

Mecklenburg County Warehouse / Industrial Market Report

Michael B. Simmons

County Economist

Data as of 3rd Quarter, 2020



About this report

The following report provides details and insight to the supply and demand for warehouse space within the city. A total of 80 major warehousing cities are used as comparison cities and ranked against Charlotte to determine how our market compares to others, a full listing is provided below. The report covers demand indicators such as absorption, leasing activity, and asking rates. The report also covers the supply side with factors such as warehousing space under construction, year-to-date deliveries, and vacancy rates.

Full list of Cities and Locations used as Comparison

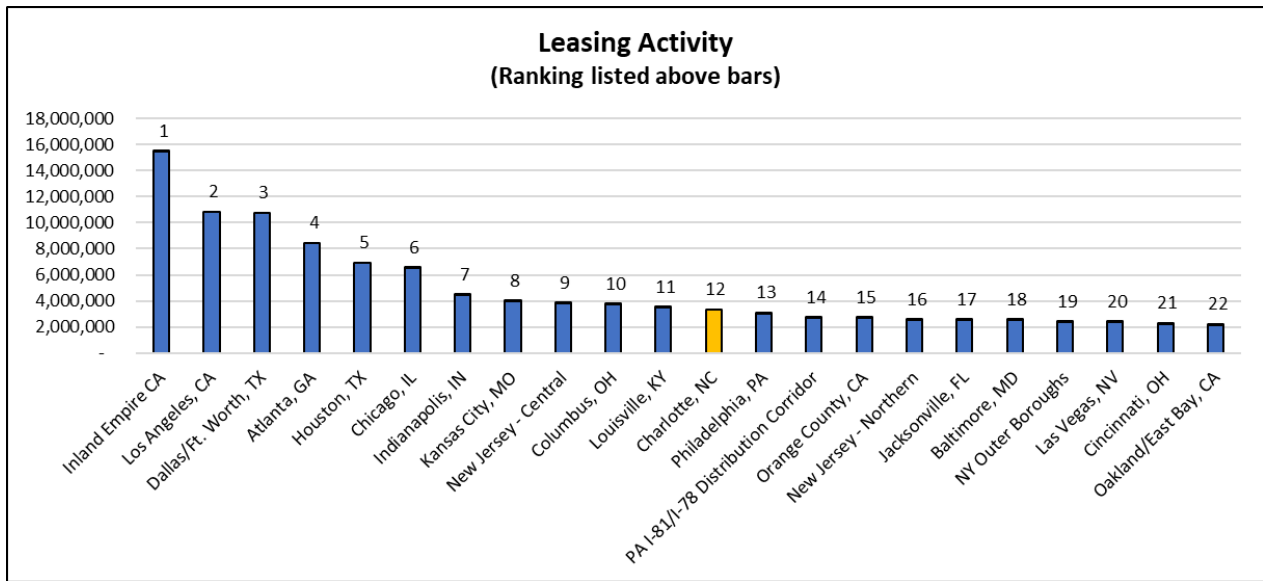
Atlanta, GA	Fort Myers/Naples, FL	Nashville, TN	Richmond, VA
Austin, TX	Fredericksburg, VA	New Haven, CT	Roanoke, VA
Baltimore, MD	Ft. Lauderdale, FL	New Jersey - Central	Rochester, NY
Binghamton, NY	Greenville, SC	New Jersey - Northern	Sacramento, CA
Birmingham, AL	Hampton Roads, VA	Northern VA	Salt Lake City, UT
Boise, ID	Hartford, CT	NY Outer Boroughs	San Antonio, TX
Boston, MA	Houston, TX	Oakland/East Bay, CA	San Diego, CA
Buffalo, NY	Indianapolis, IN	Omaha, NE	San Francisco North Bay, CA
Central Valley, CA	Inland Empire CA	Orange County, CA	San Francisco Peninsula, CA
Charleston, SC	Jacksonville, FL	Orlando, FL	San Jose (Silicon Valley), CA
Charlotte, NC	Kansas City, MO	Palm Beach County, FL	Savannah, GA
Chicago, IL	Lakeland, FL	PA I-81/I-78 Distribution Corridor	Seattle, WA
Cincinnati, OH	Las Vegas, NV	Philadelphia, PA	Southern New Hampshire
Cleveland, OH	Long Island, NY	Phoenix, AZ	St. Louis, MO
Colorado Springs, CO	Los Angeles, CA	Pittsburgh, PA	St. Petersburg/Clearwater, FL
Columbus, OH	Louisville, KY	Portland, OR	Suburban MD
Dallas/Ft. Worth, TX	Memphis, TN	Providence, RI	Syracuse, NY
Denver, CO	Miami, FL	Puget Sound - Eastside	Tampa, FL
Detroit, MI	Milwaukee, WI	Raleigh/Durham, NC	Tucson, AZ
El Paso, TX	Minneapolis, MN	Reno, NV	Tulsa, OK

