HUNTERSVILLE COMMUNITY PLAN

H 20 40

LOOKING FORWARD THINKING BACK

Community Profile

February 2020

Purpose of the Community Profile

- This Community Profile is a summary of the information collected for Huntersville 2040 Community Plan project.
- The Profile was produced in winter 2019-2020.
- For more information, please visit the project website or contact the Key Town Staff.

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www.Huntersville2040.com

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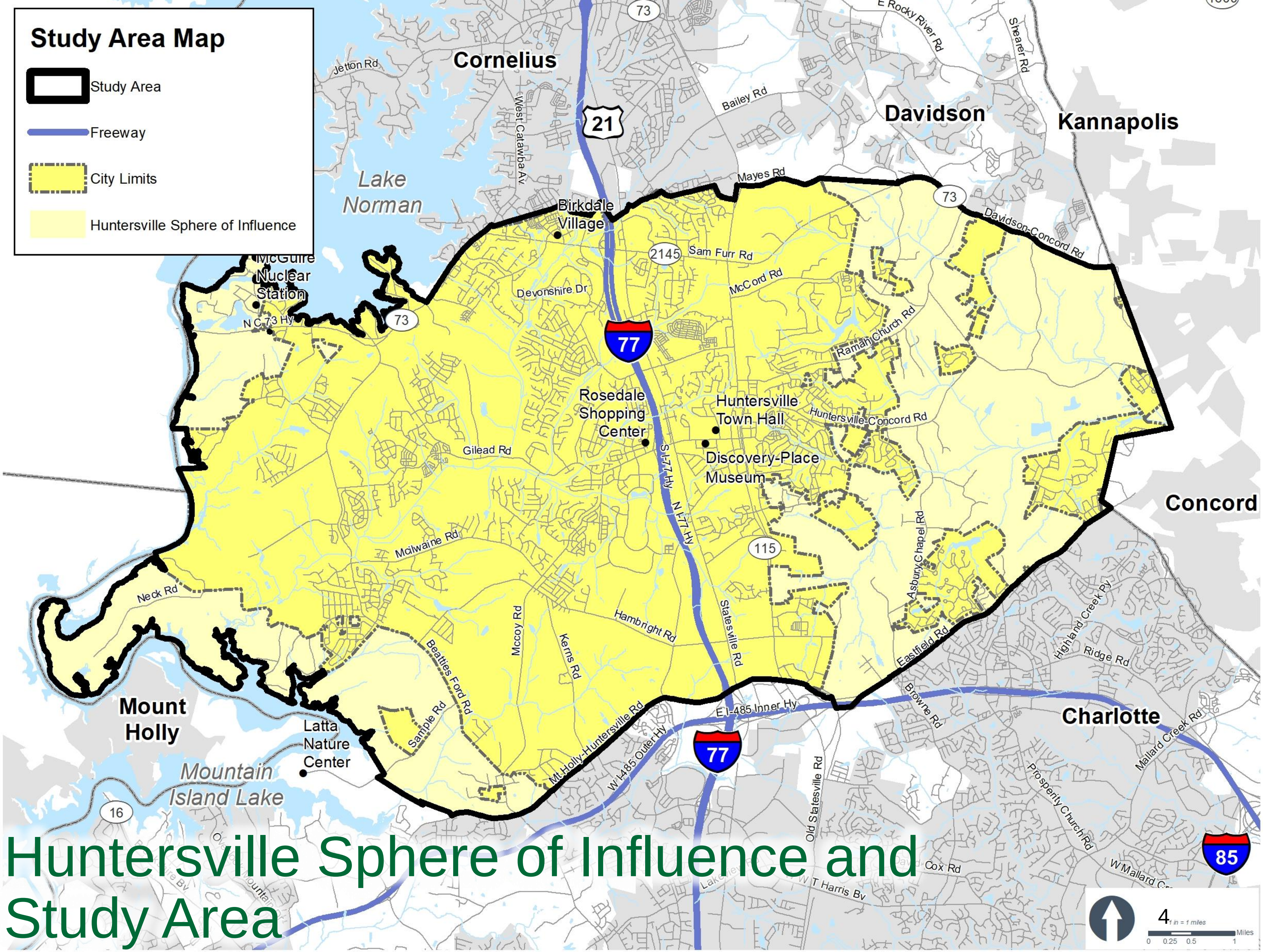
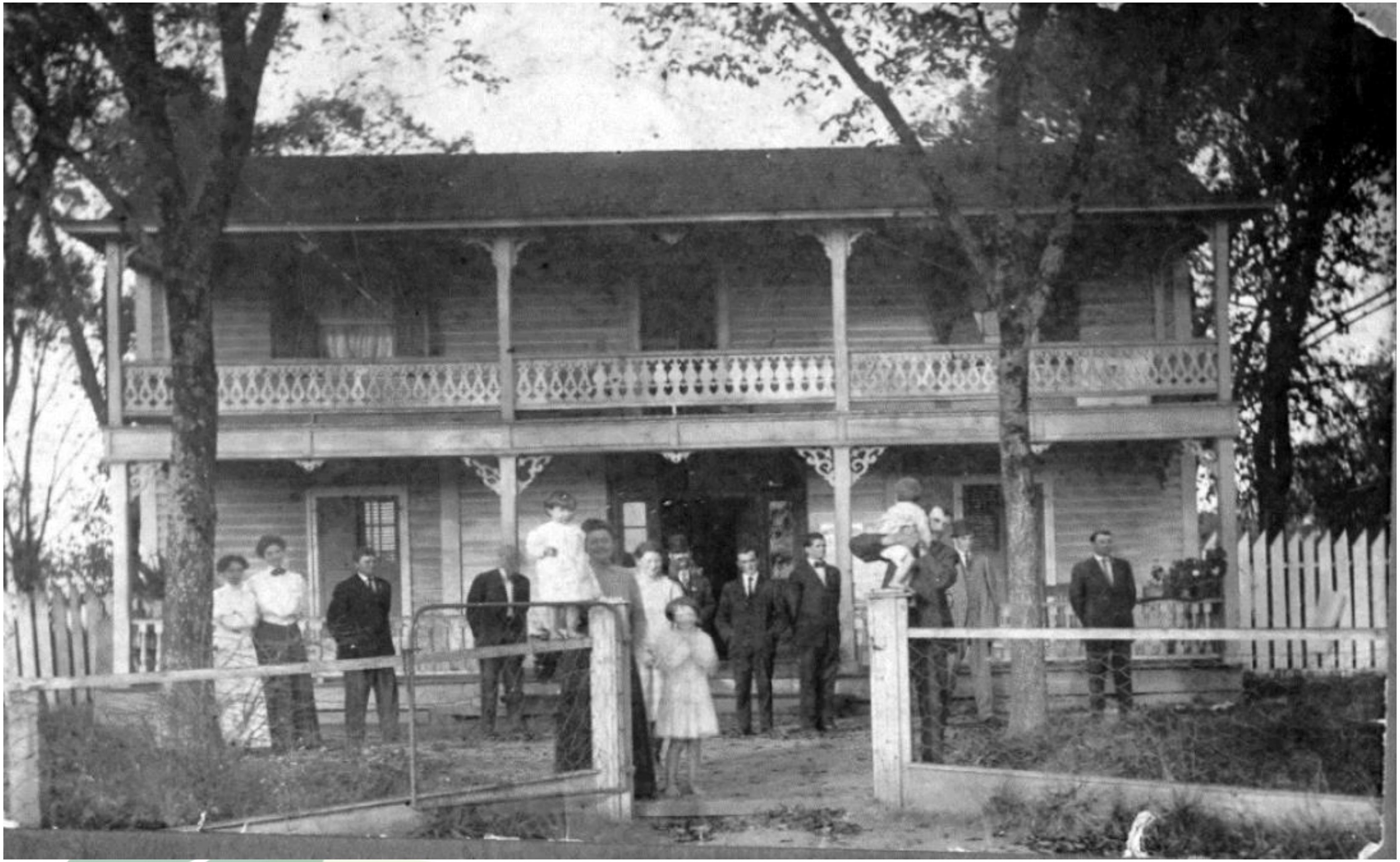


