

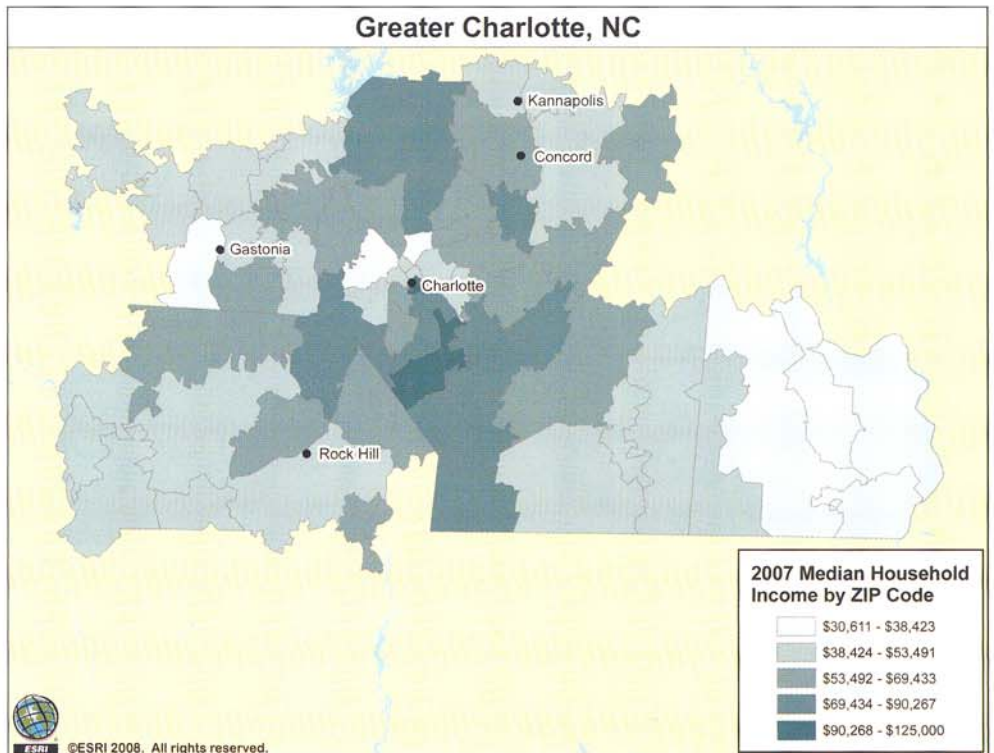
Charlotte, North Carolina: Industrial Grows Outward

By Lester Osborn

Although the current commercial real estate market is experiencing many challenges, the Charlotte industrial market remains strong. The true strength of the industrial market is found in the 30,000- to 100,000-square-foot range. The smaller square footage has seen a decrease in activity, but still remains active. Developers have begun to seek industrial properties outside of Charlotte in neighboring communities such as Concord, Kannapolis, Rock Hill and Fort Mill. With close proximity to Charlotte and more vacant land, these communities have become the new home to industrial development.

Developers are seeking land along interstates 77 and 85, which provides direct access to Charlotte. They also are targeting the belt line, Interstate 485, which has greatly improved truck traffic around the outskirts of Charlotte. Industrial development around the belt line has been on the west side, which is close to the airport. An example of current development along Interstate 77 includes a 20-acre site on Lakeview Road, which encompasses four industrial building totaling 262,000 square feet. Other developers active in the area include Crescent Resources, ACC, Beacon Partners, Childress Klein and ProLogis.

The airport area is continuing to thrive with the industrial market and is an area to watch throughout the year. Current activity includes Airpark West by Crescent Resources. Building I was a build-to-suit, 100,000-square-foot facility for Trane and Building II is a 176,400-square-foot speculative building. Barrady signed a 48,000-square-foot lease at the facility. Sykes Industrial Development is near breaking ground on a two-building project totaling 250,000 square feet. Two miles from Douglas International



Airport, PODS signed a 40,000-square-foot lease at Perimeter West, an 180,000-square-foot facility. Three miles from the airport, AAC completed two 102,000-square-foot buildings in Shopton Ridge Business Park. The company also is about to break ground on an 184,000-square-foot facility, which will be completed in early 2009.

The leasing market continues to remain strong throughout Charlotte as well. Nations-West Distribution Center on Nations Ford Road welcomed PACTIV with 117,000 square feet and Belk Distribution with 141,000 square feet. Merchant Metals leased 26,000 square feet at 6735 Statesville; Welspun leased 67,000 square feet at RidgeCreek I. and City Sprint leased 50,000 square feet and Rent A Center leased 45,000 square

feet at Shopton Ridge. Retailers new to the Charlotte market includes Firehouse and Casual Living, which leased 170,000 square feet at 1201 Westinghouse Boulevard.

The Charlotte industrial continues to remain strong in both leasing and development activity. There is a very high demand for warehouse space in the market, and deals are being completed as quickly as the buildings appear. There is concern that there is not enough speculative development on the market to meet the demand, and this may pose a challenge in placing prospective tenants.

— Lester Osborn is president of Piedmont Properties/CORFAC International.