

What's Happening in... Charlotte?



Located near the northern edge of the popular “Sun Belt” region, Charlotte, North Carolina is known for its blend of Southern charm, a vibrant arts and culture scene and a diverse community.

The famous Charlotte Motor Speedway, home of NASCAR, is located near the city and several major races take place there including the Coca-Cola 600 and Bank of America Royal 400.

The city also houses the NASCAR Hall of Fame and several other top-tier attractions such as the Bechtler Museum of Modern Art and the Mint Museum of Art in bustling Uptown.

With so much to offer, it's no surprise that Charlotte has been perennially popular with tourists and investors alike, and it continues to draw new projects and industries in 2023.

Financial Gains

Originally a gold town, Charlotte evolved into a financial hub in the 1980s and 90s, and many major financial firms still call the city home, including Bank of America.

Several finance and asset management companies have also relocated to the area in recent years, and the city has maintained the fastest-growing employment rate in the financial services among major metros over the past five years.

Big Developments

Charlotte has also attracted increasing attention from developers in recent years, with large-scale projects lined up or breaking ground all over the city.

Among the biggest is the Queens Bridge Collective in Uptown, which is set to add two mixed-use towers to the Charlotte skyline that will offer residential and office space, along with restaurants, retail and outdoor amenities.

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Other notable additions coming to Charlotte include a mixed-use hospitality, office and residential space at Carson and Tryon, and “The Pearl”, a state-of-the-art development set to house the city’s first four-year medical school.

“The Pearl” will also feature state-of-the-art research facilities and is expected to drive both the development of new health sciences businesses and job growth in the city.

Sector Specifics

With projects like these in the works, it should come as no surprise that other areas of Charlotte’s commercial real estate (CRE) industry have also shown strong trends over the past year.

Of note is the city’s industrial sector, which claimed a top spot for development activity in the South in the first half of 2023.

As CommercialEdge’s July 2023 National Industrial report notes: “Charlotte was one of the more active markets for new development, with 14.9 million square feet under construction as of June. Logistics is the main focus of the market, with the majority of projects underway found in logistics parks, whether that be new locations or expansions to existing centers.”

Noted in the same report, however, is that the sector showed some signs of “sluggish fundamentals,” with rent growth for industrial properties at only 2.7 percent, and new leases being signed at “eight cents less than in-place rents.”

This comes on the back of a bumper year for the city’s industrial and manufacturing industry in 2022.

Meanwhile, Charlotte’s multifamily market has stayed steady. YardiMatrix reports that rents have remained largely stable in Charlotte, stating that: “The first three months of the year produced no gains for multifamily rents in the metro, with rates stabilizing at \$1,591,” while transaction activity trended down at the start of the year.

Outlook Sunny (with a Chance of Clouds)

For those contemplating investments in Charlotte, it’s important to consider any “downturns” being seen right now in the context of the stellar growth seen throughout 2022. The city showed strong performance across multiple major sectors last year and, as the projects discussed here show, remains a top draw for developers.

With that said, no market should be considered immune from prevailing economic pressures, and savvy CRE professionals and investors alike will need to keep a sharp eye on how these trends develop in the coming year.

Our top advice is therefore to seek out local advice before making big moves.

Interested in commercial investments in Charlotte? Get in touch with our local office at NAI Southern Real Estate for the latest market insights and opportunities.