Huntersville Sphere of Influence and Study Area

Town History

- Incorporated in 1873, the community grew quickly thanks to the fertile land and rail line.
- Growth continued as cotton production and the associated textile mills attracted more residents and jobs. Town once covered everything East of the Catawba River, including Mallard Creek.
- In 1900 town defined as 1-square mile (railroad at its center)

Town History



Town History

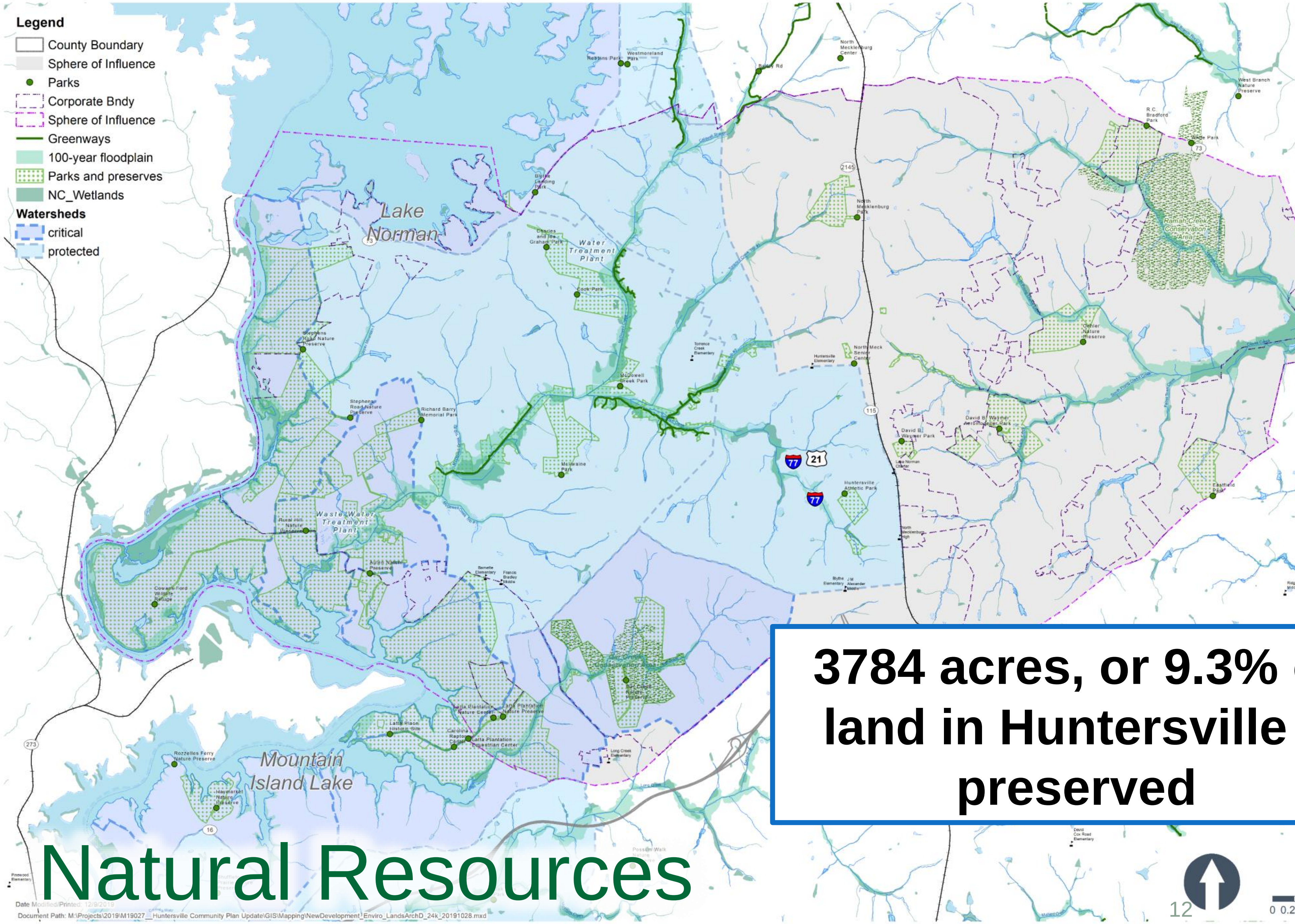
- Early businesses included Cross Chevrolet (Town Center) & General Store (Veterans Park)
- Duke Power, Bell South, hosiery and cotton mills
- Proximity to Charlotte has fueled growth over the last 75 years

