

FIGURES | CHARLOTTE INDUSTRIAL | Q1 2026

# Steady Leasing Activity Tightens Big Box Availability

▼ 7.3%  
Vacancy Rate

▼ 1.9M  
SF Net Absorption

▼ 897,758  
SF Deliveries

▲ 5.6M  
SF Under Construction

▲ \$9.04  
NNN/YR Direct Lease Rate

▲ \$10.11  
NNN/YR Achieved Lease Rate

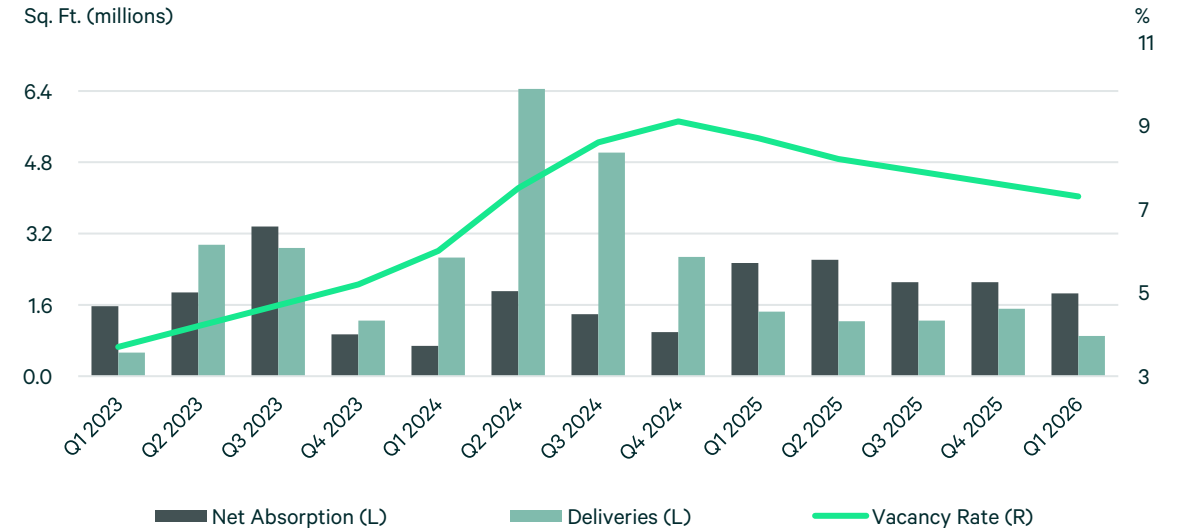
Note: Arrows indicate change from previous quarter.

## Market Overview

The Charlotte market maintained steady fundamentals in Q1 2026, supported by active tenant demand and limited large-scale availability. Net absorption totaled 1.9 million sq. ft. during the quarter, bringing cumulative absorption since Q1 2023 to 23.9 million sq. ft.. While quarterly absorption declined slightly quarter-over-quarter, leasing activity remained sufficient to tighten added availabilities. Vacancy decreased to 7.3%, down 30 basis points (bps) quarter-over-quarter and 140 bps year-over-year, as availability also continued to trend lower. The construction pipeline grew 112.6% since Q1 2025, marking the highest volume of groundbreakings in over a year.

Renewal activity is expected to remain elevated in 2026 as a significant number of leases approach expiration, prompting tenants to remain in place amid constrained options. Big box availability above 500,000 sq. ft. remains notably scarce, causing supply limitations for larger users. Infill submarkets continue to attract consistent interest due to location and operational efficiency.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy  
Sq. Ft. (millions)



Source: CBRE Research, Q1 2026

## Availability Rate

Industrial availability continued to ease, with the total availability rate declining to 9.0%, down from 9.4% quarter-over-quarter. Availability edged down year-over-year, from 9.2% in Q1 2025 to 9.0% in Q1 2026. Market-wide, Union County had the lowest rate at 1.6%, followed by Lancaster County at 2.3%. Sublease space recorded a 1.2% availability rate this quarter.

