



NEWMARK

Market Overview
Charlotte Office

1Q26

Market Observations



Economy

- The market's unemployment rate climbed by 23 basis points year over year to 3.9%, above the metro's five-year average of 4.5% and the national average of 4.4%.
- Nonfarm payroll growth in the Charlotte market increased by 122 basis points year over year to 2.7%, largely driven by job gains in several industries, including two out of the three office-using sectors.
- Most sectors reported year over year employment growth. The mining and construction industry led the way, growing by 5.8% annually, followed by leisure and hospitality and business and professional services, which grew by 4.7% and 4.5%, respectively.
- As of year-end 2025, total employment in the Charlotte metro increased by 3.6% year over year, reaching a new record high of 389,676 jobs, despite continued losses in the information and manufacturing sectors.



Leasing Market Fundamentals

- Rental rates in the Charlotte office market climbed by 1.2% quarter over quarter, reaching a new record high of \$34.83/SF.
- With no new deliveries and 48,732 SF of positive absorption in the first quarter of 2026, the vacancy rate dipped by nine basis points quarter over quarter to 27.7% - the third consecutive quarter of declining vacancy after a prolonged period of generally increasing vacancy.
- Queensbridge Collective – a 514,362 SF mixed use development in the Midtown/Southend submarket that broke ground in the fourth quarter of 2025 and is expected to deliver in mid-to-late 2027 – is the main driver of construction activity in the market.
- Leasing volume totaled 1.5 MSF in the first quarter of 2026, due in large part to sizable leases inked by professional and business services firms including JPMorgan Chase and Charles Schwab.



Major Transactions

- In a move that further solidifies Charlotte as one of the nation's most prominent locales for financial services firms, JPMorgan Chase & Co. signed the largest deal of the quarter, agreeing to take 137,500 SF across five full floors at One Piedmont Town Center in the city's SouthPark submarket. The move marks a significant expansion of the firm's operations in the market, as they currently occupy roughly 49,700 SF across two locations.
- Each of the top five leases signed during the quarter were direct new deals, suggesting that tenants are seizing on current market conditions to secure favorable terms and indicating Charlotte's long-term viability as a premier location for employers and employees alike.
- The top five leases of the quarter were spread across four different submarkets, indicating that the Charlotte office market's growth is not constrained to a particular geography. In the first quarter of 2026, the SouthPark, CBD, Midtown/Southend, and York County were all home to at least one of the quarter's top five leases.



Outlook

- The Charlotte office market is projected to experience moderate growth over the next several years as the construction pipeline picks up steam, leasing momentum continues to build, and historical levels of vacancy level off and eventually begin to gradually decline.
- Charlotte continues to be a premier destination for financial services firms. A noteworthy example is Japanese banking giant Sumitomo Mitsui Banking Corporation, who recently moved forward with plans to establish a second U.S. headquarters in the area. The firm, which currently has a headquarters in New York City, plans to invest \$50.5 million and create approximately 2,000 jobs with average annual salaries exceeding \$165,000 over the next six years.
- Preleasing will continue to be an important consideration in the construction pipeline and future ground breaks, with financing being available to projects which have attracted leasing activity from tenants looking to trade-up their office space. An example is Queensbridge Collective, which broke ground during the fourth quarter of 2025 after securing leases that would fill roughly 90% of the building.

Table of Contents

Economy	4
Leasing Market Fundamentals	8
Market Statistics & Map	17
Supplemental Analysis	23

