

FIGURES | CHARLOTTE OFFICE | Q3 2026

Office Construction and Asking Rent Increases Accelerate

▼ 22.0%

Vacancy Rate

► 456K

SF Net Absorption

▲ 725K

SF Under Construction

▲ \$42.80

Avg. Class A Direct Asking Rate (FSG/YR)

▲ \$38.35

Avg. Direct Asking Rate (FSG/YR)

Note: Arrows indicate change from previous quarter.

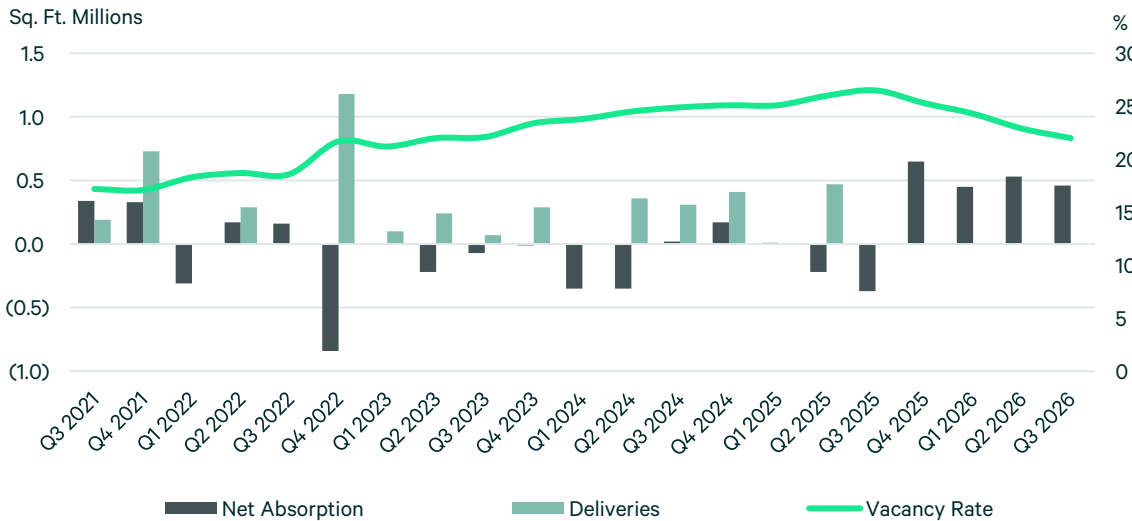
Market Overview

Charlotte’s office market continued to show improving fundamentals in Q3 2026, extending the recent trend of positive occupancy growth. Net absorption totaled 456,000 sq. ft., marking the fourth consecutive quarter of gains and helping push vacancy down 90 basis points (bps) quarter-over-quarter to 22.0%. Availability also declined 20 bps to 21.4%. Leasing remained active, with Class A space accounting for 60% of quarterly volume, while Huber Engineered Woods signed the quarter’s largest lease at 51,428 sq. ft.

Asking rents increased 3.9% quarter-over-quarter, driven largely by substantial rental rate increases among market-wide prime office properties and several offices in I-485 South. Tightening availability among prime office continues to drive asking rents higher and lift market averages overall. Prime asking rents averaged \$61.56 per sq. ft., a 19.6% year-over-year increase.

Construction activity also increased to 725,000 sq. ft., its highest level since Q4 2024. These properties are already 78.1% pre-leased, scarcely adding availability to a high-growth market where leasing velocity and absorption continue to track positively – especially for prime office. Due to high pre-leasing requirements and the typical timeline for completion, the market anticipates very little competing vacancy to be added from construction for many years.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



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Vacancy

Vacancy continued to decline in Q3, with the overall rate falling 70 bps quarter-over-quarter to 22.0%. The improvement was most pronounced among Class A properties, where vacancy decreased 120 bps to 20.3% while Class B vacancy declined 50 bps to 25.8%. Longer-term trends also point to substantial tightening, as Class A and Class B vacancy fell 490 bps and 380 bps year-over-year.

Prime vacancy was 7.7%, a 652-bps decrease year-over-year, following a high-volume leasing cycle from Q3 2025 to Q2 2026 concentrated in Uptown/CBD and Midtown properties. The prime vacant available rate, however, stands at an extreme low of 2.6%, a testament to the hyper-focused tenant demand towards modern, newly built office.