Note that all dates used in this report refer to the calendar year. If you have questions regarding the report or the information covered please contact me at michael.simmons@mecklenburgcountync.gov.

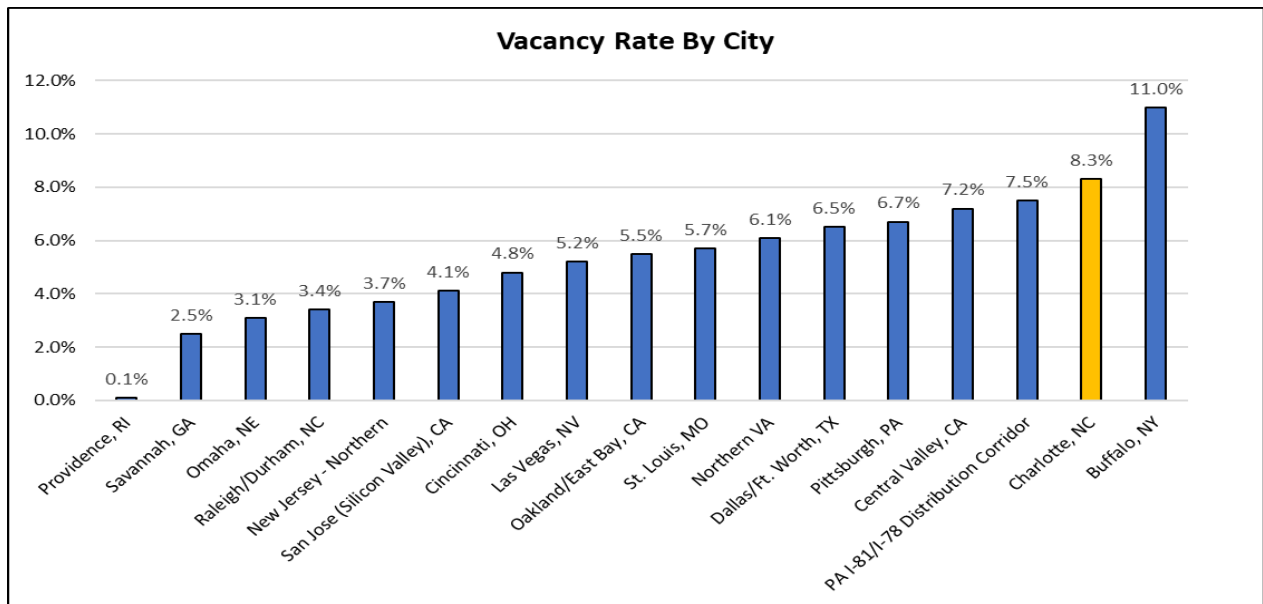
Industrial / Warehouse Report for Q3 2020

Market Outlook

E-commerce shopping spiked during the pandemic creating an additional need for warehousing space within the County. The transportation and warehousing industry was one of few that grew during the pandemic with employment increasing by 10.7% adding an additional 4,383 new jobs from the 2nd quarter of 2019 to the 2nd quarter of 2020. Out of the 80 largest warehousing cities, Charlotte ranked 12th in leasing activity with 3.3 million square foot of newly leased space in the third quarter.