Town History – 1993 Aerial

Town History – 2007 Aerial

Town History – 2018 Aerial

Land Use and Environment

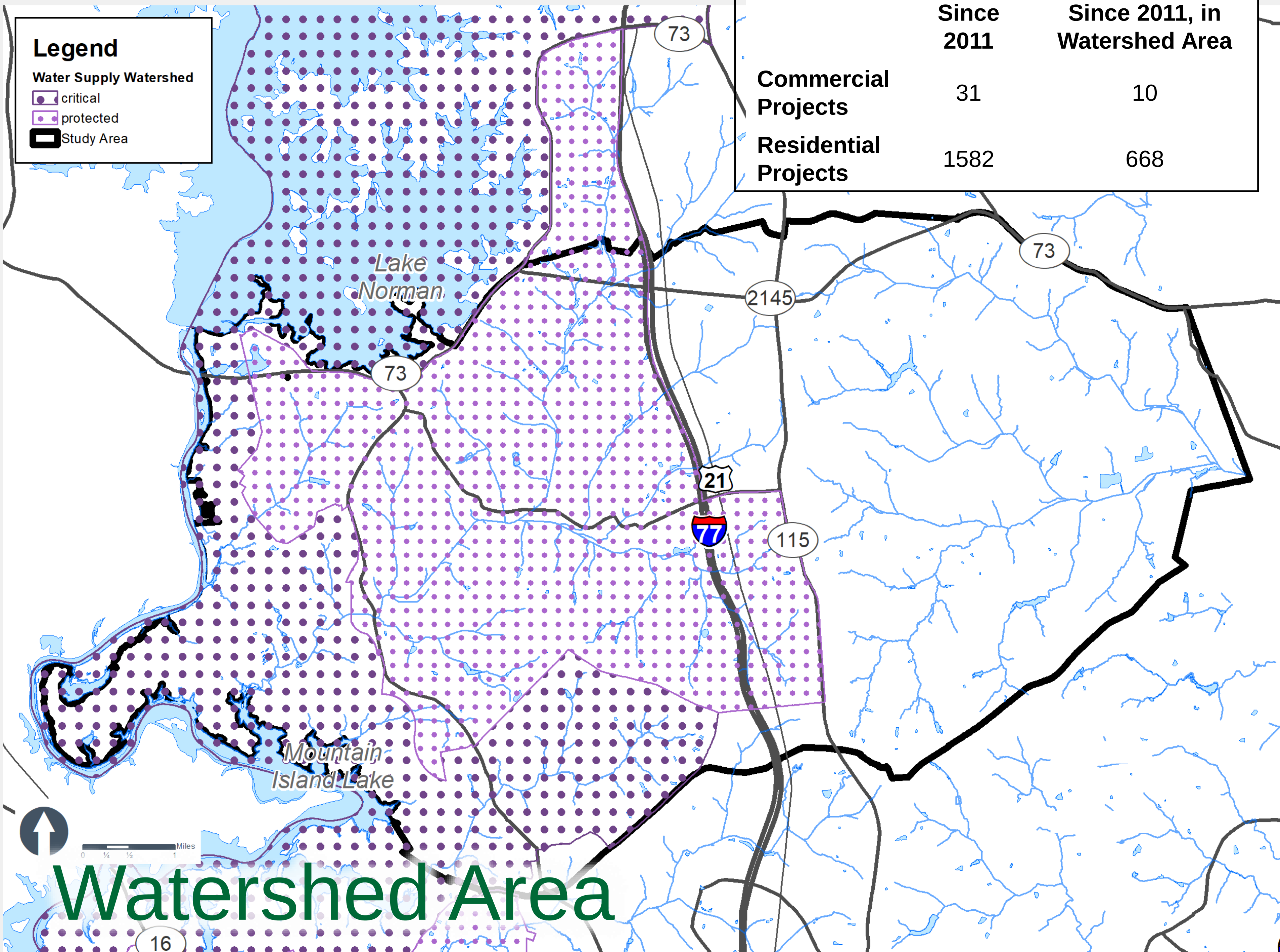


Natural Resources

3784 acres, or 9.3% o
land in Huntersville
preserved

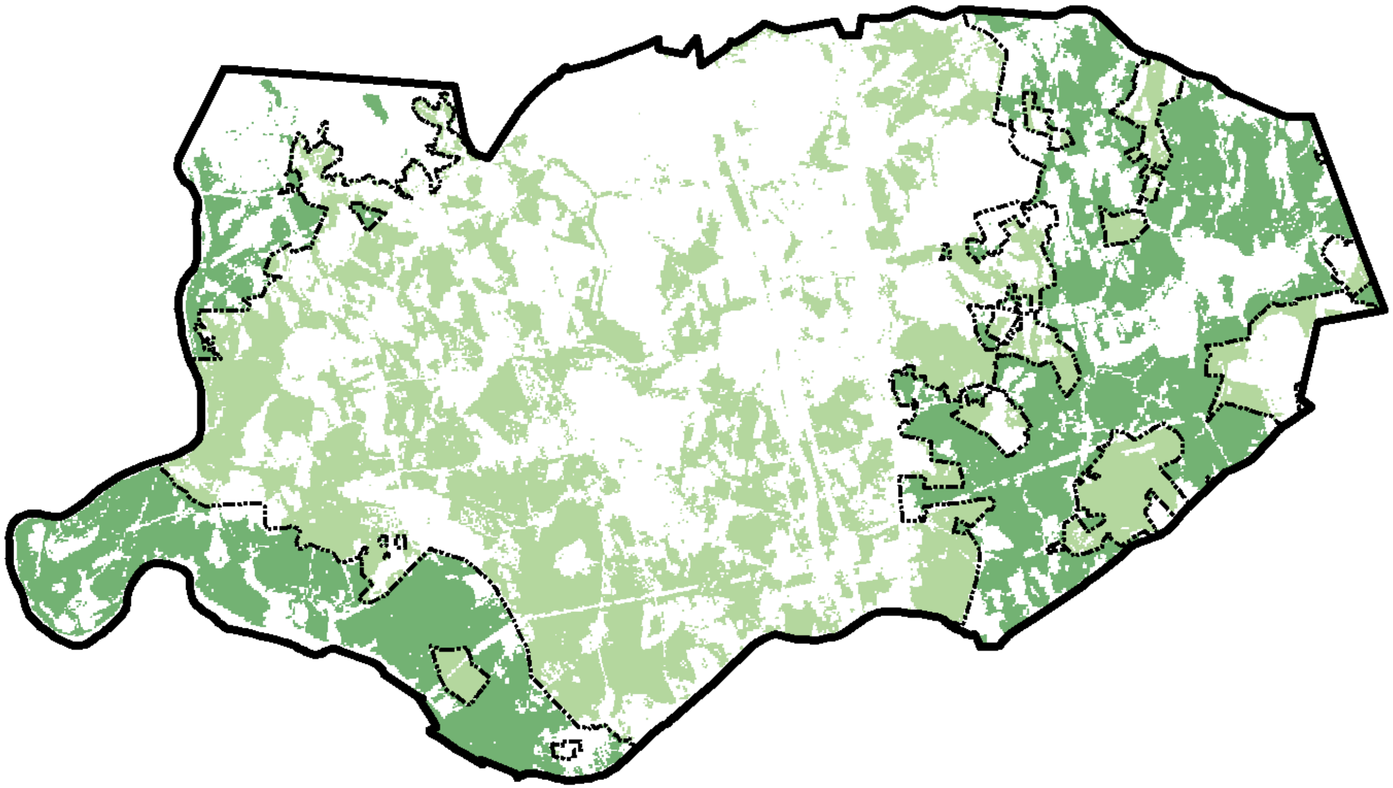
Watershed Area

	Since 2011	Since 2011, in Watershed Area
Commercial Projects	31	10
Residential Projects	1582	668