Midtown recorded the largest year-over-year improvement among submarkets, with vacancy declining more than 700 bps, followed by SouthPark at nearly 600 bps. Vacancy remained elevated in North End and Northeast/University at 36.9% and 36.2%, respectively. Overall market availability stood at 21.4%, down 430 bps year-over-year.

The vacant-available rate was 18.3%, reflecting more than 500,000 sq. ft. of vacant unavailable space that is scheduled for occupancy over the next two quarters. These upcoming tenant occupancies are expected will contribute to further vacancy stabilization.

Asking Rent

Asking rents continued to push higher in Q3 2026, supported by scarcer Class A availability and landlord-driven rate increases among higher-quality properties. Overall direct average asking rates reached \$38.35 per sq. ft., representing a 7.9% increase year-over-year, while the Class A average stood at \$42.80 per sq. ft.

Prime properties continued to command a notable premium. The average asking rate increased 4.1% quarter-over-quarter to \$61.56 per sq. ft. with select prime office properties continuing to market space above \$70.00 per sq. ft. Midtown recorded the highest Class A average at \$53.23 per sq. ft., followed by SouthPark at \$50.05 per sq. ft. and Uptown/CBD at \$45.34 per sq. ft. Rent growth was also evident across suburban Class A properties, where average asking rates increased nearly 9.0% year-over-year.

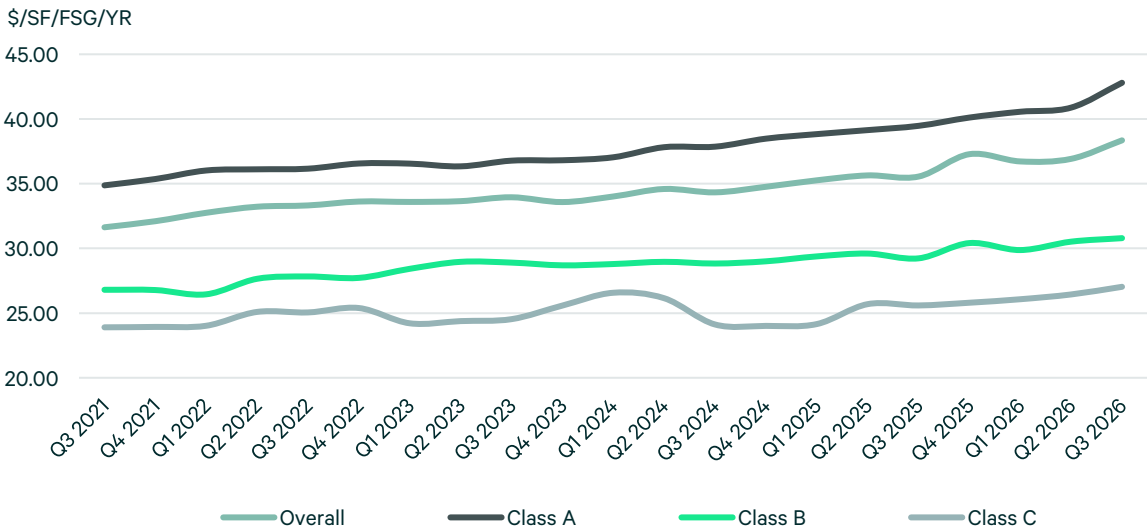
Continued successful leasing activity within Class A properties, coupled with tightening availability, has contributed to a widening pricing gap between higher-quality space and the broader office market.

Figure 2: Vacancy Rates by Class



CBRE Research

Figure 3: Average Direct Asking Rate by Class



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Net Absorption

Charlotte’s office market recorded 456,000 sq. ft. of positive net absorption in Q3 2026, bringing year-to-date absorption to 1.43 million sq. ft. and marking the fourth consecutive quarter of occupancy gains, the strongest sustained stretch in more than three years. For the second consecutive quarter, all office classes recorded positive absorption, with Class A accounting for 353,000 sq. ft. (or 77%) of the quarterly total while Class B space continued to register occupancy gains. Several notable move-ins supported activity, including a confidential tenant occupying 92,000 sq. ft. at Legacy Union Phase IV, TD Bank occupying 91,000 sq. ft. at Harris Building and Huntington National Bank occupying 48,000 sq. ft. at One South at the Plaza..