Vacancy followed a similar trajectory, falling to 7.3% as the market continues to see gradual declines in leasable space. Availability remains varied by product type, with Distribution and Logistics space carrying the highest share at 10.4%, while R&D/Flex remains the tightest segment at 5.7%, reinforcing its relative scarcity.

Big box industrial availability remains especially constrained, with only two spaces larger than 500,000 sq. ft. currently marketed and the largest building under construction totaling just 462,000 sq. ft.. Overall, limited new supply continues to place downward pressure on availability across the market.

## Asking Rent

Rent continued its measured upward trajectory in Q1 2026, supported by incremental gains in both achieved and asking rates. Average asking rent reached \$9.04 per sq. ft. during the quarter, increasing 1.2% quarter-over-quarter and 7.8% year-over-year. Since Q1 2023, average asking rents have risen 29.7%, highlighting sustained rental growth. Lancaster County currently leads the market for highest asking rent, due to all current availabilities being flex, while the Northeast and East submarkets take the lead for warehouse asking rates.

The overall direct achieved rate reached \$10.11 per sq. ft., reflecting a 57 bps increase quarter-over-quarter and a 2.4% rise year-over-year. Over the past three years, achieved rates have increased 17.2%, reinforcing a longer-term trend of steady pricing growth across the market.

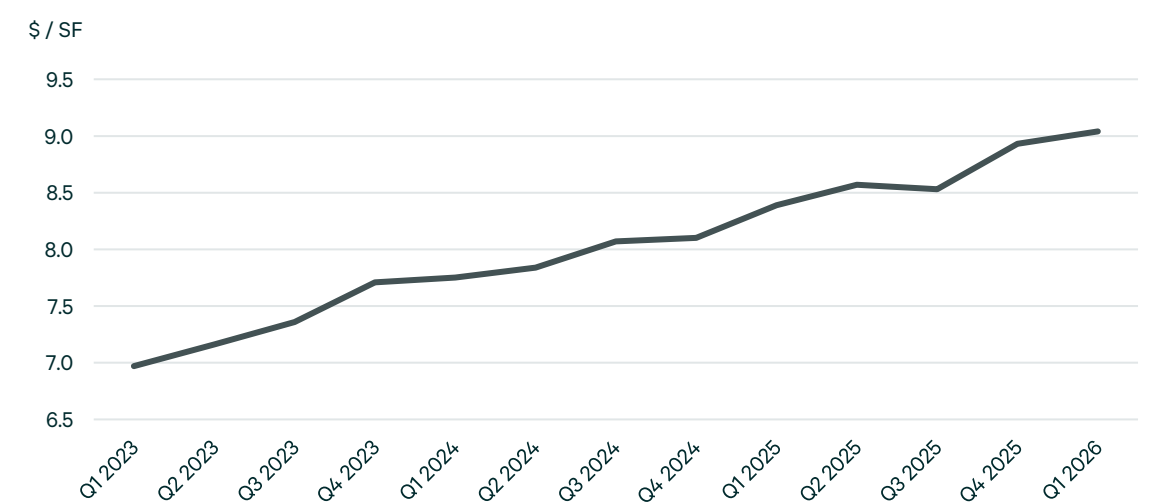
Infill properties continue to command the highest rates, with achieved pricing typically exceeding \$10.00 per sq. ft., as tenants prioritize proximity, functionality, and access to labor and transportation networks. Flex space remains a key contributor to rate growth, with many availabilities under 50,000 sq. ft. achieving asking rates near or above \$14.00 per sq. ft., reflecting limited supply and consistent tenant demand for adaptable space. Further, concessions have increased modestly compared with last year, while escalations remain stable at approximately 4.0% across the market.

Figure 2: Availability Rates



Source: CBRE Research, Q1 2026

Figure 3: Average Direct Asking Rate



Source: CBRE Research, Q1 2026

## Net Absorption

The market reported 1.9 million sq. ft. of positive net absorption this quarter, supported by several large-scale occupancies that outweighed notable move-outs. Activity eased from 2.1 million sq. ft. in Q4 2025, marking a softer start to 2026 following the strong gains recorded throughout 2025.

