

Market Momentum

Key drivers in Charlotte Region Commercial Real Estate.

January 2026

From the C-Suite:

Despite the roller coaster ride that was **2025**, the U.S. economy fared pretty well. Trade deals and tariffs created much angst in the markets, which impacted nearly every sector as consumer confidence expressed market jitters. All three major indexes rose over 2025, and the S&P 500 ended its third straight year of double-digit gains.

The late 2025 reports from the Bureau of Labor Statistics (BLS) showed a **stagnant job market with rising unemployment** (peaking at 4.6% including government shutdown impacts) and modest payroll growth. There was mixed sector performance including softening in manufacturing and growth in healthcare and construction. Signals showed a slowing hiring pace especially in entry-level jobs, despite wage growth. Charlotte's economy is outperforming the national average. The Charlotte region's unemployment rate was 3.8% with the largest gains in Professional and Business Services as well as Healthcare and Education Services.

Inflation held steady at 2.7% to end 2025. Consumer prices rose 2.7% in December, virtually unchanged from November, per the latest reading from the Bureau of Labor Statistics. Inflation was helped by falling used car and truck prices, but rising grocery costs prevented the rate from making more progress toward the Fed's 2% target.

The predictions market for **2026** is alive and well. From sports betting to stock markets, commercial real estate is no exception. Recent reports from **ULI's Emerging Trends** and the **Counselors of Real Estate Top Ten Issues** suggest continued opportunities in major growth markets as populations shift, despite ongoing geopolitical uncertainty. Technology and AI loom large as nearly every sector reconciles what it means for their business. The southeast is a clear winner and Site Selection magazine ranked Charlotte the No. 2 best city in the nation for headquarters based on a survey of site-selection experts.



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On the Ground & By the Numbers:

Quarterly review of CLT Region market dynamics from SiteIndex/Moody's CRE



Office

23.5% vacancy rate
834,000 SF built
-810,000 SF absorbed

Retail

9.4% vacancy rate
372,000 SF built
407,000 SF absorbed

Industrial*

10.9% vacancy rate
6,025,000 SF built
2,394,000 SF absorbed

Multifamily

9.4% vacancy rate
12,858 units built
9,433 units absorbed

*Warehouse/DistributionSource: SiteIndex Q3 – period ending 9/30/2025

- ✓ **157 people move to the Charlotte Region every day** on average, according to a Charlotte Regional Business Alliance analysis of recent data.
- ✓ The “Yes for Meck” referendum passed in November marking a pivotal milestone to modernize the region’s **transportation infrastructure** and bolster long-term economic growth and mobility.
- ✓ The **November announcements** of Scout Motors HQ coming to Charlotte with 1,200 jobs and Maersk HQ bringing 520 jobs are big wins for the region. The impact will certainly be felt in the city of Charlotte and the outlying areas in nearly all sectors.
- ✓ **Office** dynamics have improved in the region with vacancy at 23.1%, down 40 bps from Q2. This should continue as absorption, as new HQ announcements, return to work, and a flight to quality space emerge. November 2025 asking effective rent is \$31.24, up 0.1% from Q2 2025.
- ✓ **Industrial** (warehouse/distribution) inventory momentum has slowed after peak supply in 2023. The November vacancy rate was 11%, down 20 bps from Q2 2025, with asking rents remaining stable at \$6.61 per SF.
- ✓ **Retail** continues to improve as job growth is up, gently pushing vacancies down and improving effective rent. Over the last 12 months, market absorption totaled 158,000 square feet, 69.1% lower than the average annual absorption rate recorded since the beginning of Q4 2015.
- ✓ **Multifamily** vacancies, now at 10%, is up 20 bps from Q2 to Q3. The asking rent growth rate of the metro's fourteen underlying submarkets over the past 12 months has been mixed, with cumulative change rates ranging from 3.5% (West Charlotte to Airport) to -0.9% (Downtown). The Harris Blvd./Mallard Creek submarket added the greatest new inventory.