2010 Huntersville Forest Cover

CropScape Data

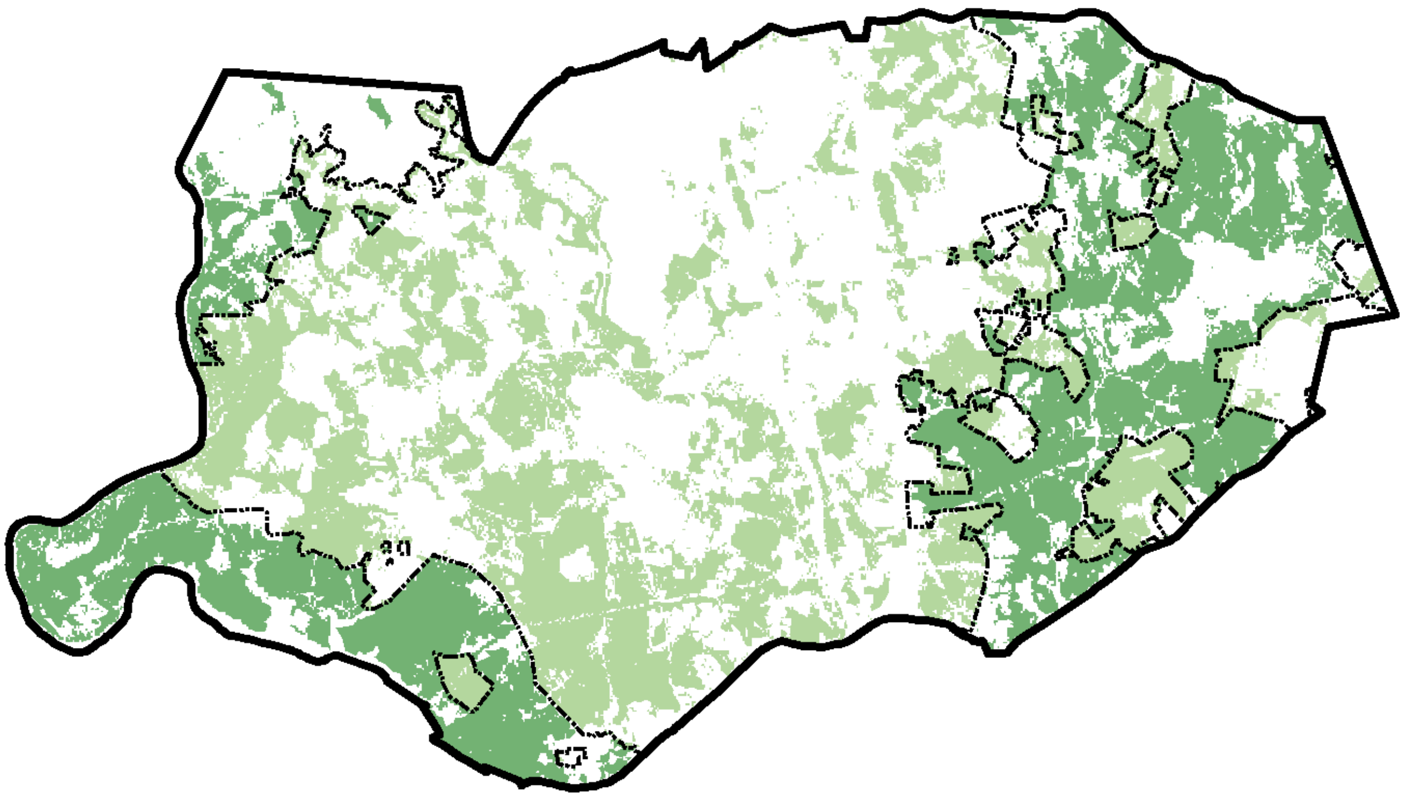


Huntersville Town Limits*	**10,568 acres of forest cover**	**40% of acreage within town limits**
Sphere of Influence* (excluding limits)	**7,995 acres of forest cover**	**56% of acreage within sphere**