Rowan County drove much of the net gain, anchored by a confidential tenant occupying 730,000 sq. ft. at Overlook 85, the largest move-in of the quarter. MAT Logistics also contributed to net growth, leasing 512,000 sq. ft. at Gateway 85, though this was partially offset by its 317,000 sq. ft. vacancy at the Charlotte Intermodal Logistics Center. Additional momentum came from Utz Brands, which occupied 340,000 sq. ft. at Gaston Commerce Center. These gains were tempered by Offsitek vacating 98,000 sq. ft. at Southridge 85.

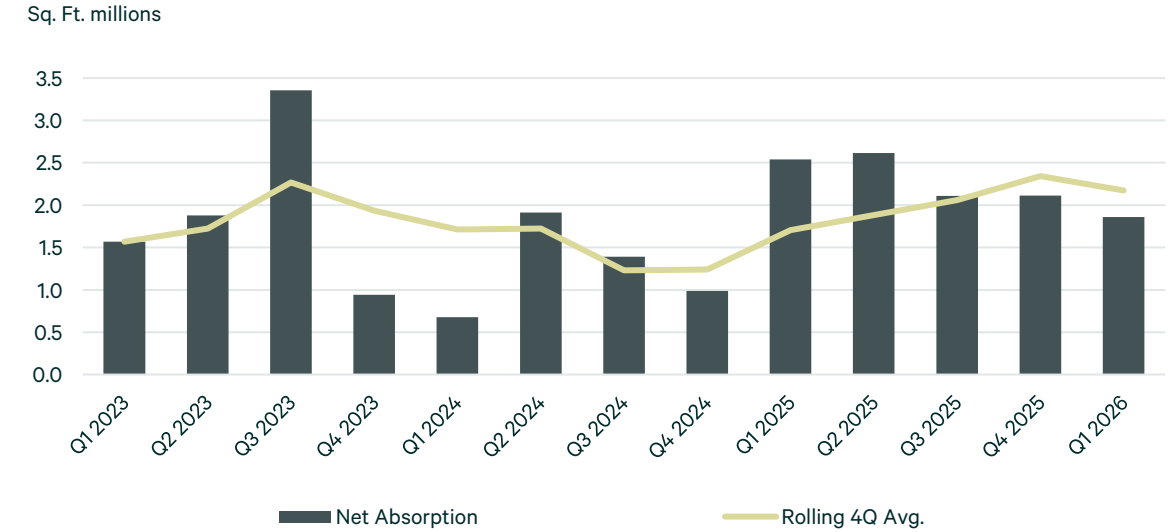
With elevated leasing activity carrying forward, net absorption is expected to remain positive as signed tenants begin occupying space.

## Construction Activity

Industrial construction activity accelerated during Q1 2026, reflecting a mix of infill and suburban development across multiple submarkets. Larger projects included the 462,000 sq. ft. Intersect project in Gaston County and Alliance Rock Hill at 77 totaling 197,000 sq. ft., alongside 194,000 sq. ft. Pineville Distribution Center. Union County contributed 308,000 sq. ft. across the 74 Junction and Oak Trail Crossing projects, while a 44,000 sq. ft. facility on John Price Road represented continued activity for flex product. More than 70% of active construction remains concentrated in the 50,000 to 200,000 sq. ft. size range, aligning with sustained tenant demand for mid-sized logistics space – a mix of both flex and warehouse. Total space under construction reached 5.6 million sq. ft., an increase of 112.6% year-over-year, indicating a materially expanded pipeline.