Looking ahead, scheduled occupancies from Scout Motors, SMBC and Capital Group provide anticipated positive absorption, including approximately 390,000 sq. ft. between SMBC and Capital Group alone. In total, the market will absorb over 1 million sq. ft. within the next year that has already been leased as of Q3 2026.

Construction Activity

The office construction pipeline gained momentum in Q3 2026, reaching its highest level in two years. Projects under construction totaled 725,000 sq. ft., up 325,000 sq. ft. quarter-over-quarter, while no new office space delivered during the quarter. Although development remains below the levels recorded earlier in the cycle, the current pipeline is experiencing strong pre-leasing.

All three projects underway are prime office developments and together are 78.1% pre-leased. Queensbridge Collective represents the largest project at 400,183 sq. ft. and is 85.0% pre-leased, while the 250,000-sq.-ft. AmWins Headquarters is 78.0% pre-leased. TowneBank’s 75,000-sq.-ft. project is also active in the pipeline. All three properties are scheduled for completion in Q4 2028.

The increase in construction represents a measured rebuilding of Charlotte’s development pipeline following several quarters of limited activity. Pre-leasing requirements generally remain high for new ground-up development to commence, and speculative starts will continue to follow this pattern in the near-term.

Figure 4: Net Absorption Trend

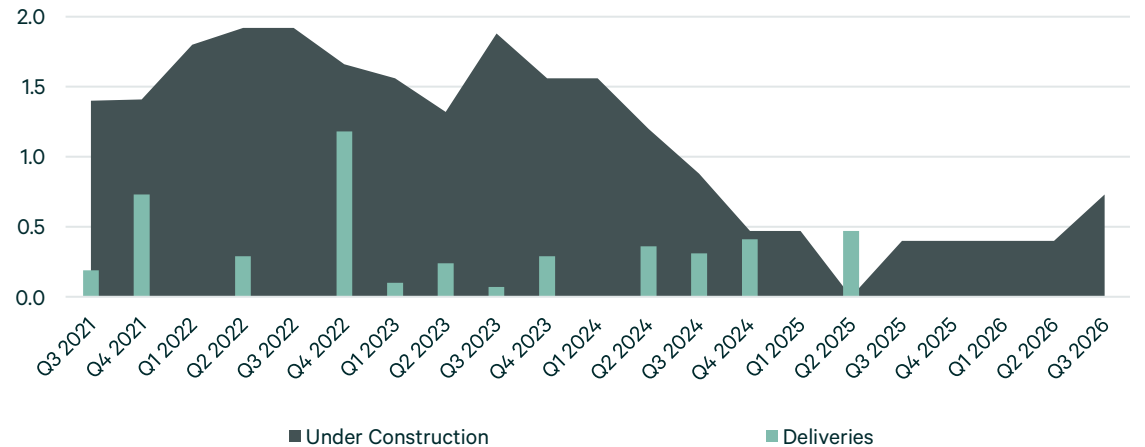
Sq. Ft. (millions)



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Figure 5: Construction Activity

Sq. Ft. (millions)



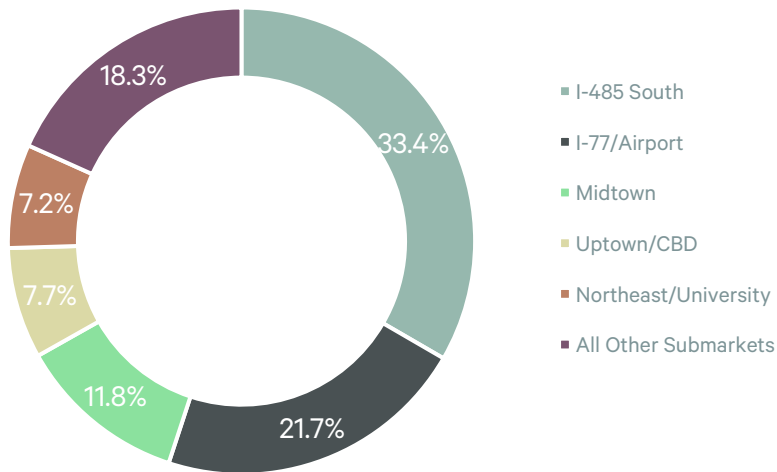
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Leasing Activity

Leasing activity in Q3 2026 recorded over 945,000 sq. ft., an expected softening from recent outsized quarters and return to the market’s historical trend. Class A properties accounted for 57% of quarterly volume in Q3. New leases and expansions represented 71.7% of activity, indicating that completed transactions were weighted toward tenants taking or adding space rather than renewals. Engineering, telecommunications infrastructure and financial services were among the top industries contributing to completed leasing activity during the quarter.