**reflects current boundaries*

2018 Huntersville Forest Cover

CropScape Data



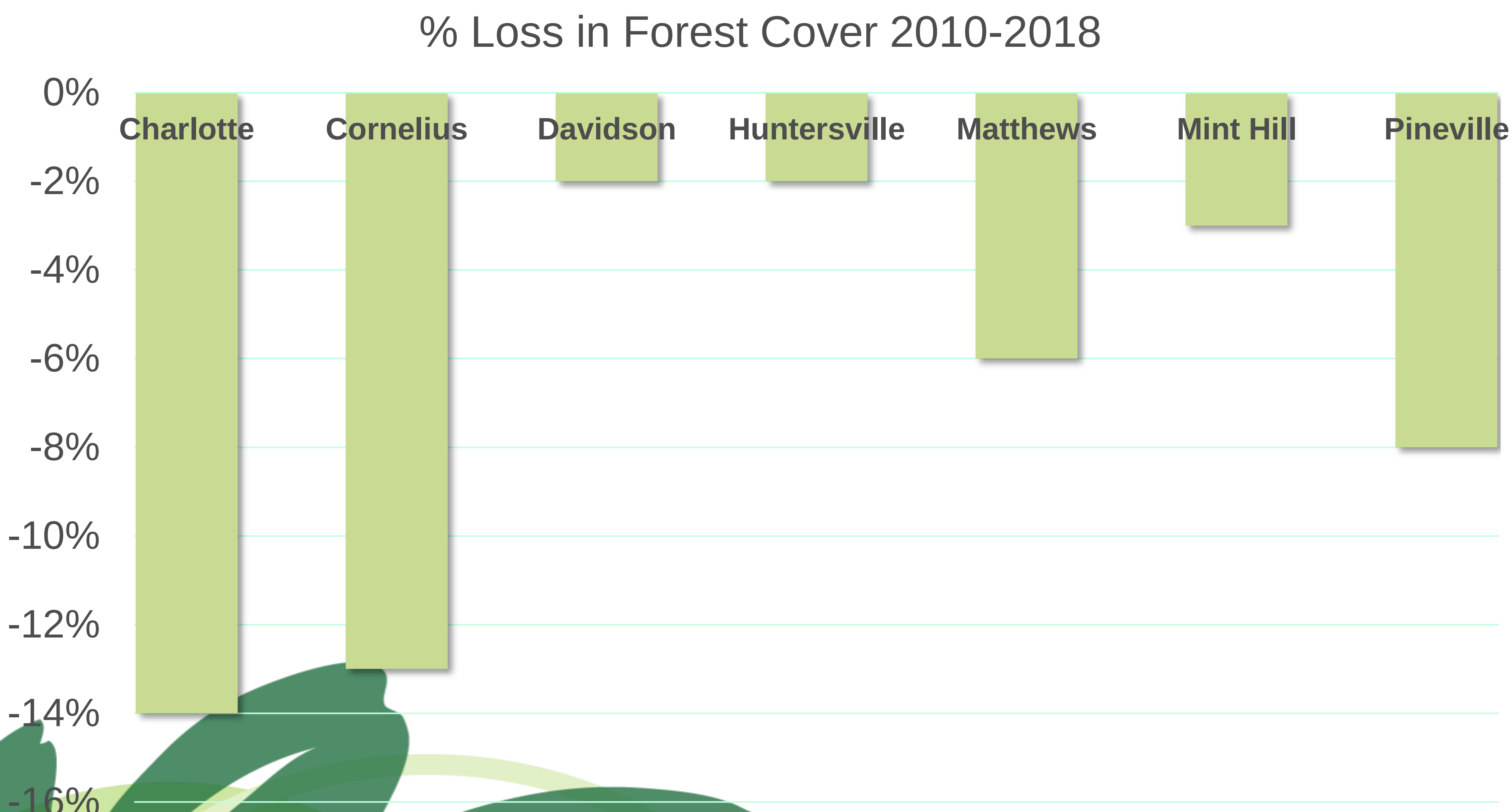
Huntersville Town Limits*	**9,985 acres of forest cover**	**38% of acreage within town limits**
Sphere of Influence* (excluding limits)	**8,243 acres of forest cover**	**58% of acreage within sphere**

