change for Class C assets. Class A vacancy fell to the low-23% range and continues to outperform the broader market, while Class B vacancy remains near 30%.

A few key outliers are currently inflating market vacancy. Three sublease vacancies – all in the Airport submarket and totaling 1.1 million sq. ft. - together are adding 2% to total market vacancy. By contrast, Midtown recorded a notable 23.8% year-over-year reduction in vacancy to 15.9%, driven by leasing at 110 East, 2825 South, Vantage South End, and The Line – properties that all completed construction since 2021.

Market-wide availability has declined to 23.4%, with overall vacant available space rounding out to 20.7% and Class A direct vacant available space falling to 11.3%. Uptown and Midtown are currently posting 17.5% and 8.8% vacant availability rates, respectively, for Class A direct space.

Sublease space maintains a meaningful footprint, particularly across suburban submarkets, at approximately 2.4 million sq. ft., or 4.0% of total market availability.

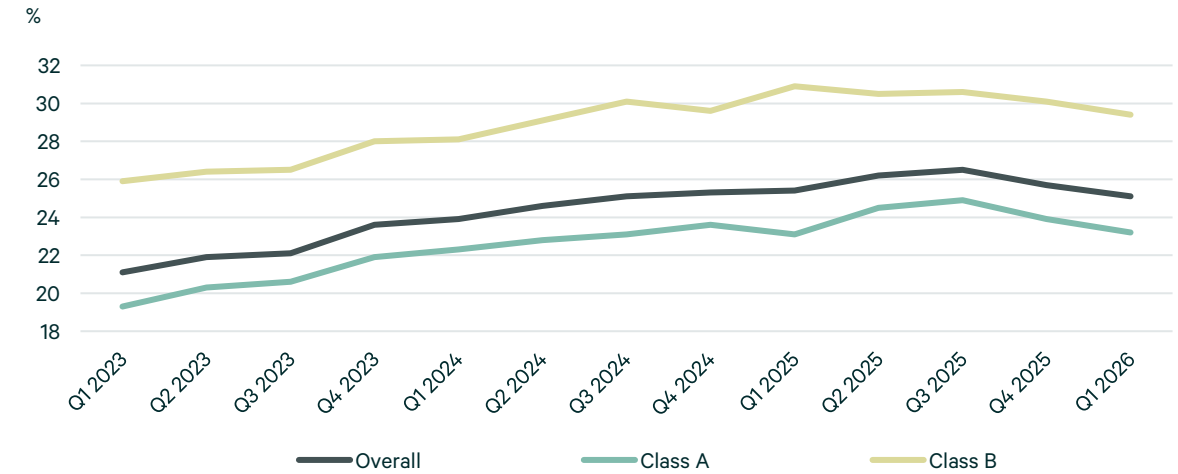
Asking Rent

The overall average asking rate settled at \$36.81 per sq. ft., 4.4% higher year-over-year but down modestly from Q4 2025 as several top-of-market availabilities were successfully leased. Meanwhile, Class B rates, at \$30.11 per sq. ft. in Q1, are softening and applying further downward pressure to the overall average.

Class A rents continue to advance, increasing 1.4% quarter-over-quarter to \$40.13 per sq. ft. and matching the market’s annualized growth rate of 3.2%. Class A rental rate growth remains volatile due to short-term spikes caused by organic, landlord-driven rent growth for the market’s most premium properties, quickly offset by successful leasing removing the availabilities from rental rate calculations.

Prime direct asking rents climbed to \$57.17 per sq. ft., up 10.2% year-over-year, with select availabilities now exceeding \$70 per sq. ft.. Early pre-leasing in planned developments ranges from \$75 to \$80 per sq. ft., establishing a new high watermark. Midtown, Uptown, and South Park continue to command the highest rents, while I-485 South recorded notable double-digit annual growth.

Figure 2: Vacancy Rates by Class



Source: CBRE Research, Q1 2026

Figure 3: Average Direct Asking Rate by Class



Source: CBRE Research, Q1 2026

Net Absorption

Charlotte’s office market recorded nearly 410,000 sq. ft. of positive net absorption in Q1 2026, extending a measurable shift toward stabilization following several years of muted occupancy growth. Class A space accounted for 308,000 sq. ft. of the total, reinforcing the market’s ongoing preference for higher quality assets, while the remaining 102,000 sq. ft. was absorbed across other classes. Absorption softened from the 521,000 sq. ft. recorded in Q4 2025. Nevertheless, we saw a substantial improvement year-over-year, coinciding with the uptick in tenant demand we have seen through the past year.