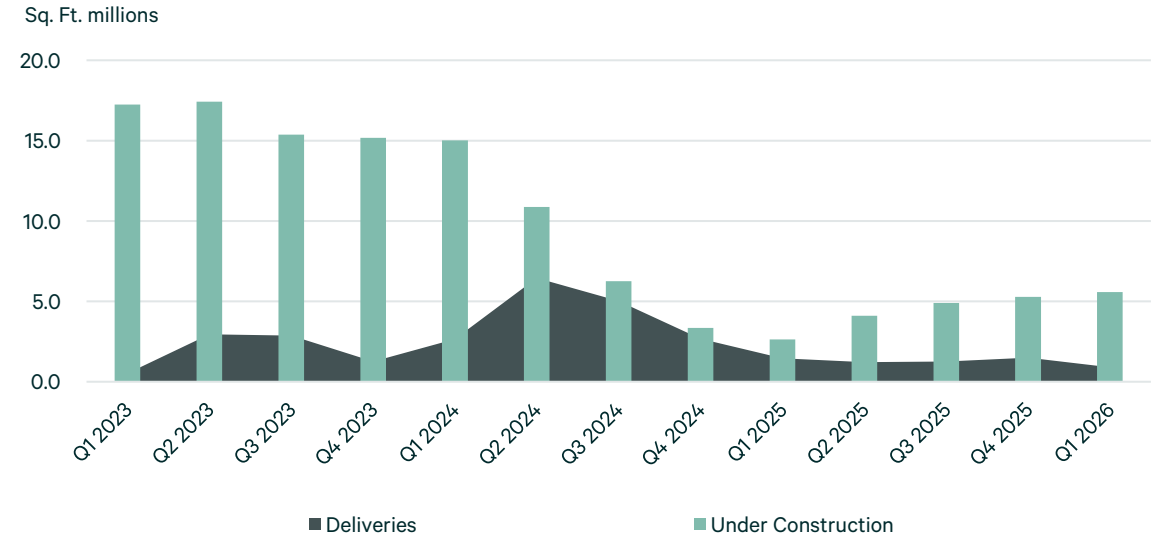
The market delivered nearly 900,000 sq. ft. during the quarter, led by Concord Commerce Center Building 1 at 392,000 sq. ft. Deliveries declined 38.0% compared with Q1 2025, reflecting a construction downtick after a supply wave in recent years. Pre-leasing remains limited at 4.6%, reflecting a predominantly speculative development environment as developers position projects for anticipated demand rather than committed occupancy.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q1 2026

Figure 5: Construction Activity



Source: CBRE Research, Q1 2026

## Leasing Activity

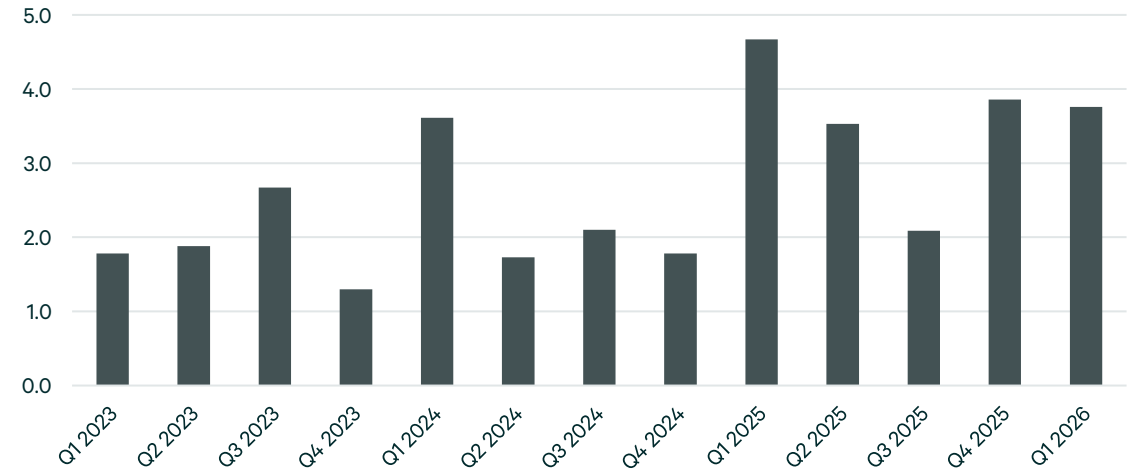
Industrial leasing activity was anchored by several sizable transactions this quarter, led by a confidential tenant leasing 730,000 sq. ft. at Overlook 85 in the Rowan County submarket. Manufacturing, Consumer Goods, and E-commerce users continued to drive demand, reflecting sustained space needs tied to production and distribution functions.