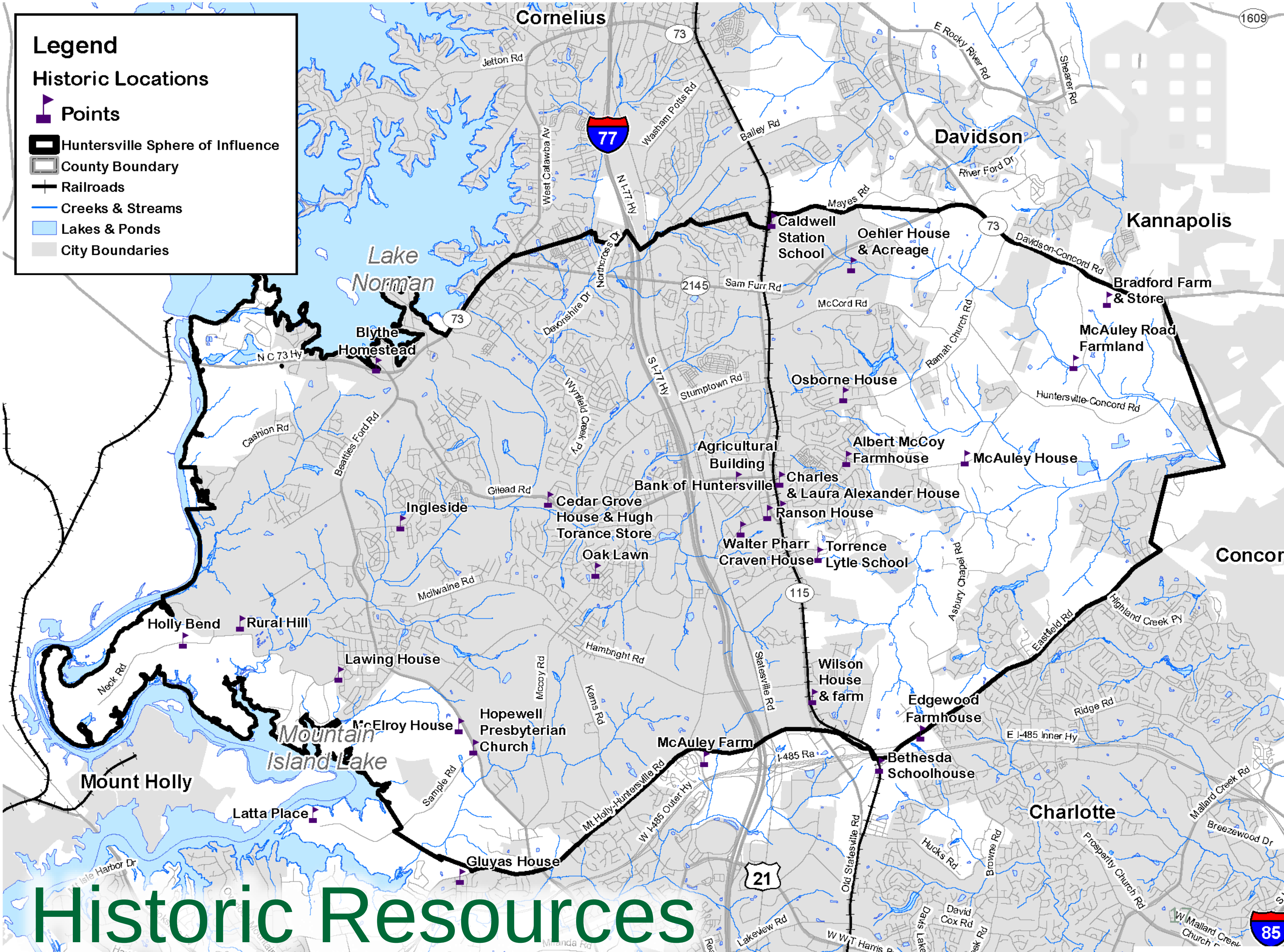
**reflects current boundaries*

% Loss in Forest Cover

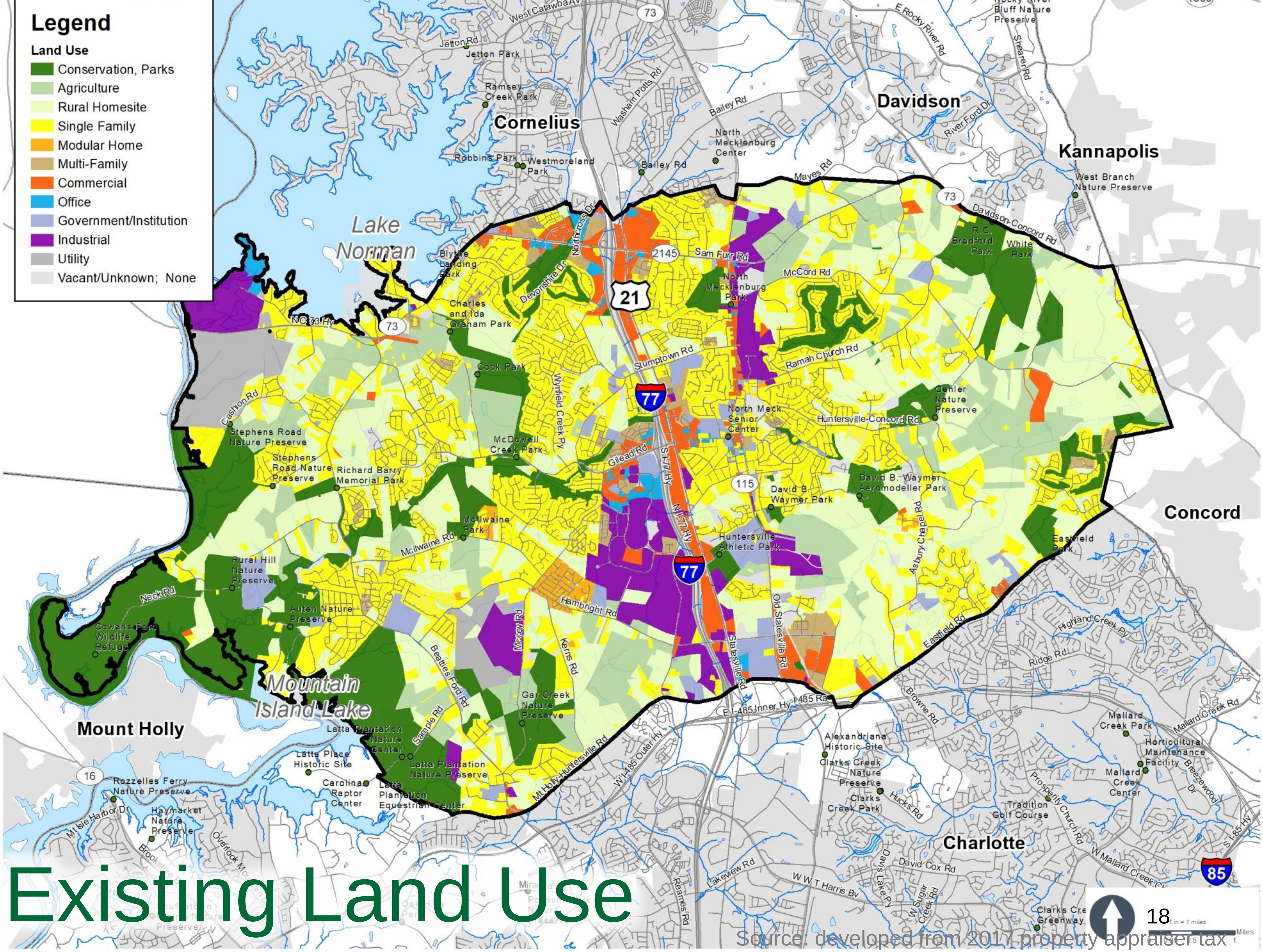
From 2010 to 2018

Cropscape Data





Historic Resources