Positive net absorption this quarter was driven largely by the following: Coinbase and SouthState Bank taking 98,000 sq. ft. in Midtown submarket at 110 East, PSA Airlines’ 79,000 sq. ft. headquarters relocation to Water Ridge Office Park in the I-77/Airport submarket, and Citibank’s 59,000 sq. ft. occupancy at the Gragg Building in I-485 South.

Offsetting this momentum were several move-outs that returned space to the market, most notably Beasley Media Group’s departure from 1520 South in Midtown and Figure Lending’s exit from SIX50 at Legacy Union in Uptown/CBD, together totaling roughly 54,000 sq. ft.

Construction Activity

Office construction activity in Charlotte remains subdued, with no new groundbreakings or deliveries recorded during the quarter. Total space under construction stood at 400,720 sq. ft., solely represented by Queensbridge Collective in Midtown. The project is 85% pre-leased for its office component and represents the only office development currently underway in Charlotte, with delivery scheduled for the second half of 2028.

While pipeline activity remains limited, several new projects have been recently announced. Plans were revealed for three developments across Midtown and South Park totaling roughly 570,000 sq. ft., including AmWins’ 250,000 sq. ft. build-to-suit and a 170,000 sq. ft. speculative office tower by Hines in South Park. Looking ahead, the first phase of the Iron District is expected to break ground in 2026 with 150,000 sq. ft. of mixed-use office space.

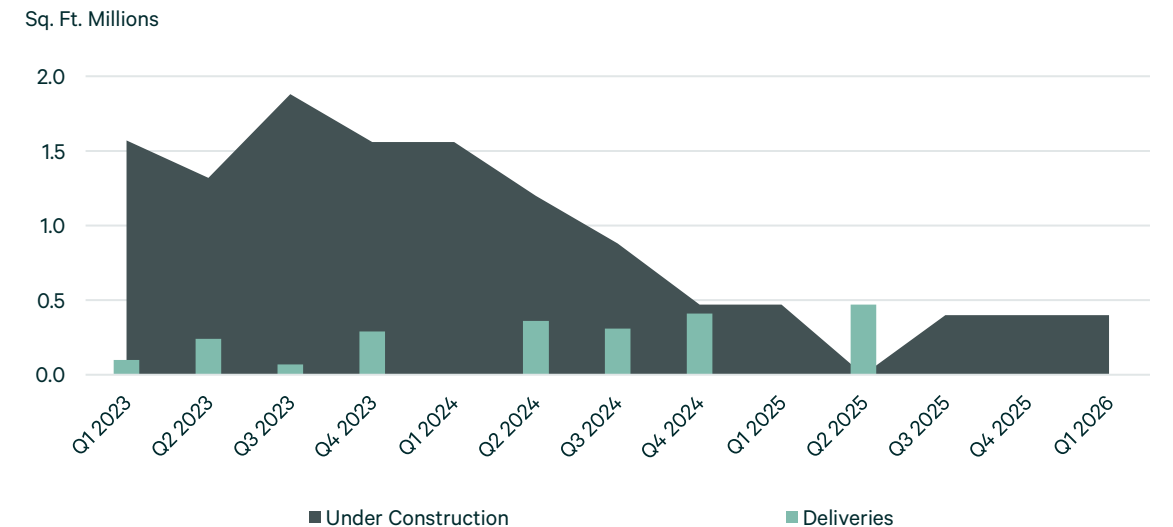
Tenant demand remains heavily concentrated in Uptown, Midtown, and South Park, mirroring the anticipated construction.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q1 2026