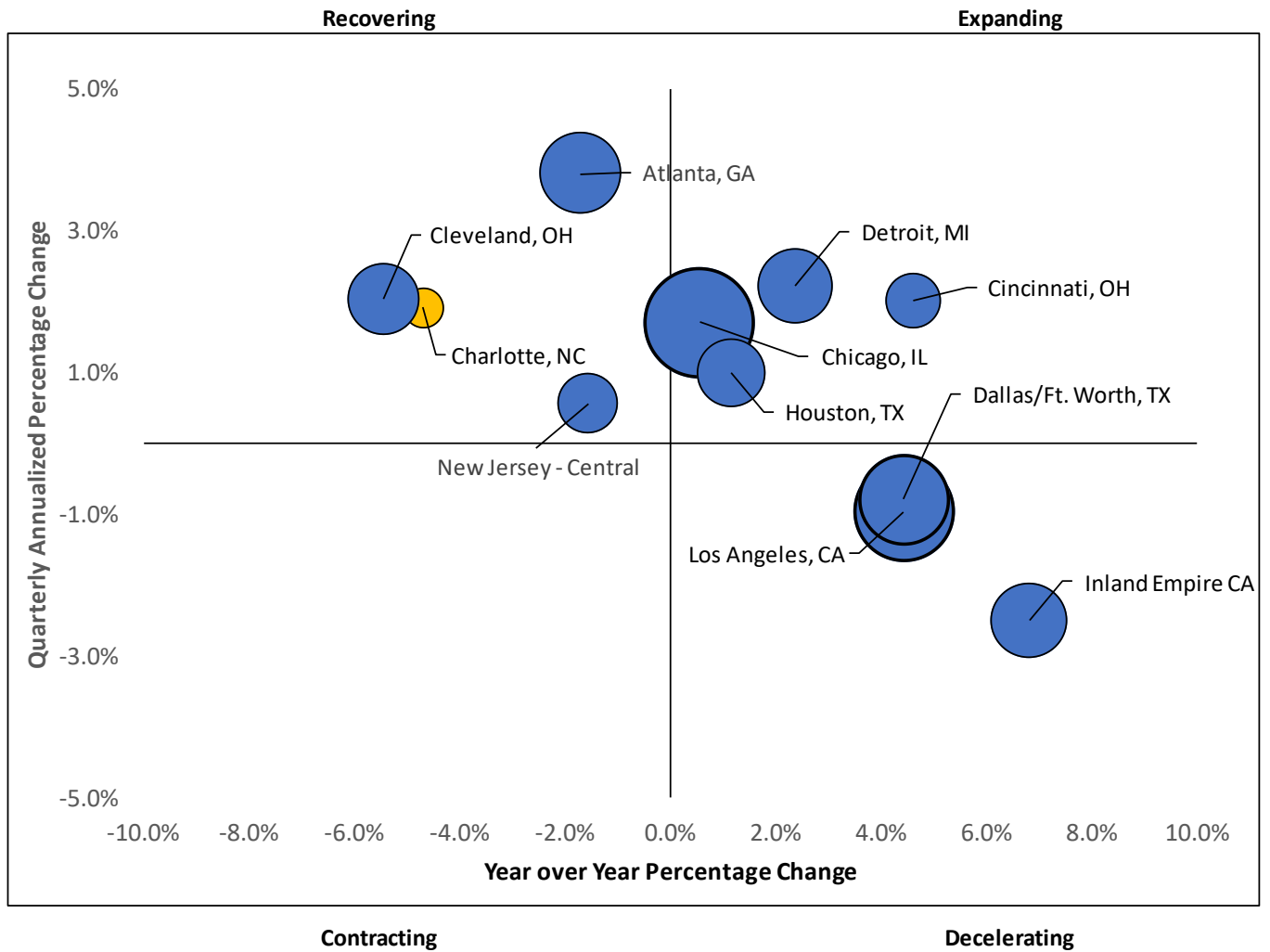


The city currently has 160.7 million square foot of warehouse space with 2 million square foot under construction. As of the 3rd quarter 3.6 million foot of new warehousing space was completed which has elevated vacancy levels within the warehousing industry. Overall, out of the 80 cities listed Charlotte had the 75th highest vacancy rate at 8.3%.