01

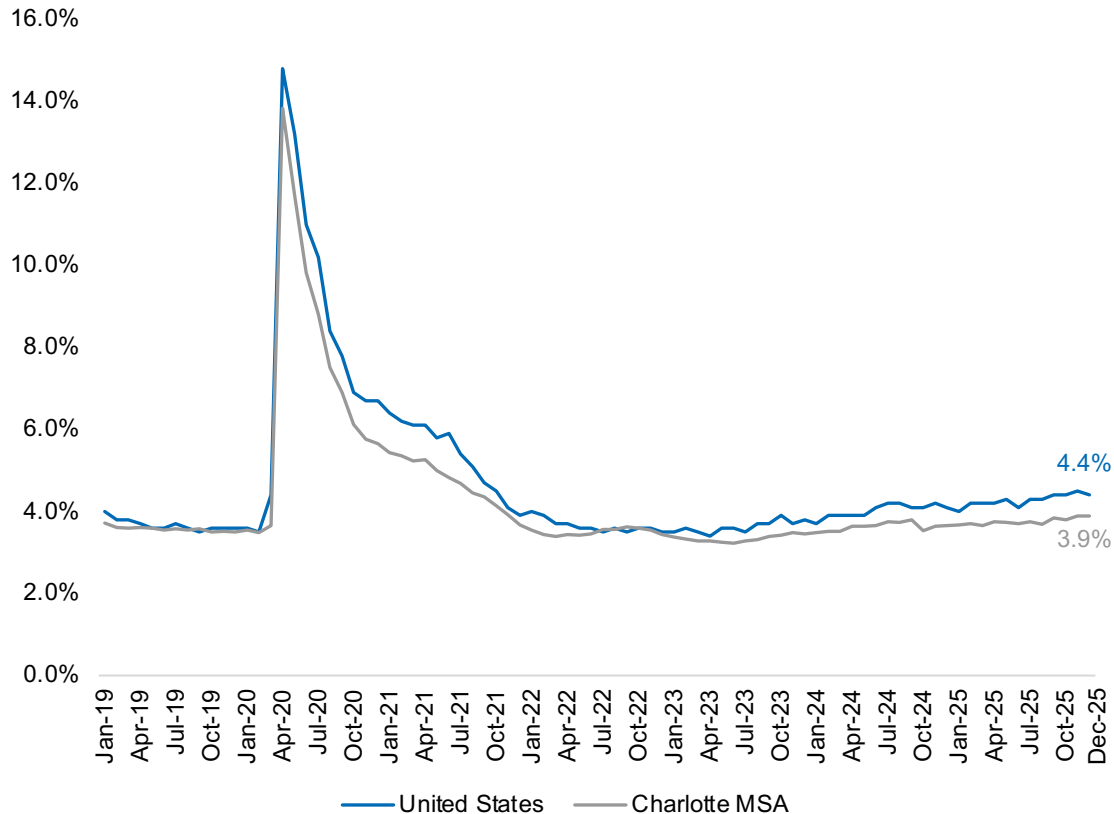
Economy



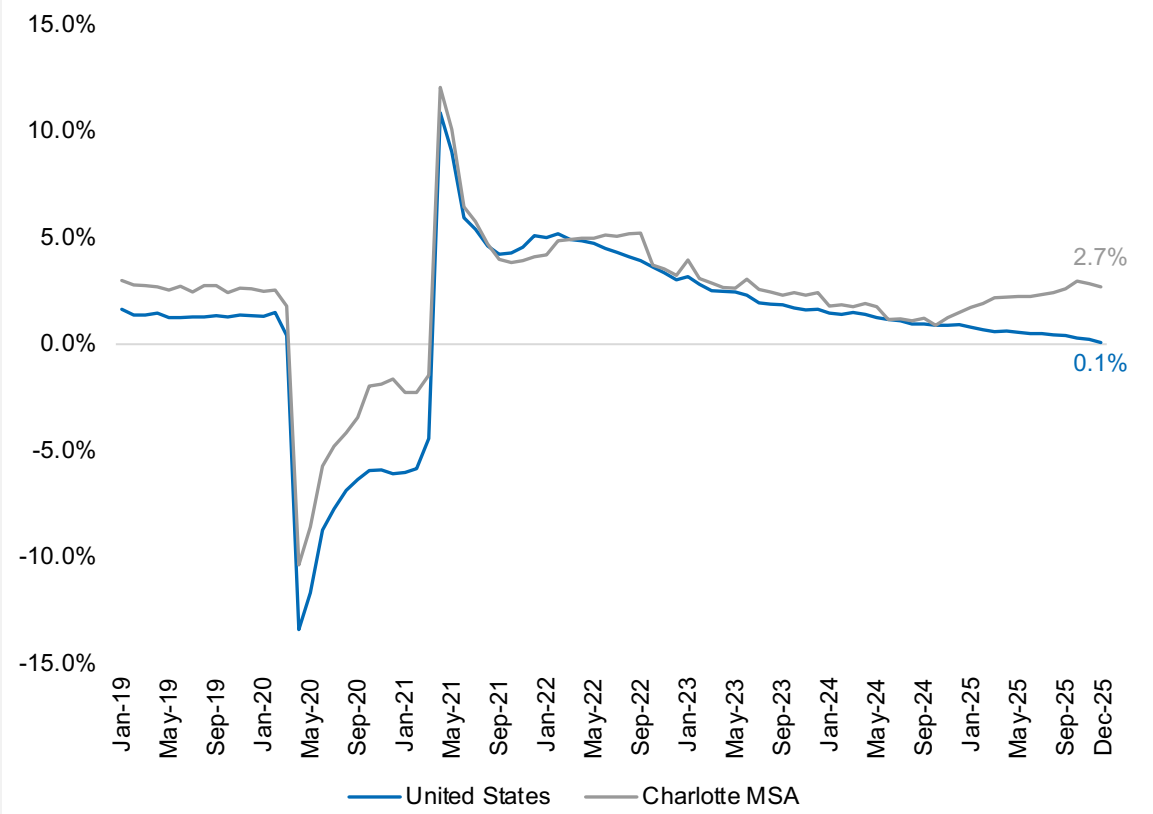
Unemployment Rate Climbs As Job Growth Dips Slightly

The unemployment rate and nonfarm payroll growth in the Charlotte metro has historically maintained an unemployment rate below that of the United States as a whole and boasts higher year-over-year employment growth than the national average. The market's seasonally adjusted unemployment rate climbed by 23 basis points year over year to 3.9% but remains below the national average of 4.4% and slightly above the metro's five-year average unemployment rate of 4.5%. In contrast, Charlotte's nonfarm payroll growth increased by 122 basis points year over year to 2.7%, driven by an increase in employment in several industries, most notably gains in the mining and construction, leisure and hospitality, and business and professional services sectors. Over the same period, nonfarm payroll growth on a national level declined by 86 basis points to 0.1%, reaching its lowest level since April of 2020.

Unemployment Rate*, Seasonally Adjusted



Nonfarm Payroll Employment, Seasonally Adjusted, 12-Month % Change



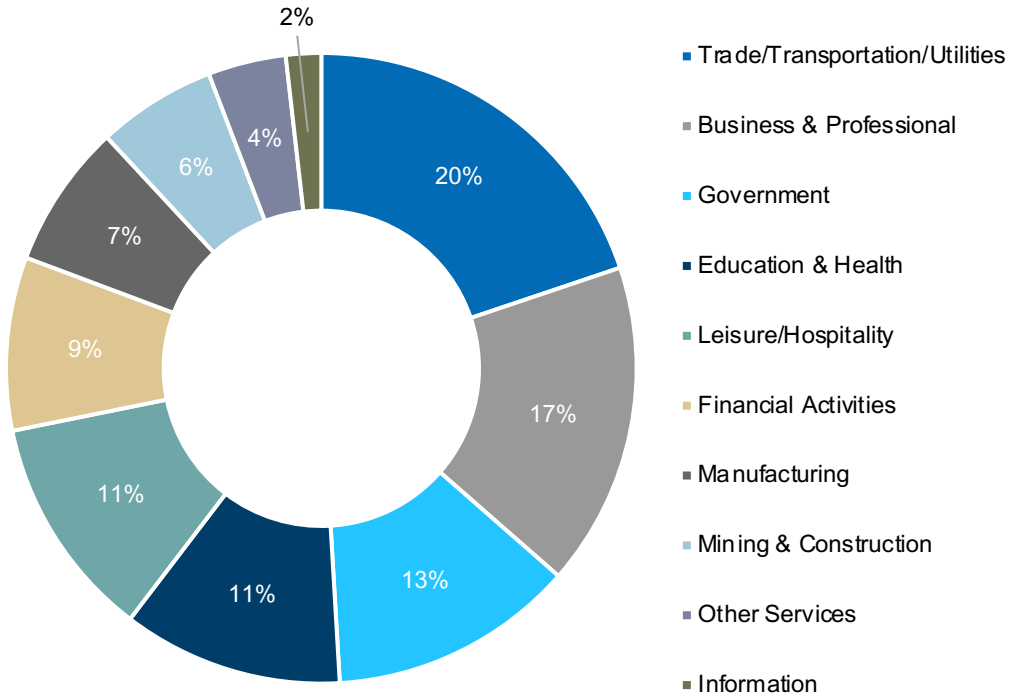
Source: U.S. Bureau of Labor Statistics, Charlotte MSA

*October 2025 government shutdown missing data addressed with duplicating September 2025's data

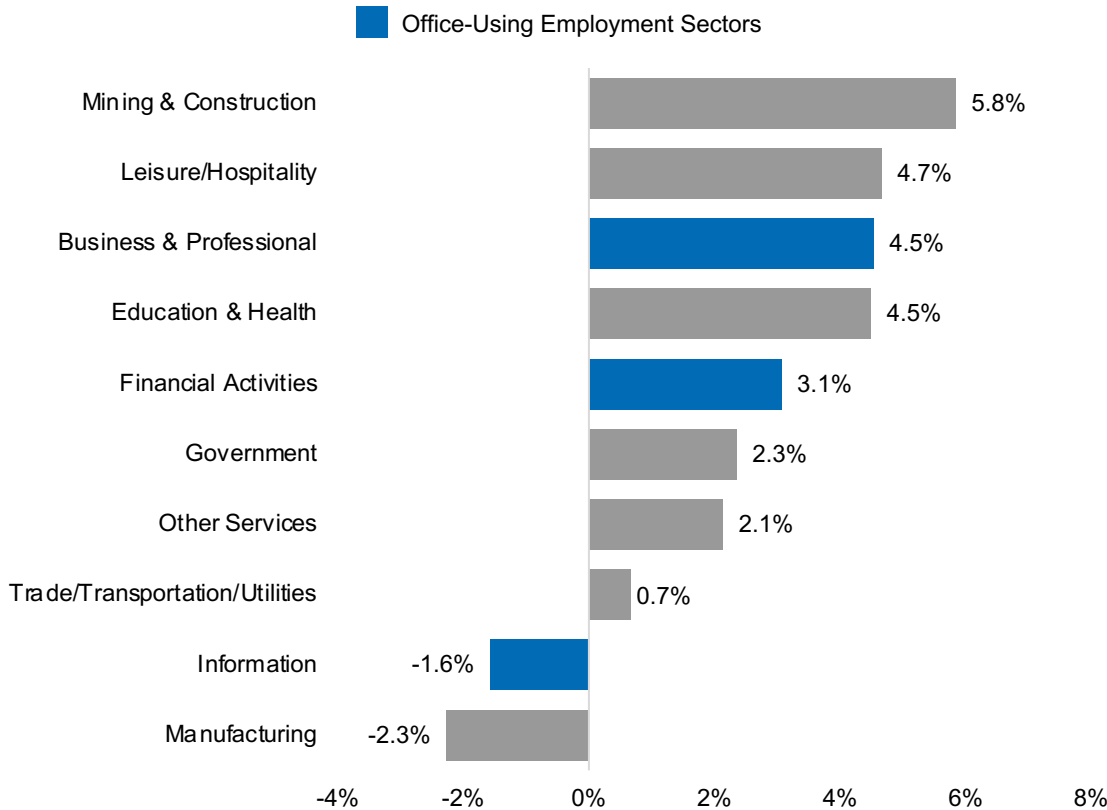
Gains in Most Employment Sectors Continue