Figure 5: Construction Activity



Source: CBRE Research, Q1 2026

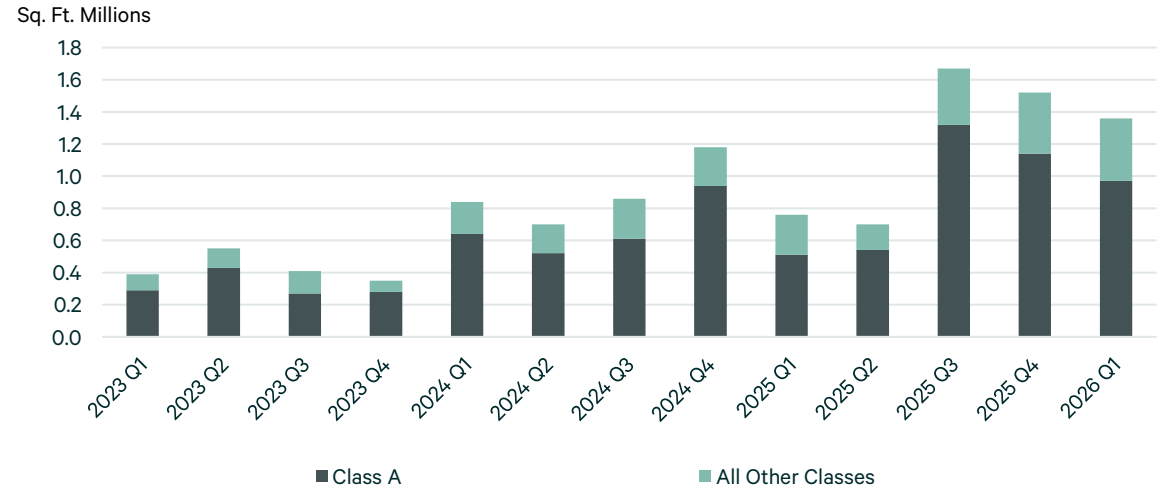
Leasing Activity

Leasing activity totaled 1.4 million sq. ft. and increased nearly 74% year over year, underscoring improving tenant engagement. Activity was anchored by several large-block transactions, led by a confidential tenant signing a 145,000 sq. ft. lease at One Piedmont Town Center in the South Park submarket as well as several other multi-floor leases executed in Q1.

Demand was strongest among Financial Services, Engineering, and Logistics tenants, with leasing concentrated across the I-77/Airport, Uptown/CBD, and South Park submarkets. Uptown/CBD posted the highest level of leasing at roughly 335,000 sq. ft., followed by I-77/Airport and South Park, while Midtown and I-485 South also recorded meaningful volume.

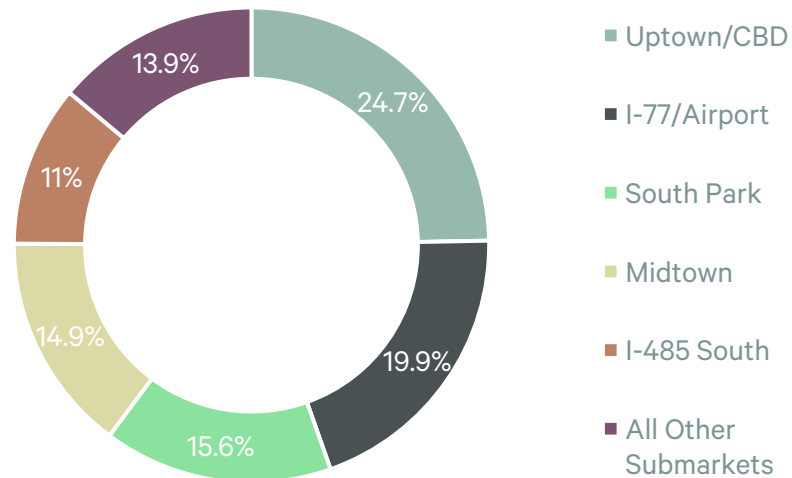
Class A assets continued to dominate the quarter, accounting for nearly 70% of total leasing activity. New leases and expansions represented 60.6% of transactions, indicating that demand is being driven primarily by net-new and growth-oriented occupiers rather than renewals.