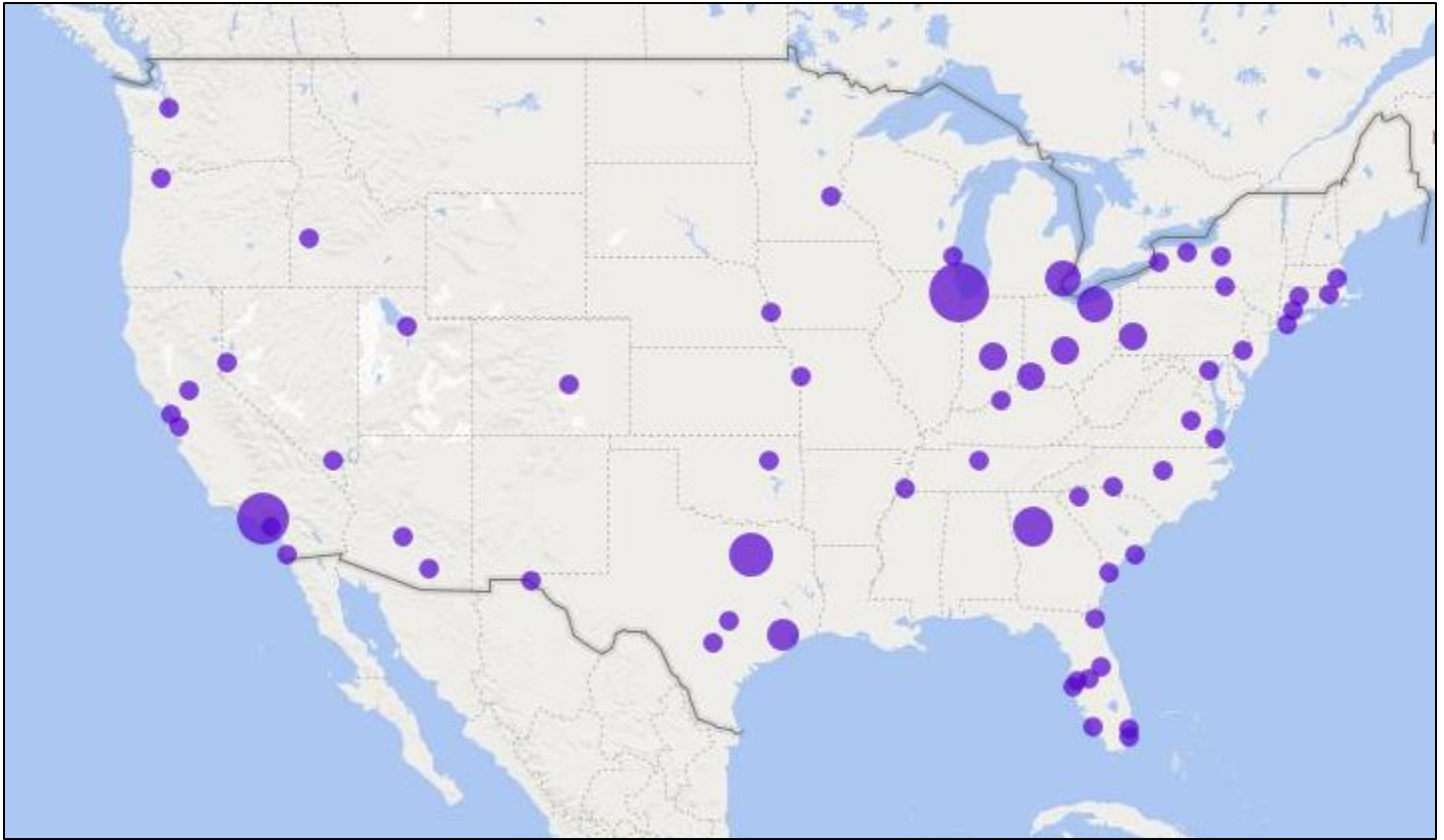


Asking rents in the city as of the 3rd quarter was \$5.30 per square foot and have increased in the past two quarters growing at 3.6% and 1.9% respectively. However, the 1st quarter posted an 8.7% decline in asking rents as COVID-19 disrupted the industry. Compared to other major cities Charlotte's warehousing market can be described as recovering shown in the bubble chart below.

Mecklenburg County Effective Industrial / Warehouse Rent Growth



Warehousing Inventory by City for the US



Note: Size of circles represents the square footage of warehousing inventory in each city.

Warehousing Inventory by Major US Cities

Chicago, IL	1,176,574,869	Nashville, TN	220,642,042	Orlando, FL	117,771,674	Rochester, NY	51,743,987
Los Angeles, CA	988,481,256	Baltimore, MD	219,625,577	Buffalo, NY	109,187,653	St. Louis, MO	49,726,696
Dallas, TX	798,406,640	Oakland, CA	212,462,503	Jacksonville, FL	102,368,842	Syracuse, NY	49,427,100
Atlanta, GA	637,201,314	Providence, RI	209,380,734	Hampton Roads,	101,647,732	New Haven, CT	47,730,069
Detroit, MI	545,940,299	Milwaukee, WI	206,746,754	Richmond, VA	100,876,642	Reno, NV	47,019,782