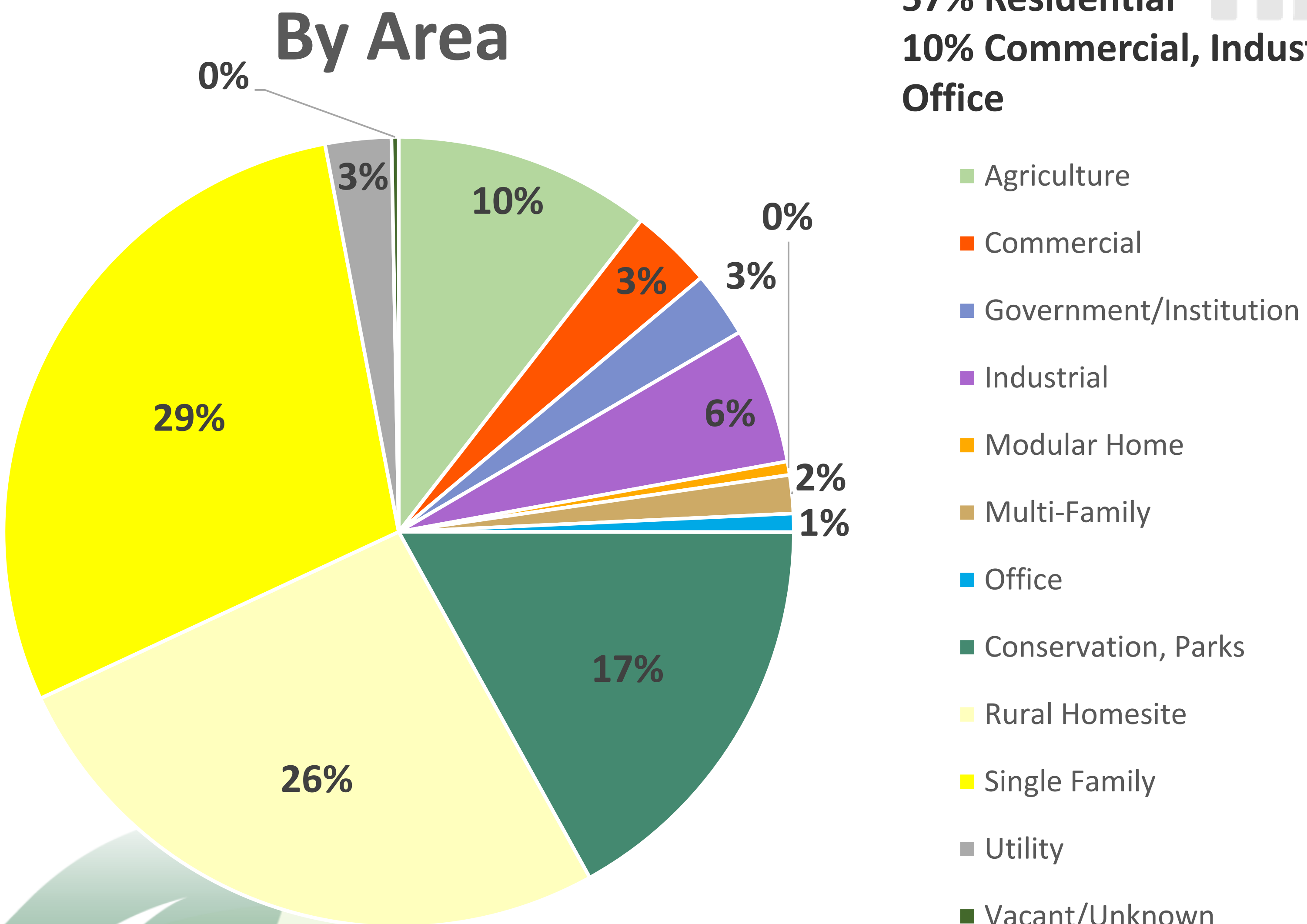


Existing Land Use

Source: developed from 2017 property appraiser tax data

Existing Land Use

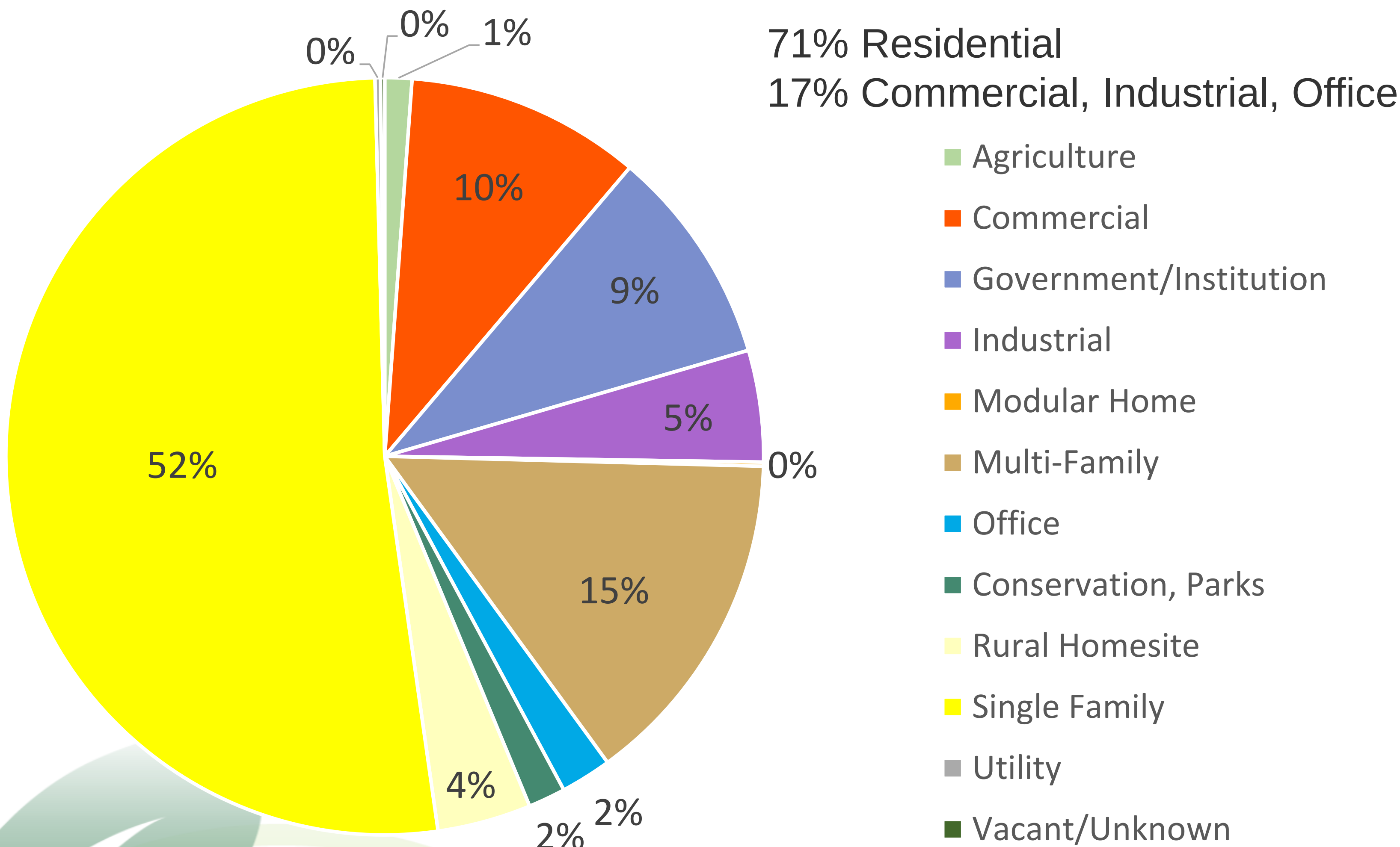
57% Residential
10% Commercial, Industrial, Office