The Southwest submarket was particularly active, accounting for nearly 25% of total leasing volume as airport-proximate, well-located assets attracted tenants seeking operational efficiency. Rowan County followed, accounting for over 850,000 sq. ft. of leasing activity. Average deal size overall registered at 45,000 sq. ft., declining modestly quarter-over-quarter.

Active tenant requirements currently total 7.6 million sq. ft., with E-commerce, Manufacturing, and Construction-related users comprising more than half of the demand. In parallel, Industrial Outdoor Storage (IOS) demand has increased notably year-over-year, driven by tenants seeking sites with access to security and connectivity to main roads. Renewals are expected to increase in 2026 due to tightened availability, and demand for infill locations – indicated by more than half of active tenants currently prioritizing infill space – is expected to increase.

Figure 6: Leasing Activity Trend

Sq. Ft. millions



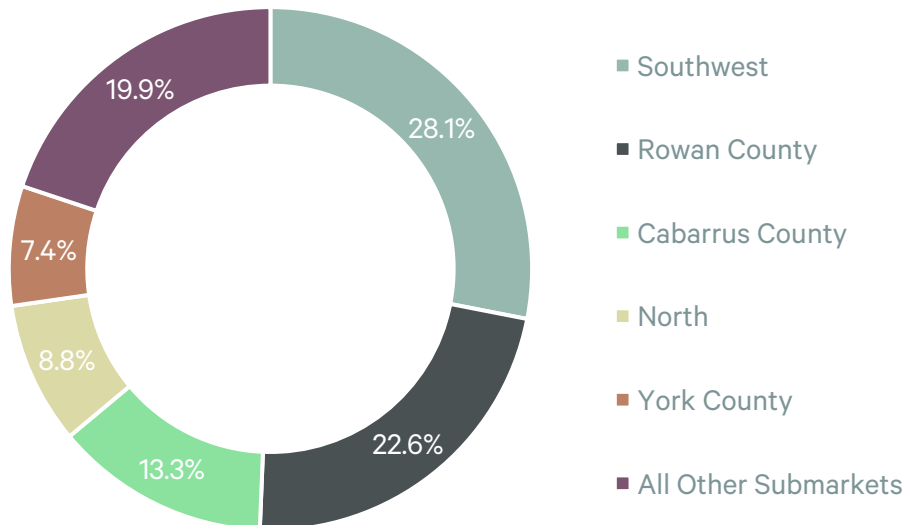
Source: CBRE Research, Q1 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Confidential Tenant	730,000	New Lease	2400 Old Beatty Ford Rd	Rowan County
Minka Lighting	365,000	Renewal	435 Business Blvd NW	Cabarrus County
Domtar Paper Company	253,000	New Lease	11922 General Dr	Southwest
Darden Restaurants	197,000	New Lease	3623 Lazy Hawk Rd	York County
Mochila Fulfillment	190,000	New Lease	136 Odessa Dr	Iredell County
Xingyu Lighting Systems	122,000	New Lease	619 Old Beatty Ford Rd	Rowan County
AVL, USA	116,000	New Lease	12830 Virkler Dr	Southwest
Jingoli Power	101,000	New Lease	4300 South Blvd	Central

