

Market Momentum

Key drivers in Charlotte Region Commercial Real Estate.

April 2026

From the C-Suite:

The **U.S. economy** in the first quarter of 2026 is best characterized as **slow-growth but resilient**, with businesses still active despite persistent inflation and geopolitical uncertainty. Consumer sentiment has fallen given the rise in oil and gas prices. Geopolitical forces and the ongoing dysfunction in Washington D.C. continue to make markets jittery. News travels fast and stock markets respond at an equal rapid pace. Interest rates and inflation risks are keeping policy uncertain.

According to the Bureau of Labor Statistics, the **U.S. annual inflation rate** reached 3.3% in March 2026, driven by a sharp 12.5% increase in energy costs due to geopolitical conflicts. Q1 2026 saw consumer prices surge to their highest level since May 2024, with monthly inflation at 0.9% in March. Core inflation, excluding food and energy, rose 2.6% over the 12-month period.

For commercial real estate (CRE), the result is a **transition from correction to cautious recovery**. After a multi-year repricing driven by high rates, values have largely stabilized and capital is gradually returning, with lending volumes and transaction activity expected to increase meaningfully in 2026. Sector performance is uneven: industrial and multifamily remain relatively strong, office is stabilizing but bifurcated (high-quality assets outperforming), and overall investment activity is picking up as financing conditions improve. CRE is no longer in decline, but its recovery is **measured, selective, and highly sensitive to interest rates and economic momentum**.

According to reports from CBRE, the Charlotte commercial real estate market in 2026 is broadly characterized by **strong long-term fundamentals**, placing it among the more attractive U.S. growth markets. The metro continues to benefit from above-average job and population growth, particularly in finance and logistics—and ranks as a **top-tier investment target (top 5 nationally)**.



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On the Ground & By the Numbers:

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



Office

22.9% vacancy rate
178,000 SF built
386,000 SF absorbed

Retail

9.4% vacancy rate
95,000 SF built
81,000 SF absorbed

Industrial*

11.5% vacancy rate
4.5m SF built
1.6m SF absorbed

Multifamily

10.2% vacancy rate
16,194 units built
11,311 units absorbed

*Warehouse/Distribution

Source: SiteIndex Q4- period ending 12/30/2025

- ✓ **At the sector level, performance is mixed but generally healthy.** Charlotte's CRE market is stable and recovering, with clear winners and lagging segments as its long-term growth trajectory remains firmly intact.
- ✓ **Office is improving but still bifurcated.** Relocation and expansion announcements combined with a slowdown in move-outs as existing tenants settled into their post-pandemic footprints. Net absorption posted its sixth consecutive quarter in positive territory as of Q4, the longest streak since 2019. Vacancy stands at 22.9% down 70 basis points from 3Q2025. Asking effective rent is \$25.51, up 0.9% from 2Q2025.
- ✓ **Industrial remains strong despite headwinds.** A multi-year wave of warehouse inventory expansion continues to weigh on fundamentals even as signs of stabilization emerge. The dominant concentration of space is in the northeast submarket. Vacancy stands at 11.5%, up 60 basis points from 3Q2025, with relatively flat asking rents at \$6.24 per SF. Absorption lags deliveries impacted by tariffs and fuel surges.
- ✓ **Retail in the region is one of the strongest-performing in the U.S.** The retail market entered 2026 on solid footing as demand stabilized and absorption rebounded with 81,000 square feet absorbed by year end. Vacancy remained flat from 3Q to 4Q2025, with modest rent increases to \$18.38 effective rent. The south submarket yielded the greatest increase in new inventory.
- ✓ **Multifamily is in a slowdown phase for absorptions after heavy supply in 2024–2025.** Vacancies rose 40 basis points since 3Q2025, with rents relatively flat at \$1,446 per unit. Dominant concentrations of competitive apartment space are in the Harris Boulevard/Mallard Creek Church Road submarket, amounting to 29,938 units and 13.4% of the metropolitan inventory.



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