Q3 predominantly experienced mid-size leases, following several blockbuster quarters with large transactions – this subsequently lowered the average deal size below the 10,000 sq. ft. threshold. The quarter’s largest lease was Huber Engineered Woods’ 51,000 sq. ft. commitment at Savona Mill in Midtown, followed by Amerit Fleet Solutions with 44,000 sq. ft. at Ballantyne Three and Lincoln Financial with 42,000 sq. ft. at Crawford Building. Suburban leasing has increased in recent quarters, particularly in I-485 South and I-77/Airport, bolstered by its comparative affordability and limited availability among urban Class A properties.

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



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Figure 6: Leasing Activity Trend

Sq. Ft. (millions)



CBRE Research

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Huber Engineered Woods	51,000	New Lease	528 S Turner Ave	Midtown
Amerit Fleet Solutions	44,000	New Lease	13515 Ballantyne Corporate PI	I-485 South
Lincoln Financial	42,000	Renewal	13830 Ballantyne Corporate PI	I-485 South
Iqor US	42,000	Renewal	14401 Carowinds Blvd	I-77/Airport
ACN Communication Services	26,000	Renewal	10150 Mallard Creek Rd	Northeast/University

Source: CBRE Research, Q3 2026

Market Statistics

Figure 8: Metro Market Statistics by Class

Property Class	NRA (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF/NNN/YR)	Q3 2026 Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	41.30M	20.3	20.0	17.2	2.8	42.80	353,000	1.07M	-	725,000
Class B	18.36M	25.8	24.2	19.5	4.6	30.79	90,000	334,000	-	-
Class C	1.74M	22.0	24.0	23.0	1.0	27.03	13,000	29,000	-	-
Total	61.39M	22.0	21.4	18.0	3.3	38.35	456,000	1.43M	-	725,000

Figure 9: Urban Market Statistics by Class

Property Class	NRA (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF/NNN/YR)	Q3 2026 Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	22.81M	18.4	17.6	17.1	0.5	46.35	205,000	376,000	-	400,000
Class B	4.68M	22.8	23.6	22.4	1.2	34.64	22,000	86,000	-	-
Class C	354,000	19.4	19.4	18.8	0.6	31.21	(2,000)	(7,000)	-	-
Total	27.85M	19.1	18.6	18.0	0.6	43.73	225,000	455,000	-	400,000

Figure 10: Suburban Market Statistics by Class

Property Class	NRA (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF/NNN/YR)	Q3 2026 Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	18.49M	22.8	23.0	17.3	5.8	38.42	148,000	692,000	-	325,000
Class B	13.68M	26.8	24.4	18.5	5.8	29.23	68,000	248,000	-	-
Class C	1.38M	22.7	25.2	24.1	1.1	26.20	15,000	36,000	-	-
Total	33.54M	24.4	23.7	18.1	5.6	33.89	231,000	976,000	-	325,000