Cleveland, OH	511,410,994	Portland, OR	185,298,256	Roanoke, VA	94,812,568	Tulsa, OK	44,267,210
Houston, TX	450,824,953	Boston, MA	176,736,430	Hartford, CT	94,500,300	Austin, TX	43,976,360
Pittsburgh, PA	336,384,664	Louisville, KY	169,827,573	Omaha, NE	93,535,523	Tampa, FL	42,619,995
Cincinnati, OH	298,561,583	San Francisco, CA	164,257,647	Ft. Lauderdale, FL	87,538,543	Boise, ID	42,232,868
Indianapolis, IN	284,118,362	Charlotte, NC	160,778,796	Savannah, GA	86,646,859	San Jose, CA	41,546,330
Columbus, OH	274,249,511	Miami, FL	157,999,258	Charleston, SC	80,145,289	Palm Beach County, F	37,807,548
Orange County, C/	260,046,708	Phoenix, AZ	155,940,048	Seattle, WA	78,898,891	Naples, FL	37,137,391
Memphis, TN	259,482,879	Salt Lake City, UT	143,010,549	Tucson, AZ	75,273,627	Lakeland, FL	35,815,553
St. Petersburg, FL	254,063,504	San Antonio, TX	141,479,660	Sacramento, CA	73,551,473	Colorado Springs, CO	34,269,195
Denver, CO	243,904,763	Long Island, NY	131,558,495	Raleigh, NC	62,701,653	Binghamton, NY	17,763,825
Kansas City, MO	231,711,157	Las Vegas, NV	127,548,309	El Paso, TX	57,337,952	Philadelphia, PA	14,713,117
Greenville, SC	226,708,989	Minneapolis, MN	118,196,964	San Diego, CA	55,335,457	Birmingham, AL	14,570,638