As of the first quarter of 2026, the Charlotte metropolitan area has two main employment industries: trade/transportation/utilities and business and professional services, which account for 19.8% and 16.6% of total jobs, respectively. The business and professional services sector is the market's largest office-using employment sector, followed by financial activities, representing 8.9% of all jobs, and information, which comprises 1.8% of total employment. Most industries in the Charlotte metro reported year-over-year job growth, except for the information and manufacturing sectors, which experienced declines in employment growth of 1.6% and 2.3%, respectively. The two other office-using industries reflected yearly increases, with financial activities expanding by 3.1% and professional services growing by 4.5% annually.

Employment by Industry, December 2025



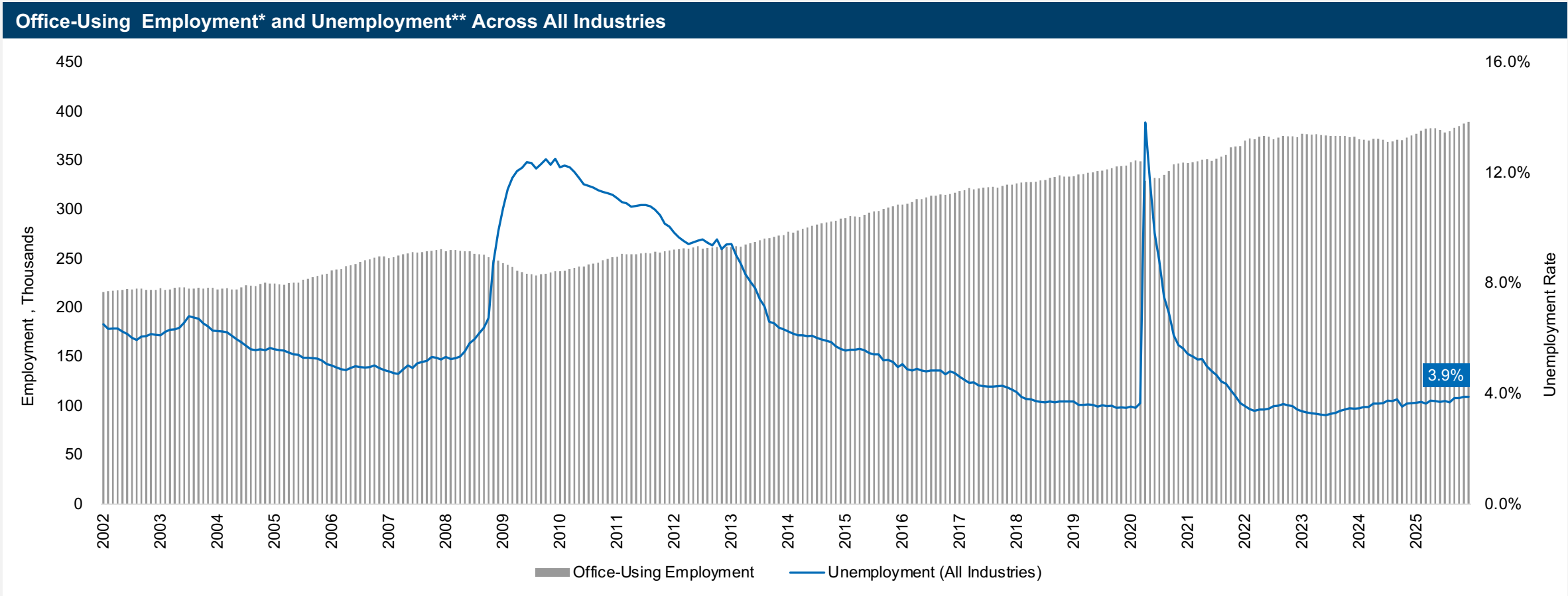
Employment Growth by Industry, 12-Month % Change, December 2025



Source: U.S. Bureau of Labor Statistics, Charlotte MSA

Office-Using Employment Reaches All-Time High

As of the end of 2025, office-using jobs in the Charlotte metro climbed to a record high of 389,676 jobs, reflecting a 3.6% increase year over year. Although employment in the information industry contracted over the past year, gains in other office-using sectors – business and professional services and financial activities – offset this decline, leading to an uptick in overall office-using employment year over year. In contrast, continued job losses in the information and manufacturing industries have caused the overall unemployment rate to increase to 3.9%, reflecting a 23-basis-point uptick year over year.



Source: U.S. Bureau of Labor Statistics, Charlotte MSA
 *Office-using employment includes employment in the following industry sectors: Professional & Business Services, Financial Activities and Information.
 **October 2025 government shutdown missing data addressed with duplicating September 2025's data

