

GLOBAL SPOTLIGHT

Charlotte, North Carolina



Charlotte's Location, Low Cost of Living Attract Business and Industry

- Over the last two years, various sources have ranked the Queen City area as the number one place in America in the following categories: Best Place to Live, Most Educated Workforce, Top Large Counties for Recruitment & Attraction, America's Most Livable Communities and Economic Strength Ranking. The recession is hitting Charlotte, but the area is in a great position to come out of the downturn stronger than ever.
- Eight Fortune 500 companies are headquartered in Charlotte and 326 Fortune 500 companies have facilities here. A vast majority of the region's employment is directly linked to financial, manufacturing, energy and racing related firms. The strategic location, coupled with the low cost of living, keep people moving to the market.
- The overall vacancy in the Office market is 14.9%, an increase of 3.5% over the past year. The vacancy rate in the Central Business District is 6.4%. While this seems low, it was 2.1% in 2008. With 2.5 million SF of new space coming online, the CBD vacancy rate is expected to climb to 12-13%. The good news is Charlotte can now compete for major corporate relocations.
- The Industrial market has been fortunate not to suffer from over-supply. Only two speculative buildings are in the construction phase. The current vacancy rate is 12.7%, which compares favorably to 12.6% a year ago. Although demand today is weaker than the pre-recession period, brokers report an increased demand for spaces in the 20,000 to 50,000 SF range.
- Retail vacancies are rising and landlords are offering generous concessions to land tenants to their centers. Currently, Retail vacancy is at 7%, up from 5.7% over the last year. However, it is expected that the vacancy rate will continue to rise for the next six to nine months. Very little development is expected until rates level off.

Charlotte At a Glance

Population	695,995
Location	Piedmont region of the Carolinas
Unemployment	10.5%
Major Economic Drivers	Financial, manufacturing, energy and racing

Property	Rent/SF/Year Low	High	Vacancy Rate
Downtown Office Class A	\$25.00	\$34.00	5.2%
Suburban Office Class A	\$21.00	\$27.00	14%
Industrial Bulk Warehouse	\$2.60	\$4.00	12.7%
Retail Downtown	\$16.00	\$35.00	10.5%

NAI Southern Real Estate is a full-service commercial real estate firm offering local expertise in the greater Charlotte market.

About NAI Global

NAI Global is one of the world's leading providers of commercial real estate services. We bring together people and resources wherever needed to deliver outstanding results for our clients.

At A Glance

325	Offices
55	Countries
5,000	Professionals
\$45 billion	Annual Transaction Volume
200	MSF of Property Management

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