Source: CBRE Research, Q1 2026

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



Source: CBRE Research, Q1 2026

## Market Statistics by Size

Figure 9

Size Range	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Q1 Net Absorption (MSF)	YTD Net Absorption (MSF)	Deliveries (SF)	Under Construction (MSF)
Under 100,000 sq. ft.	91.72	4.0	5.2	4.6	0.6	11.08	83,000	83,000	-	0.77
100,000-199,999 sq. ft.	72.54	8.3	9.9	8.9	1.0	9.44	249,000	249,000	200,000	2.52
200,000-299,999 sq. ft.	38.51	12.5	14.1	12.8	1.3	9.00	(55,000)	(55,000)	-	1.53
300,000-499,999 sq. ft.	48.70	11.5	16.9	13.0	3.8	8.36	118,000	118,000	698,000	0.77
500,000-749,999 sq. ft.	25.11	3.8	3.5	3.1	0.4	8.29	1,465,000	1,465,000	-	-
750,000 sq. ft.	30.66	4.1	4.4	4.1	0.3	7.04	-	-	-	-
<b>Total</b>	<b>307.24</b>	<b>7.3</b>	<b>9.0</b>	<b>7.8</b>	<b>1.2</b>	<b>9.04</b>	<b>1,860,000</b>	<b>1,860,000</b>	<b>898,000</b>	<b>5.58</b>

Source: CBRE Research, Q1 2026

## Market Statistics by Product Type

Figure 10

Product Type	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Q1 Net Absorption (MSF)	YTD Net Absorption (MSF)	Deliveries (SF)	Under Construction (MSF)
Distribution/Logistics	222.52	8.5	10.2	9.2	1.1	8.97	1,776,000	1,776,000	698,000	4.72
Manufacturing - General	64.28	3.8	6.0	4.0	2.1	8.23	(84,000)	(84,000)	-	0.15
R&D/Flex	20.43	4.8	5.3	4.9	0.4	14.21	168,000	168,000	200,000	0.71
<b>Total</b>	<b>307.24</b>	<b>7.3</b>	<b>9.0</b>	<b>7.8</b>	<b>1.2</b>	<b>9.04</b>	<b>1,860,000</b>	<b>1,860,000</b>	<b>898,000</b>	<b>5.58</b>

Source: CBRE Research, Q1 2026

## Market Statistics by Class

Figure 11

Property Class	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Q1 Net Absorption (MSF)	YTD Net Absorption (MSF)	Deliveries (SF)	Under Construction (MSF)
Class A	87.43	16.6	18.4	16.1	2.3	8.93	1,893,000	1,893,000	898,000	5.15
Class B & C	219.81	3.6	5.3	4.5	0.8	9.22	(33,000)	(33,000)	-	0.43
<b>Total</b>	<b>307.24</b>	<b>7.3</b>	<b>9.0</b>	<b>7.8</b>	<b>1.2</b>	<b>9.04</b>	<b>1,860,000</b>	<b>1,860,000</b>	<b>898,000</b>	<b>5.58</b>