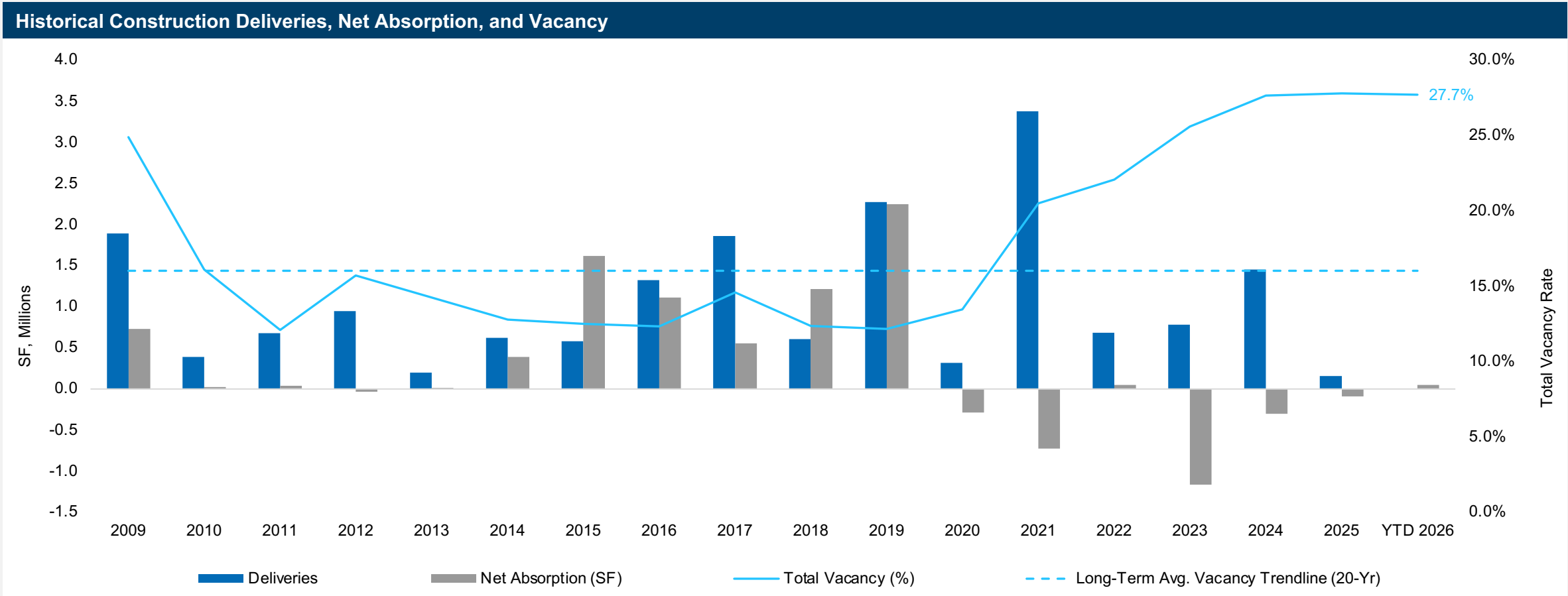
02

Leasing Market Fundamentals



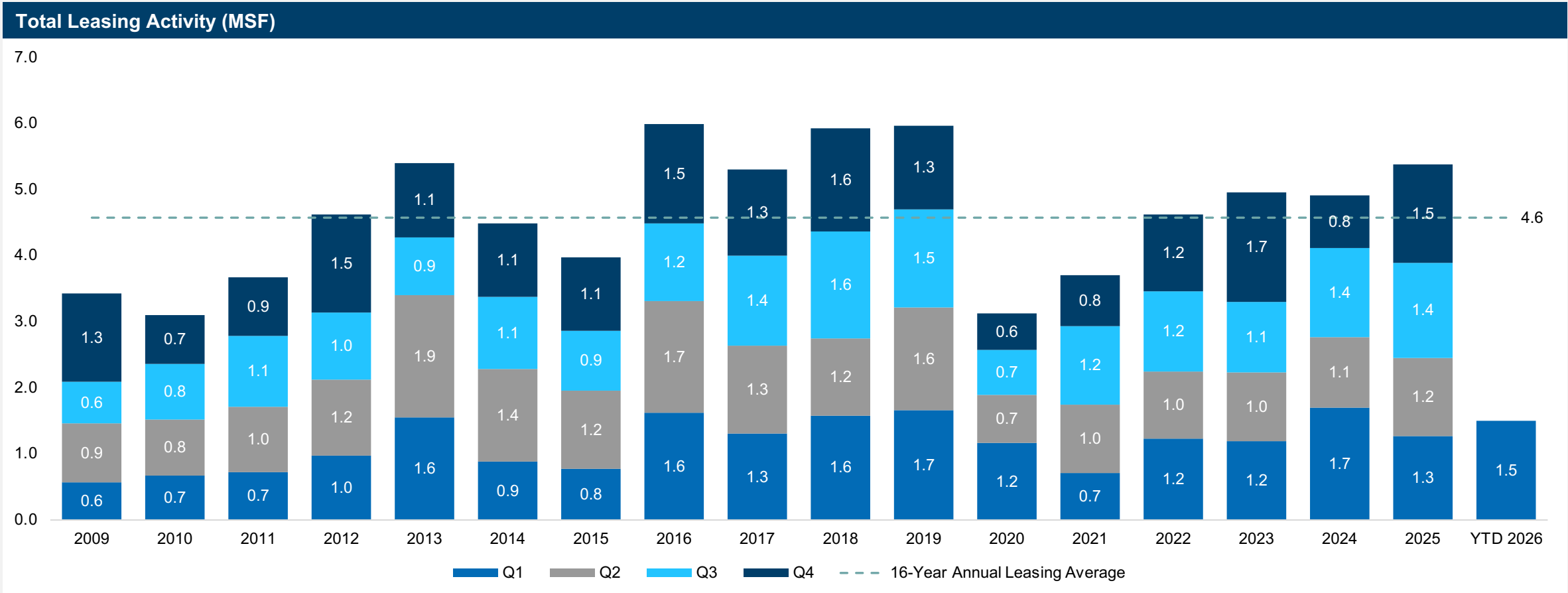
Limited Deliveries and Sustained Demand Supports Gradual Improvement in Vacancy

As of the first quarter of 2026, demand for office space in the Charlotte market outpaced available supply, with 48,732 SF of positive absorption and no new deliveries for the quarter. This caused the vacancy rate to dip by nine basis points quarter over quarter to 27.7%, marking the third consecutive quarter of declining vacancy after a period in which rates had generally trended upward due to significant new deliveries and elevated availability. While vacancy is still expected to remain relatively high in the near term, the muted construction pipeline should allow for existing excess space to be steadily absorbed, leading vacancy to level off and then gradually decline as demand continues to catch up with the current existing inventory.



Overall Leasing Activity Remains Strong

Leasing activity in the Charlotte office market totaled 1.5 MSF during the first quarter of 2026 – up 0.7% quarter over quarter and 17.8% year over year, surpassing the 16-year first quarter average of 1.2 MSF. The continued acceleration in leasing volume, which has increased in each of the past four quarters, is due in part to companies like JPMorgan Chase and Charles Schwab’s expansion in the market, which is in turn the result of North Carolina’s pro-business policies the Charlotte metro’s continued establishment as a hub for business and professional services, specifically in the financial sector. Annual leasing activity has generally been increasing in the market since the onset of the pandemic in 2020.



Source: Newmark Research, CoStar

Class A Office Market Shows Early Signs of Stabilization

Inventory of Class A office space in the Charlotte market has grown consistently in recent years, reaching 42.1 MMF and accounting for 74.7% of total office stock as of the end of the first quarter of 2020. Class A vacancy edged down by five basis points quarter-over-quarter to 26.4% but was still 128 basis points higher than the first quarter of 2019. Even at this relatively elevated level, Class A vacancy remains below that of the overall Charlotte market of 27.7%, consistent with the ongoing flight to quality as tenants drive vacancy risk, with located buildings. Looking forward, Class A vacancy is expected to continue easing from its record high of 26.7% recorded in the third quarter of 2019 as new products launch and occupiers upgrade into higher quality space, and construction capital markets show construction activity, gradually bringing the market towards a state of equilibrium.

