

Intelligent Investment

# 2026 U.S. Real Estate Market Outlook

REPORT

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CHARLOTTE

CBRE RESEARCH  
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# Office Market Outlook

01

## CONCENTRATED DEMAND FOR LARGE BLOCKS IN CORE SUBMARKETS CONTINUES

Midtown and Uptown are expected to remain the focal points of leasing activity, with over 1 million sq. ft. of full-floor deals signed in 2025. A pipeline of 2.6 million sq. ft. of tenants in the market, 96% of which are seeking prime and Class A space, signal continued demand and momentum into 2026.

02

## RENTS ARE PROJECTED TO CLIMB FURTHER FROM NEW BENCHMARKS

Asking rents now exceed \$70 per sq. ft., with signed base rents in the high \$60s. Prime office rents have seen double-digit annual percentage growth with landlords testing market limits. This upward pressure is forecast to continue at a 6% average growth for the next three years, per CBRE Econometric Advisors data, amid scarcity of top-tier space.

03

## THE SCARCITY OF FULL-FLOOR AVAILABILITY IN PRIME PROPERTIES WILL FURTHER TIGHTEN

Vacancy in newer infill assets (post-2010) is extremely tight, while older non-competitive properties face higher vacancy and risk of demolition/conversion. In Midtown and Uptown, only five full floors of sublease space with three-plus years of term remain, and only one prime property can handle a 50,000-plus-sq.-ft. requirement. This will fuel urban core pre-leasing, construction financing and development, while also creating spillover demand into Class A/A- space.

04

## RECENT JOB ANNOUNCEMENTS WILL DRIVE POPULATION GROWTH EVEN HIGHER

U.S. Census data shows Charlotte MSA gained 157 new residents per day from July 2023–July 2024, despite few major economic announcements. In 2025, however, the region gained over 8,800 new office and industrial jobs, driven by 33 company arrivals, 15 expansions and multiple headquarters relocations—led by financial services, logistics and automotive firms.

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## NEW-TO-MARKET TENANTS WILL REDUCE AVAILABILITIES NEAR-TERM BY LEASING SWING SPACE

Listed, short-term subleases and coworking space are intuitive first targets for tenants needing temporary space as they hire locally and build-out their new offices. Tenants moving into their newly-built, larger offices should result in net-positive absorption upon physical occupancy, despite some swing spaces left behind causing sporadic jumps to vacancy.

# Key Takeaways

## FOR OWNERS

- Strong demand amid scarce large-block availability in prime urban assets will drive rent growth and could yield pre-leasing to anchor of new towers.
- Rent bifurcation among Class A and B will lessen. Prime scarcity will spillover into available Class A, boosting rents but creating sticker shock for renewals. Class B space offering generous TI packages will become an attractive alternative. Class C is likely to remain uncompetitive.
- Highly amenitized, well-located assets with walkable access to retail will continue to far outpace the competition in leasing performance.

## FOR TENANTS

- Prime space is limited, intensifying competition for large blocks in top-tier space.
- Subleases offer discounts, but long-term options (with three-plus years remaining) are dwindling in Charlotte's most in-demand and pricey submarkets, Uptown and Midtown.
- Charlotte remains cost-competitive with skilled talent, low cost of doing business (via lower corporate income tax and wages compared to peer cities), and strong relocation incentives.

# Industrial Market Outlook

01

## THE SUPPLY-DEMAND IMBALANCE WILL COMPRESS VACANCY, BOOST RENT

Absorption is projected around 8 million sq. ft. while only 4 million sq. ft. is under construction. This gap will quickly constrain options for tenants seeking modern space. Limited new deliveries will push vacancy lower and rents higher.

02

## E-COMMERCE AND BIG-BOX DEMAND WILL DOMINATE

Requirements for the largest (i.e. ±1 million sq. ft.) facilities remain strong as retailers and 3PLs consolidate networks. Recent leasing shows preference for modern, high-clear buildings near labor and highways.

03

## INFILL MULTI-TENANT OVERSUPPLY IS EXPECTED TO NORMALIZE

Charlotte's industrial market is bifurcated: tight supply in newer, Class A assets limits tenant options, while older infill multi-tenant properties face elevated vacancy versus historical norms. With construction slowing, absorption should improve across both segments over the next 12–24 months.

04

## INVESTMENT SALES VOLUME WILL INCREASE AND ACCELERATE

The Sun Belt remains a haven for investors looking to place capital in growth markets, and Charlotte is benefitting. Capital, though still credit-dependent, is becoming very active across core and value-add strategies as investors are highly opportunistic and have substantial dry powder to place.

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## MUNICIPAL RESTRICTIONS CONTINUE TO CAP NEW DEVELOPMENT

Sewer moratoriums, power grid limits and zoning restrictions are stifling new project starts. Developers face longer timelines and higher entitlement costs, reinforcing the value of existing modern stock and driving prices upward for entitled land.

# Key Takeaways

## FOR OWNERS

- Limited new construction and strong absorption will tighten vacancies, driving rent growth and asset values higher.
- Institutional capital is flowing toward modern facilities. Expect newer facilities to capture demand and command premiums while older product faces increased pressure.
- Infrastructure and municipal restrictions will create geographic performance voids. Demand and leasing will be concentrated in areas that can add inventory and react to modernizing tenant needs.

## FOR TENANTS

- E-commerce and big-box users face intense competition for large, high-clear facilities near labor and highways.
- Years-long road construction on I-85 South will nudge tenants to seek alternative submarkets with better near-term connectivity.
- Tenants are increasingly considering property acquisitions, but - as the capital markets thaw - the buyer pool will thicken. Owner-users are likely to be outbid by more aggressive institutional capital.

# Contacts

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