Source: CBRE Research, Q1 2026

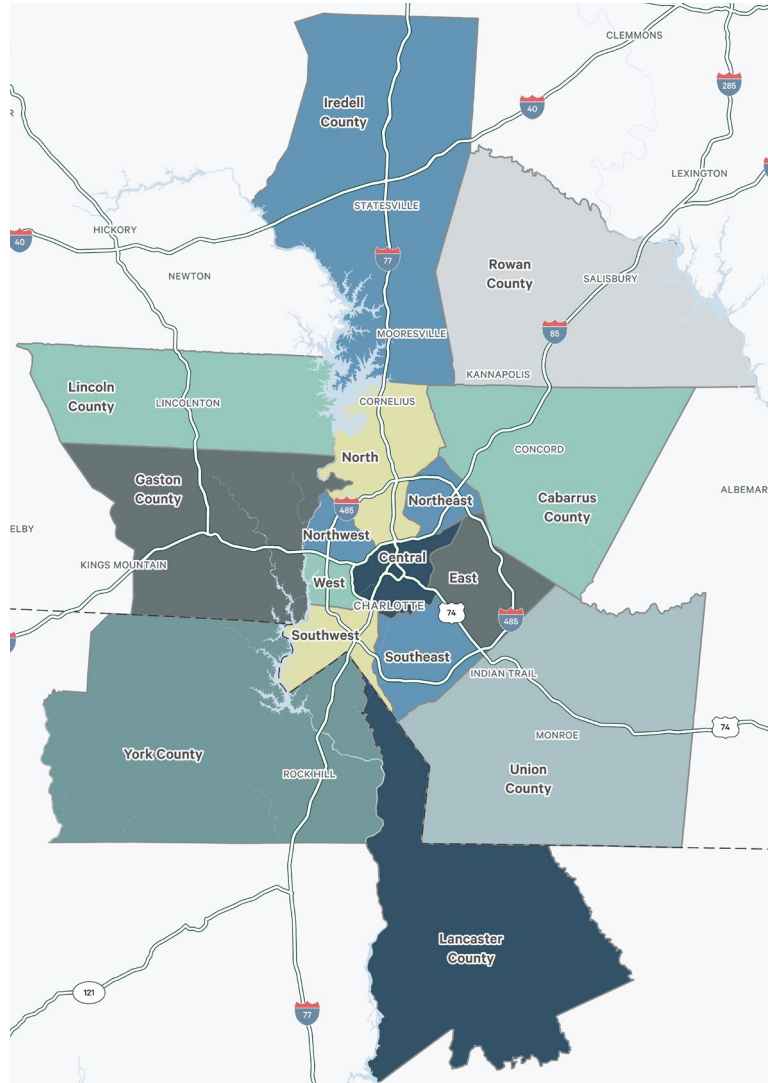
## Market Statistics by Submarket

Figure 12

Submarket	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Q1 Net Absorption (MSF)	YTD Net Absorption (MSF)	Deliveries (SF)	Under Construction (MSF)
Cabarrus County	24.35	7.1	7.0	6.6	0.4	8.37	24,000	24,000	392,000	0.79
Central	18.58	3.8	5.9	5.3	0.6	11.02	7,000	7,000	-	-
East	1.86	14.8	21.4	21.4	-	9.45	18,000	18,000	-	-
Gaston County	34.86	9.3	10.5	9.1	1.4	7.37	785,000	785,000	-	0.94
Iredell County	31.96	2.7	6.3	2.7	3.6	8.17	(59,000)	(59,000)	-	0.68
Lancaster County	5.48	1.7	2.3	1.8	0.5	16.01	-	-	-	-
Lincoln County	12.32	10.7	16.2	13.9	2.2	7.02	(5,000)	(5,000)	-	-
North	29.40	11.5	13.2	12.0	1.2	9.24	299,000	299,000	306,000	0.68
Northeast	3.15	19.9	22.1	22.1	-	13.51	8,000	8,000	-	0.16
Northwest	11.35	3.1	5.1	5.1	-	10.58	(10,000)	(10,000)	-	-
Rowan County	20.82	10.2	9.1	9.0	0.1	7.61	934,000	934,000	199,000	-
Southeast	3.97	3.1	7.5	6.5	1.0	8.53	7,000	7,000	-	-
Southwest	48.92	6.9	9.4	8.7	0.6	9.86	(53,000)	(53,000)	-	0.87
Union County	14.13	1.5	1.6	1.6	-	8.67	(6,000)	(6,000)	-	0.31
West	11.93	7.6	10.4	10.4	0.0	9.54	(80,000)	(80,000)	-	0.90
York County	33.92	9.0	10.0	7.3	2.7	9.36	(9,000)	(9,000)	-	0.27
<b>Total</b>	<b>307.24</b>	<b>7.3</b>	<b>9.0</b>	<b>7.8</b>	<b>1.2</b>	<b>9.04</b>	<b>1,860,000</b>	<b>1,860,000</b>	<b>898,000</b>	<b>5.58</b>

Source: CBRE Research, Q1 2026

## Market Area Overview



### CBRE Offices

#### South End Charlotte

1120 S Tryon St, Suite 200  
Charlotte, NC 28203

### Survey Criteria

Includes all industrial and flex buildings 20,000 sq. ft. and greater in size, excluding data centers, showrooms, and service properties, in Mecklenburg, Gaston, Lincoln, Iredell, Rowan, Cabarrus, Union, Lancaster and York counties. Only buildings that have commenced construction, as evidenced by site excavation or foundation work, are included.

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