Please reach out to your
Newmark business contact for this information



per capita

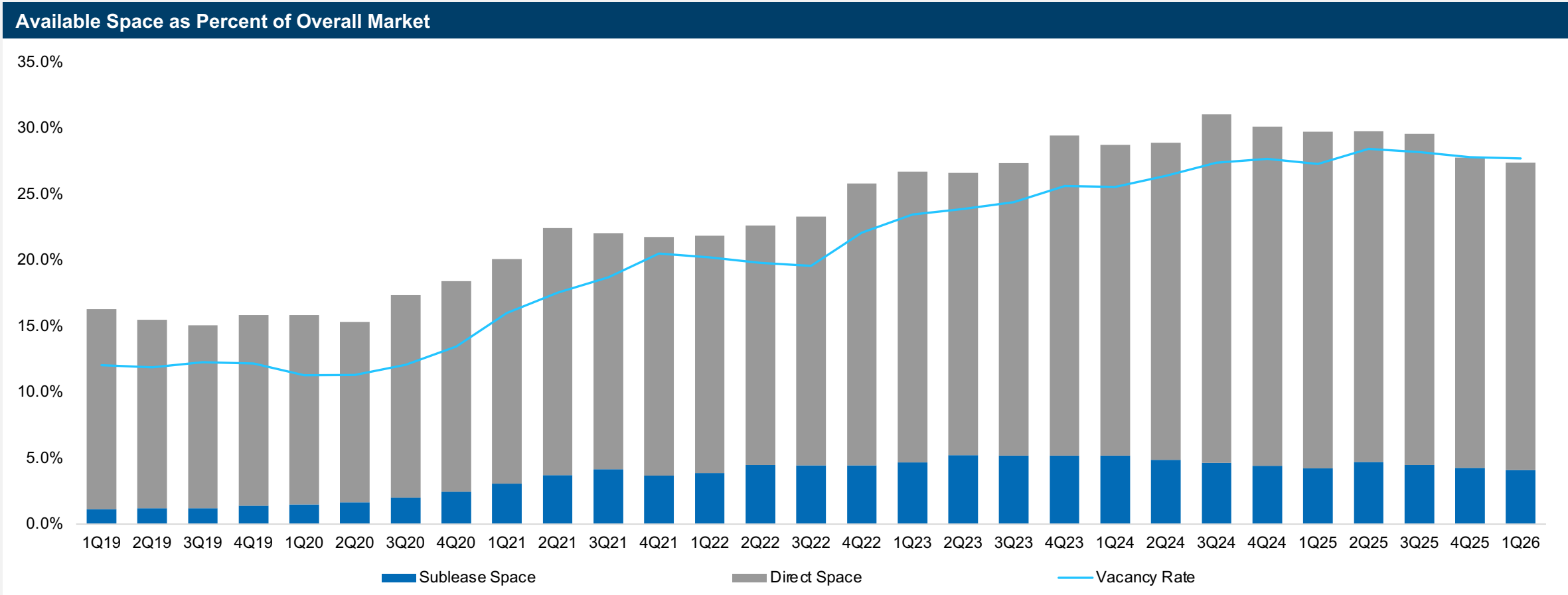


share



Overall Vacancy Drops as Direct and Sublet Availabilities Decline

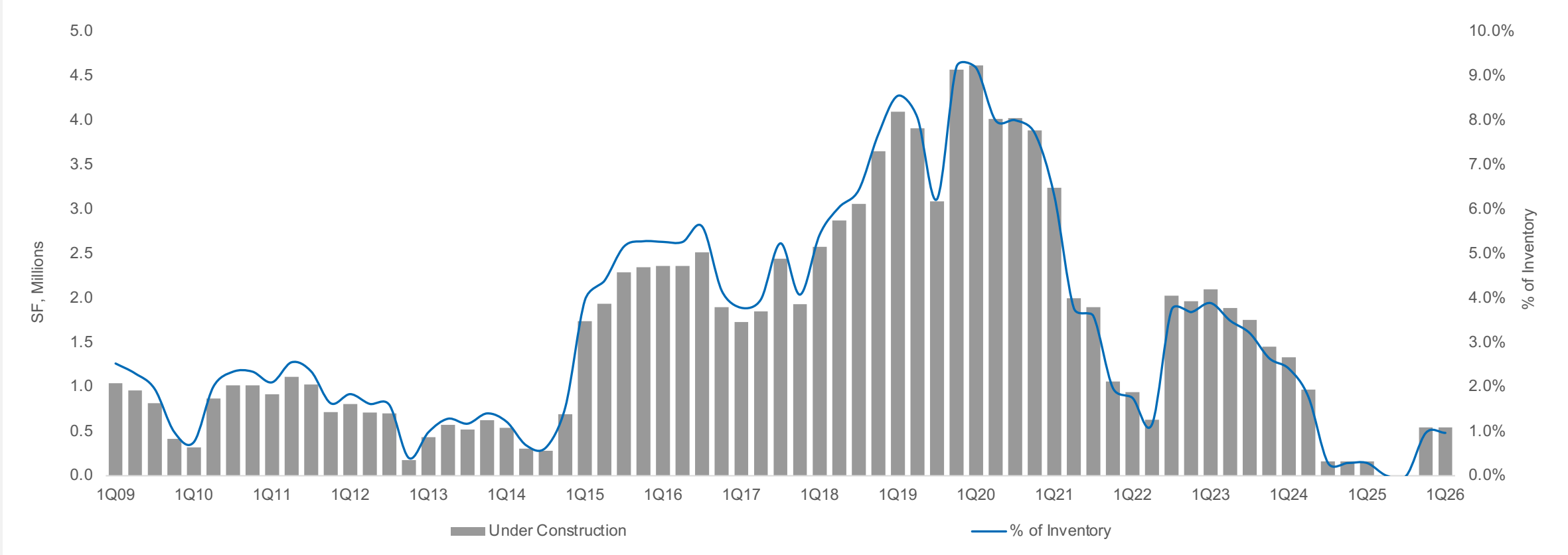
As of the first quarter of 2026, both direct and sublease availabilities declined quarter over quarter by 21 basis points and 18 basis points, respectively. Overall, sublease availability has been generally trending downward since its recent peak of 5.2% in the first quarter of 2024 and has declined in each of the past four quarters. Concurrently, direct availability has also been trending downward since reaching a recent high of 26.4% during the third quarter of 2024. Together, these ongoing trends have caused the vacancy rate to decline to 27.7%. Availabilities and vacancy are expected to continue to decline as the market works through deliveries that have occurred over recent years and new office groundbreakings remain muted, giving the market time to reach a new state of equilibrium.



Queensbridge Collective Drives Construction Activity

There is currently 544,362 SF of office space under construction in the Charlotte metro. The most notable project under construction is the 525,000-SF Queensbridge Collective – a mixed-use development of which 514,362 SF is office space – in the Midtown/Southend submarket which broke ground during the fourth quarter of 2025. Previously, the under-construction pipeline had been stagnant and generally declining due to high levels of existing supply combined with continued constraints on capital that have stalled new development activity. The groundbreaking was catalyzed by preleasing activity from Moore & Van Allen (206,000 SF), Pacific Life Insurance Company (68,667 SF) and Ernst & Young (45,778 SF). The uptick in demand for space in Queensbridge Collective has further compelled the developer to re-design the building plans to convert two floors from multifamily to office space use. Even after the recent surge in construction activity, the under-construction pipeline now represents just 1.0% of the market’s total inventory.