Figure 6: Leasing Activity Trend



Source: CBRE Research, Q1 2026

Figure 7: Leasing by Submarket (% of Total Activity)



Source: CBRE Research, Q1 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Confidential Financial Services	145,000	New Lease	4720 Piedmont Row Dr	South Park
Scout Motors (Short-term space)	85,000	New Lease	550 S Caldwell St	Uptown/CBD
Carolinas College of Health Sciences	56,000	Renewal	2110 Water Ridge Pkwy	I-77/Airport
Charles Schwab Corp.	52,000	New Lease	110 East Blvd	Midtown
Accenture	34,000	Renewal	10815 David Taylor Dr	Northeast/University
Sel-Schweitzer Engineering Laboratories	34,000	New Lease	2730 W Tyvola Rd	I-77/Airport
LaBella Associates	29,000	New Lease	101 N Tryon St	Uptown/CBD
Confidential	26,510	Expansion	Confidential	Uptown/CBD

Source: CBRE Research, Q1 2026

Market Statistics

Figure 9: Suburban Market Statistics by Class

Property Class	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Q1 Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	19.17	27.6	26.3	20.7	5.5	37.79	273,000	273,000	-	-
Prime	0.97	23.7	8.8	8.0	0.8	48.60	(15,000)	(15,000)	-	-
Other Class A	18.20	27.8	27.2	21.4	5.8	37.57	287,000	287,000	-	-
Class B	13.83	28.9	25.6	19.0	6.6	28.13	108,000	108,000	-	-
Class C	1.33	27.4	27.9	25.4	2.5	24.94	(20,000)	(20,000)	-	-
Total	34.33	28.1	26.1	20.2	5.9	33.54	360,000	360,000	-	-

Source: CBRE Research, Q1 2026

Figure 10: Urban Market Statistics by Class

Property Class	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Q1 Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	23.66	19.7	19.4	17.6	1.7	42.34	36,000	36,000	-	401,000
Prime	6.28	9.0	3.4	2.5	0.9	61.40	85,000	85,000	-	-
Other Class A	17.38	23.5	25.1	23.1	2.0	41.59	(49,000)	(49,000)	-	401,000
Class B	4.21	31.0	23.4	22.0	1.3	36.42	17,000	17,000	-	-
Class C	0.33	19.4	20.6	20.6	-	31.72	(3,000)	(3,000)	-	-
Total	28.20	21.3	20.0	18.3	1.6	41.26	50,000	50,000	-	401,000

Source: CBRE Research, Q1 2026

Figure 11: Metro Market Statistics by Class

Property Class	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Q1 Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	42.83	23.2	22.5	19.0	3.4	40.13	308,000	308,000	-	401,000
Prime	7.25	11.0	4.1	3.3	0.9	57.17	70,000	70,000	-	-
Other Class A	35.58	25.7	26.2	22.2	4.0	39.62	238,000	238,000	-	401,000
Class B	18.04	29.4	25.1	19.7	5.4	30.11	124,000	124,000	-	-
Class C	1.66	25.8	26.5	24.5	2.0	26.07	(23,000)	(23,000)	-	-
Total	62.53	25.1	23.3	19.4	4.0	36.81	410,000	410,000	-	401,000

Source: CBRE Research, Q1 2026

Market Statistics by Submarket

Figure 12

Submarket	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Q1 Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
East	1.94	26.9	26.8	25.9	0.8	25.19	9,000	9,000	-	-
I-485 South	7.05	26.5	28.4	26.2	2.2	41.28	110,000	110,000	-	-
I-77/Airport	9.57	30.0	29.6	16.3	13.3	27.48	109,000	109,000	-	-
Midtown	7.37	15.9	14.1	13.2	0.9	47.39	93,000	93,000	-	401,000
North	2.01	13.9	14.5	12.7	1.7	31.10	6,000	6,000	-	-
North End	1.26	46.8	36.8	34.5	2.3	42.22	(18,000)	(18,000)	-	-
Northeast/University	4.55	38.1	29.9	26.2	3.6	28.42	95,000	95,000	-	-
Park Road	0.52	21.9	21.1	21.1	-	32.84	(7,000)	(7,000)	-	-
South Carolina	2.97	29.7	25.7	16.3	9.4	29.57	28,000	28,000	-	-
South Park	4.46	17.8	13.8	12.4	1.4	41.11	29,000	29,000	-	-
Uptown/CBD	20.82	23.3	22.0	20.1	1.9	40.01	(43,000)	(43,000)	-	-
Total	62.53	25.1	23.3	19.4	4.0	36.81	410,000	410,000	-	401,000

Source: CBRE Research, Q1 2026