Source: CBRE Research, Q3 2026

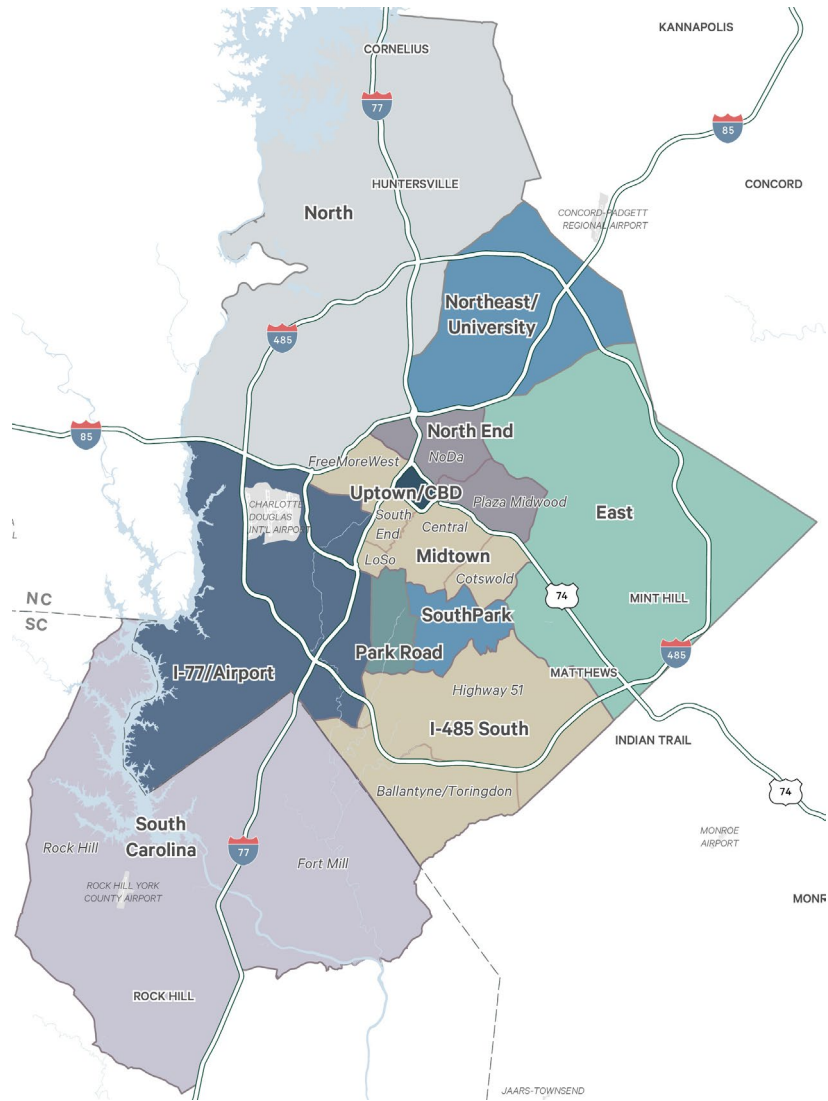
Market Statistics by Submarket

Figure 12

Submarket	NRA (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF/NNN/YR)	Class A Asking Rent (\$/SF/FSG/YR)	Q3 2026 Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
East	1.85M	26.2	27.0	26.2	0.9	25.75	-	1,000	13,000	-	-
I-485 South	6.91M	24.3	26.6	25.0	1.6	41.85	43.66	93,000	343,000	-	-
I-77/Airport	9.46M	23.8	27.1	14.2	12.9	27.72	28.83	93,000	304,000	-	-
Midtown	7.25M	12.4	10.8	10.5	0.3	49.55	53.23	128,000	239,000	-	400,000
North	2.01M	11.7	13.0	11.3	1.7	32.14	32.74	(6,000)	36,000	-	-
North End	968,000	36.9	22.5	22.2	0.3	42.86	43.47	1,000	(40,000)	-	-
Northeast/University	4.39M	36.2	27.7	24.5	3.2	28.16	28.46	(9,000)	78,000	-	-
Park Road	522,000	12.3	16.0	15.7	0.3	34.61	38.00	19,000	43,000	-	-
South Carolina	2.97M	29.2	21.6	11.8	9.7	29.99	31.50	(10,000)	42,000	-	-
SouthPark	4.46M	14.7	13.8	12.4	1.4	41.81	50.05	49,000	156,000	-	325,000
Uptown/CBD	20.60M	21.5	21.4	20.7	0.7	42.72	45.34	97,000	216,000	-	-
Total	61.39M	22.0	21.4	18.0	3.3	38.35	42.80	456,000	1.43M	-	725,000

Source: CBRE Research, Q3 2026

Market Area Overview



CBRE Offices

Charlotte

1120 S Tryon St, Suite 200
Charlotte, NC 28203

Survey Criteria

Includes all office buildings 20,000 square feet and larger, excluding owner-user and medical properties, located in Mecklenburg County and portions of York and Lancaster Counties. Only buildings that have commenced construction, as evidenced by site excavation or foundation work, are included.

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