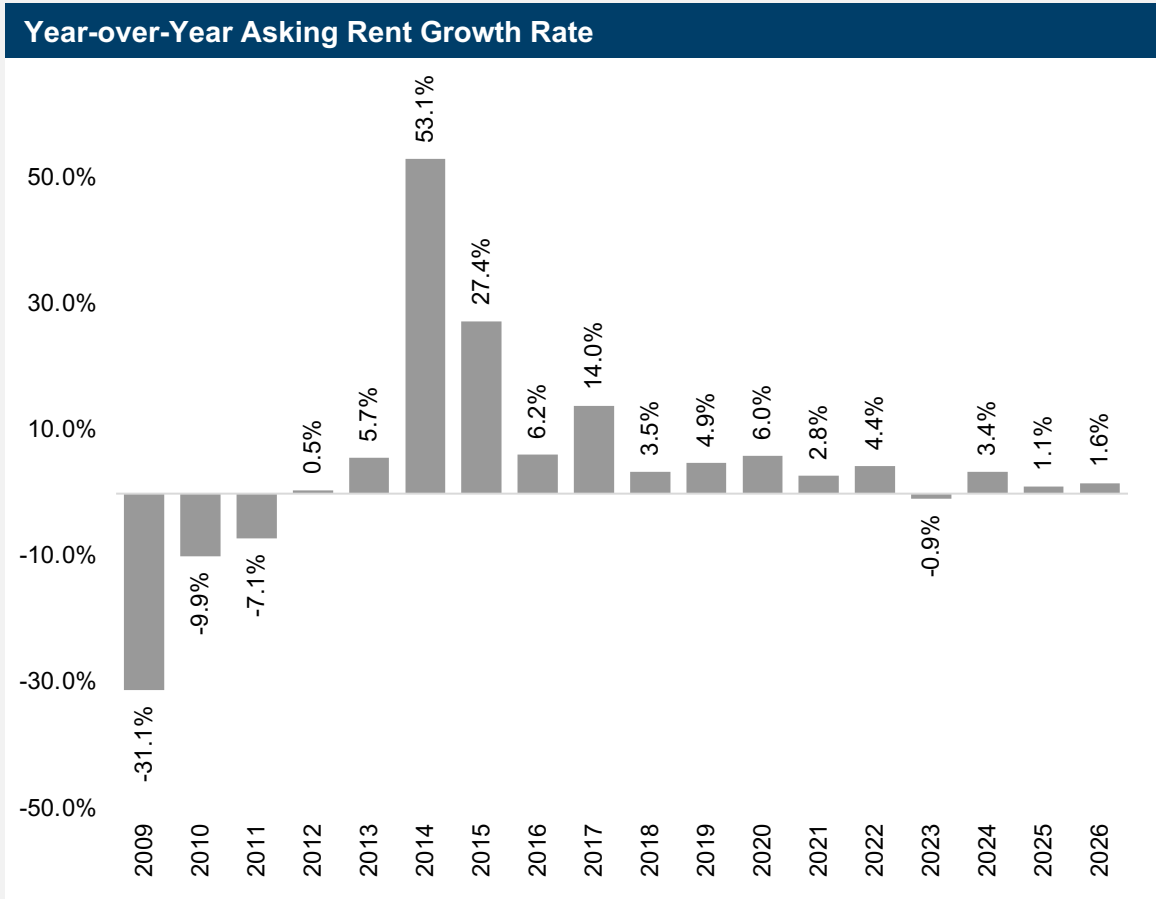
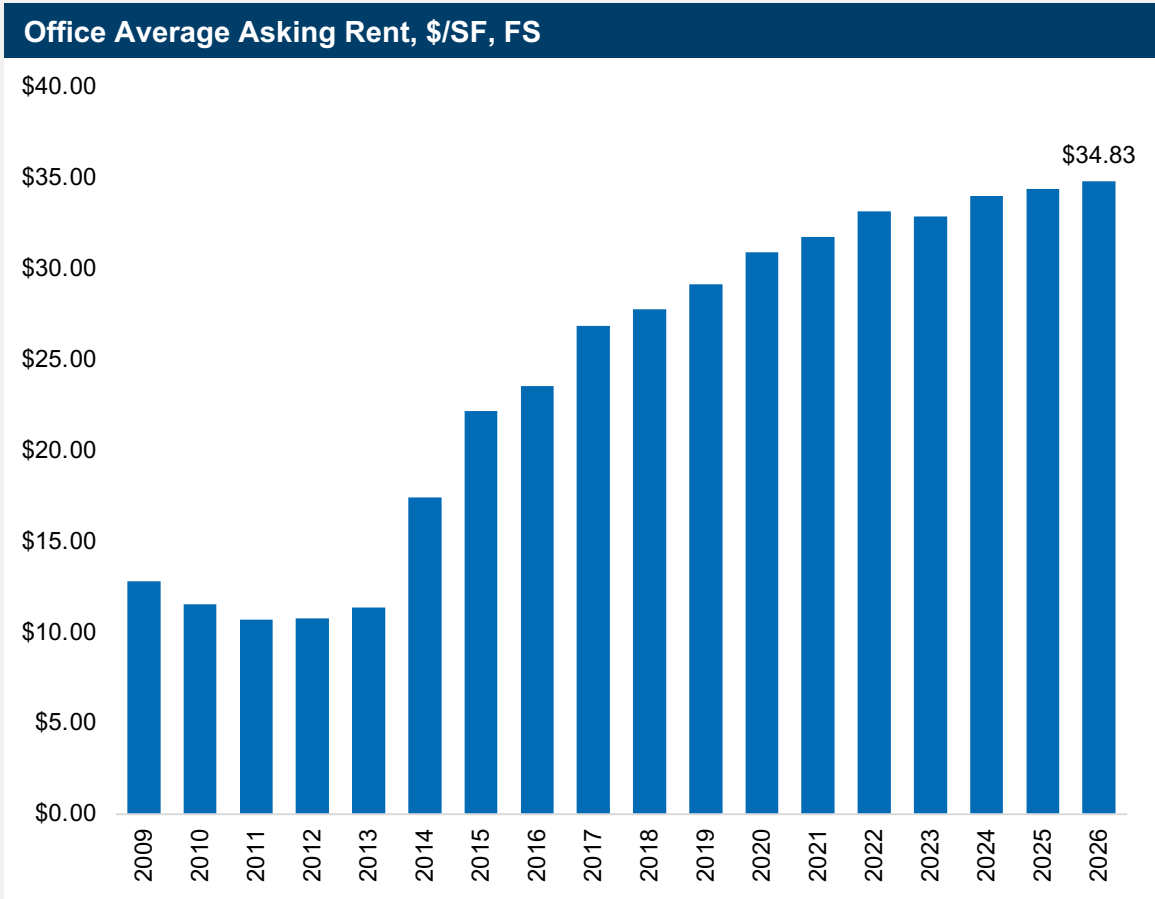
Office Under Construction and % of Inventory



Source: Newmark Research, CoStar

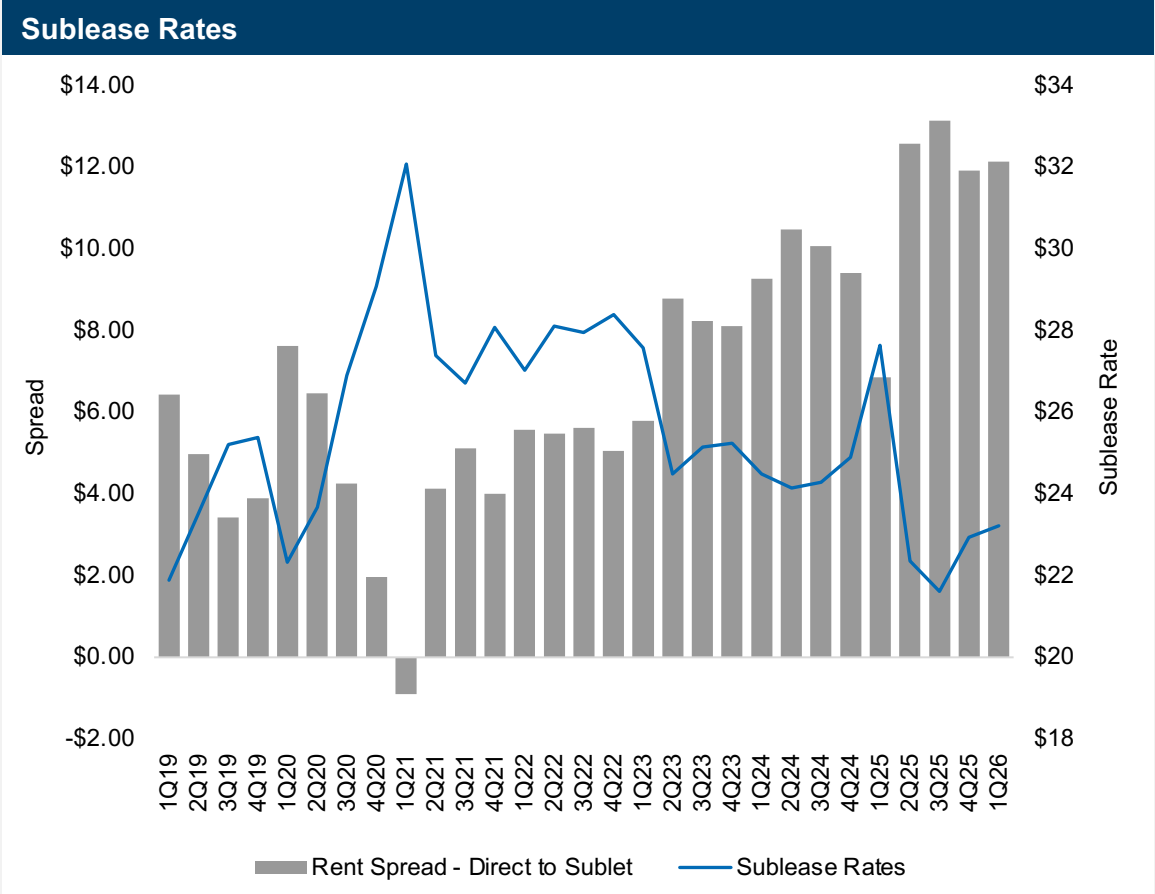
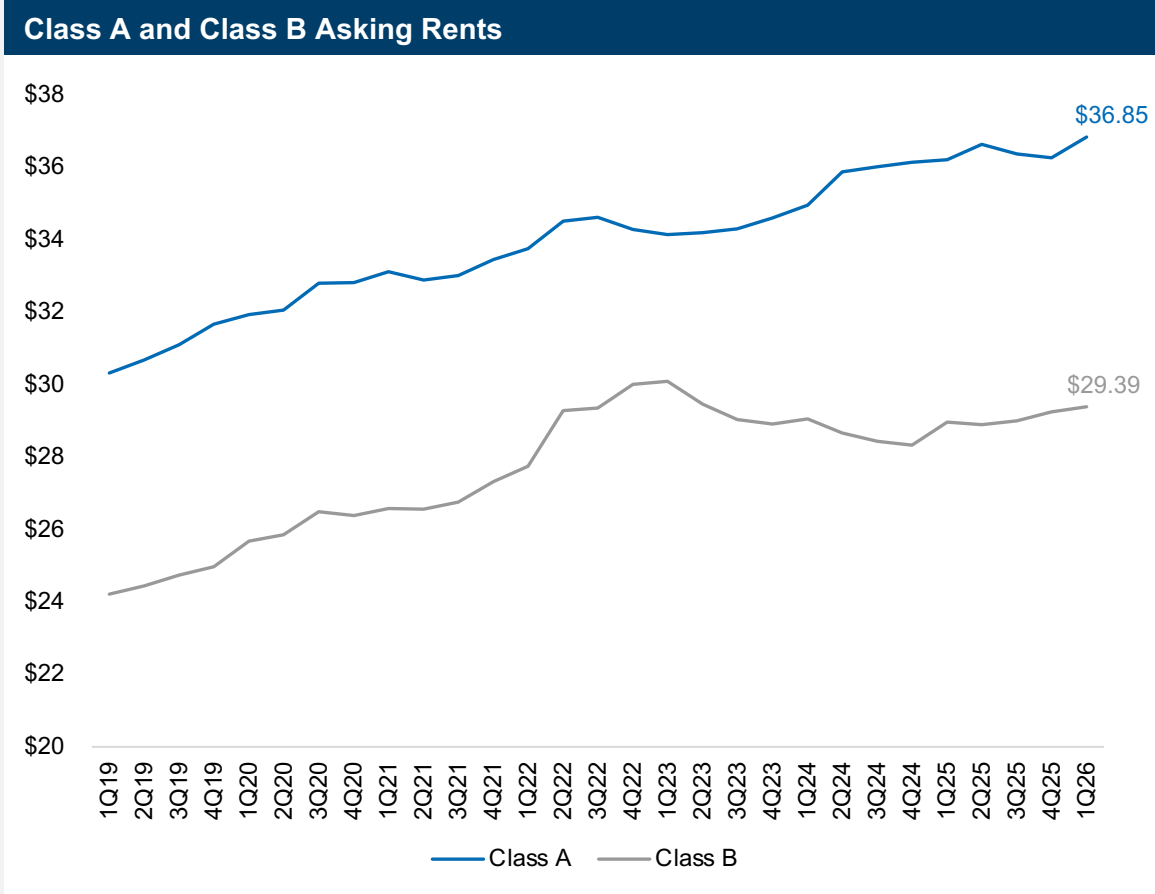
Elevated Vacancy Keeps Rent Growth Muted

Average asking rents in the Charlotte metro increased by 1.2% quarter over quarter to a new record high of \$34.83/SF, representing a 2.9% increase from the previous high recorded in the second quarter of 2025. Despite the quarter over quarter increase, annual rent growth has waned significantly, from 2.9% in the first quarter of 2025 down to 1.6% in the first quarter of 2026. The relatively flat annual growth reflects the elevated levels of vacant space and economic uncertainty driving landlords to curb the pace of asking rent increases. As long as vacancy remains elevated, annual growth in asking rent should remain positive, albeit modest.



Class A Pricing Power Drives Widening Rent Spread

As of the first quarter of 2026, Class A asking rents climbed to \$36.85/SF, a 1.6% increase quarter over quarter, while Class B rents rose by a more modest 0.4% over the same period to \$29.39/SF, a gap of \$7.46/SF. Despite narrowing the previous quarter, the spread between Class A and Class B has generally been widening. Strong pricing power in Class A space reflects robust demand for high quality space, whereas Class B product faces elevated vacancy as occupiers continue the flight to quality. Also notable, direct rents increased 1.5% quarter over quarter to \$35.36/SF, while sublease rates rose 1.3% to \$23.23/SF, indicating that the gap between direct and sublease space may narrow over time and that tenants may no longer be able to find the steep discounts previously seen in sublet space.



The Flight to Quality Office Space Continues

Each of the top five leases signed during the quarter were direct new deals, suggesting that tenants are seizing on current market conditions to secure favorable terms. Two of the top five leases in the quarter were signed by financial services providers, further solidifying Charlotte’s reputation as a major financial hub. The SouthPark and Midtown/Southend submarkets remain active in terms of leasing activity, indicating that employers and employees alike are continuing to prioritize centrally located office space in amenity-rich areas.

Notable 1Q26 Lease Transactions

Tenant	Building(s)	Submarket	Type	Square Feet
JPMorgan Chase & Co.	One Piedmont Town Center	SouthPark	Direct New	137,500
<i>JPMorgan Chase & Co. signed up for five full floors at One Piedmont Town Center in Charlotte’s SouthPark submarket, with occupancy slated for June 2026. The move signifies a consolidation of the banking giant’s local footprint, as the firm currently splits its Charlotte operations between roughly 28,200 SF at Capital Towers and 21,500 SF at the Rotunda Building, both of which are also located in the SouthPark submarket.</i>				
Confidential	550 South	CBD	Direct New	88,989
<i>A confidential tenant recently committed to 88,989 square feet across four floors at 550 South, a newly renovated office tower in Charlotte’s CBD. Their choice to anchor a substantial portion of the building underscores that landlords recognize occupiers are still gravitating toward upgraded, amenity-rich environments as part of the broader flight to quality.</i>				
Charles Schwab	110 East	Midtown/Southend	Direct New	88,017
<i>Charles Schwab, a retail-focused investment services firm, agreed to occupy 23.8% of the building at 110 East in Charlotte’s Midtown/Southend submarket and is expected to occupy the space in July 2026. The move further solidifies the area’s reputation as a preferred destination for financial and professional users and represents a significant expansion of the firm’s presence in the market, increasing from 16,398 SF at Sharon Station in the city’s SouthPark submarket.</i>				
Confidential	605 Munn Rd	York County	Direct New	46,986
<i>A confidential tenant leased 46,986 SF in Charlotte’s York County submarket.</i>				
Confidential	605 Munn Rd	York County	Direct New	45,259
<i>Another confidential tenant recently executed a lease to occupy 42,259 SF at 605 Munn Rd in the York County Submarket.</i>				

03

Market Statistics & Map



Charlotte Office Submarket Map

Please reach out to your
Newmark business contact for this information

 Opportunities

 Threats

Charlotte Office Submarket Overview – All Classes

Submarket Statistics – All Classes

	Total Inventory (SQ FT)	2020 Construction (SQ FT)	Total Inventory (Units)	2020 Construction (Units)	2020 Construction (Units)	2020 Construction (Units)	2020 Construction (Units)	2020 Construction (Units)
--	----------------------------	------------------------------	----------------------------	------------------------------	------------------------------	------------------------------	------------------------------	------------------------------

Please reach out to your Newmark business contact for this information

 Opportunities

 Threats

Class	100,000	0	100%	100%	100%	100%	100%	100%
Class	1,000,000	0	100%	100%	100%	100%	100%	100%
Class	1,000,000	0	100%	100%	100%	100%	100%	100%
Class	100,000	0	100%	0	0	-	-	-
Class	1,000,000	0	100%	100%	100%	100%	100%	100%
Class	1,000,000	0	100%	100%	100%	100%	100%	100%
Class	1,000,000	100,000	100%	100%	100%	100%	100%	100%
Market	10,000,000	100,000	100%	100%	100%	100%	100%	100%

Charlotte Office Submarket Overview – Class A

Submarket Statistics – Class A

	Total Inventory SQFT	Under Construction SQFT	Total Inventory Units	AA Absorption %	1-3B Absorption %	Direct Costs & Selling Fees (\$/SQFT)
--	-------------------------	----------------------------	--------------------------	--------------------	----------------------	--

Please reach out to your
Newmark business contact for this information

 Opportunities

 Threats

Market Total	40,147,400	100,000	38,400	88.2%	88.2%	\$17.00
Mecklenburg	35,000,000	0	33,000	94.3%	94.3%	\$17.00
Wake	2,000,000	0	1,800	90.0%	90.0%	\$17.00
Union County	100,000	0	100	100%	100%	\$17.00
Catawba	2,147,400	0	2,000	93.1%	93.1%	\$17.00
York County	1,000,000	0	1,000	100%	100%	\$17.00
Bladen	200,000	0	200	100%	100%	\$17.00
Market Total	40,147,400	100,000	38,400	88.2%	88.2%	\$17.00

Charlotte Office Submarket Overview – Class B

Submarket Statistics – Class B						
	Total Inventory (SQ FT)	Under Construction (SQ FT)	Total Inventory (Units)	AA Occupancy (%)	FFB Occupancy (%)	Other Class B Leasing Rate (%)
Market Total	14,200,000	0	11,200	71.8%	28,270	28,270

Please reach out to your
Newmark business contact for this information

 Opportunities

 Threats

Bank County	277,000	0	10,000	6,870	6,870	68.00
Bladen	280,000	0	11,200	6,800	6,800	60.00
Cherokee	1,170,000	0	10,000	1,000	1,000	84.70
Catawba	2,000,000	0	46,700	1,000	1,000	61.00
Forsyth	800,000	0	14,700	1,000	1,000	68.00
Guilford	10,000,000	0	28,270	28,270	28,270	67.00
Market Total	14,200,000	0	11,200	28,270	28,270	68.48

1Q26 North Carolina Office Market Overview



Please reach out to your Newmark business contact for this information

 Opportunities

 Threats

Quarter Deliveries	\$	\$
YTD Deliveries	\$	\$
Owner Leasing Rate (of 2025)	85%	85%
Builder Leasing Rate (of 2025)	85%	85%
Total Leasing Rate (of 2025)	85%	85%

04

Supplemental Analysis



Charlotte Office Market



Please reach out to your
Newmark business contact for this information

- The Charlotte, North Carolina and York County metropolitan area is seeing an increase in leasing activity as companies are relocating to work with higher and office space.
- Although construction activity has picked up in recent quarters, a large portion of space to be delivered over the next several quarters is subleased, meaning that newly delivered space will not ultimately affect vacancy rates in the market.
- As of year-end 2019, office leasing commitments in Charlotte reached a record high of 28,000,000 sq. ft., representing a 12% uptick year-over-year and indicating strong demand for office space in the market.

- Demand for traditional office space and long-term leases will be the dominant force.
- Competitive markets in the southeast (the Atlanta, Nashville and Charlotte) may attract employees and businesses away from Charlotte.
- Increasing work conducted with varying office types and businesses in lower cost markets.

Charlotte Gross Metropolitan Product

Charlotte's gross metropolitan product continues to increase despite prevailing national economic headwinds. Most recently, gross metropolitan product rose 4.9% year over year to reach a new all-time high of \$277.1 billion.

Please reach out to your
Newmark business contact for this information

Opportunities

Threats



Wyatt Horn

Senior Research Analyst
Wyatt.Horn@nmrk.com

Andrew Cook

Research Analyst
Andrew.Cook@nmrk.com

Neil Matthee

Research Manager, Southeast Research
Neil.Matthee@nmrk.com

Kirsten Kempf

Senior Research Analyst
Kirsten.Kempf@nmrk.com

Ching-Ting Wang

Head of Southeast Research
ChingTing.Wang@nmrk.com

Charlotte

615 S College St Suite 450
Charlotte, NC 28202
t 704-208-5858

New York Headquarters

125 Park Ave.
New York, NY 10017
t 212-372-2000

Newmark has implemented a proprietary database and our tracking methodology has been revised. With this expansion and refinement in our data, there may be adjustments in historical statistics including availability, asking rents, absorption and effective rents. Newmark Research Reports are available at nmrk.com/insights.

All information contained in this publication (other than that published by Newmark) is derived from third party sources. Newmark (i) has not independently verified the accuracy or completeness of any such information, (ii) does not make any warranties or representations, express or implied, concerning the same and (iii) does not assume any liability or responsibility for errors, mistakes or inaccuracies of any such information. Further, the information set forth in this publication (i) may include certain forward-looking statements, and there can be no guarantee that they will come to pass, (ii) is not intended to, nor does it contain sufficient information, to make any recommendations or decisions in relation to the information set forth therein and (iii) does not constitute or form part of, and should not be construed as, an offer to sell, or a solicitation of any offer to buy, or any recommendation with respect to, any securities. Any decisions made by recipient should be based on recipient's own independent verification of any information set forth in this publication and in consultation with recipient's own professional advisors. Any recipient of this publication may not, without the prior written approval of Newmark, distribute, disseminate, publish, transmit, copy, broadcast, upload, download, or in any other way reproduce this publication or any of the information it contains with any third party. This publication is for informational purposes only and none of the content is intended to advise or otherwise recommend a specific strategy. It is not to be relied upon in any way to predict market movement, investment in securities, transactions, investment strategies or any other matter. If you received this publication by mistake, please reply to this message and follow with its deletion, so that Newmark can ensure such a mistake does not occur in the future.