Source: Developed from 2017 Property Appraiser Tax Data

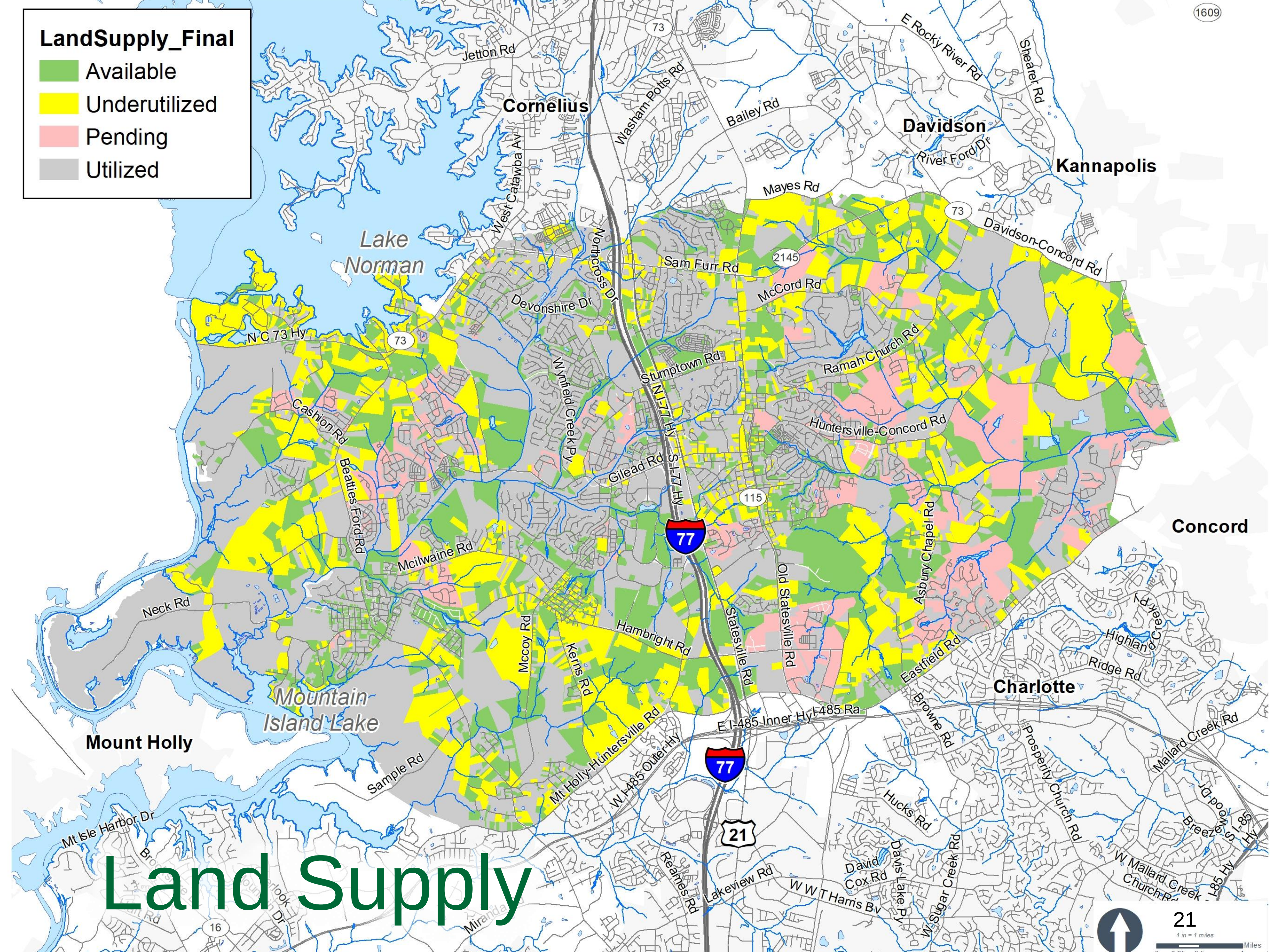
Existing Land Use

By Total Value (Buildings + Land)



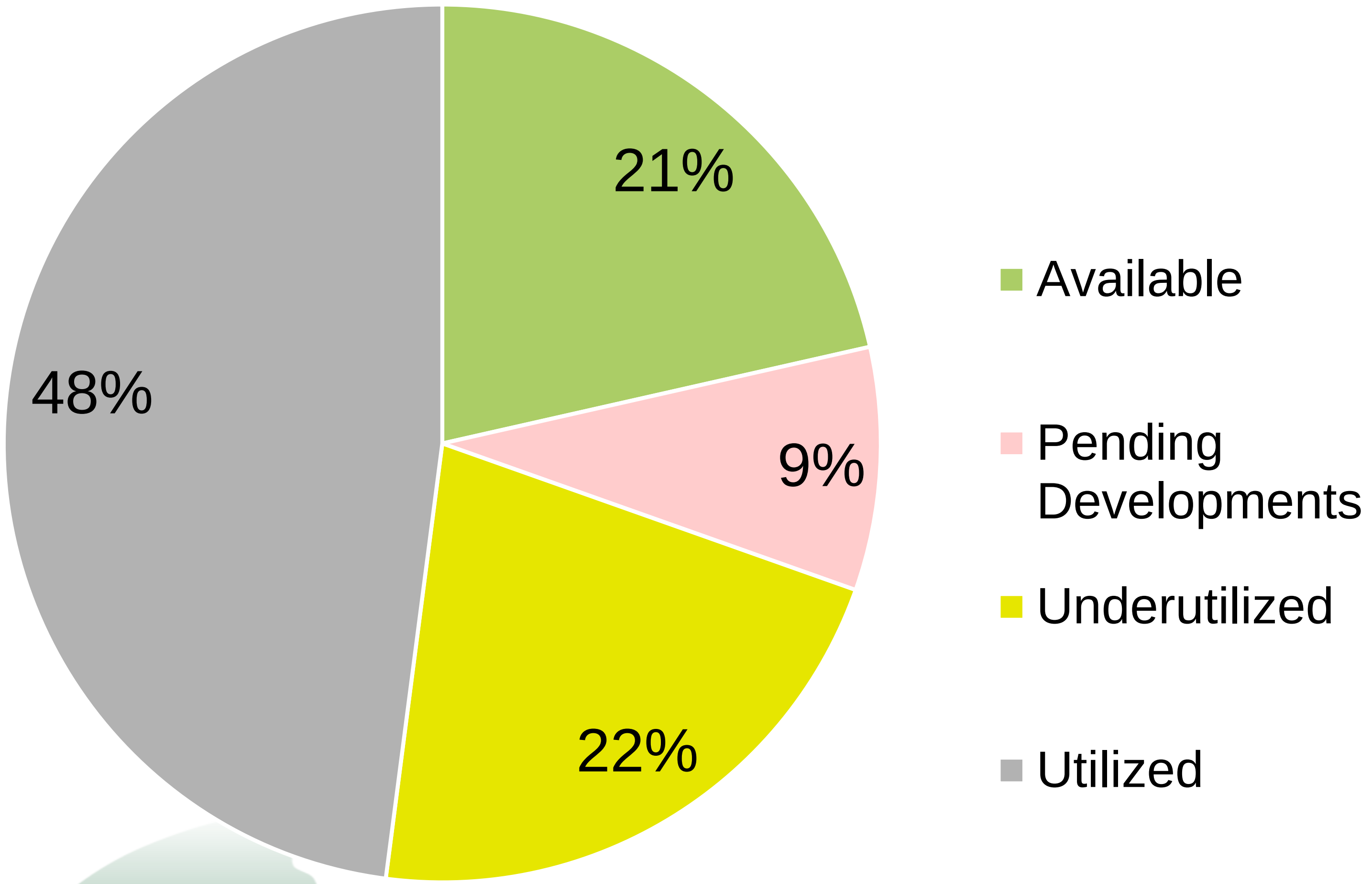
Source: Developed from 2017 Property Appraiser Tax Data

Land Supply



LandSupply_Final
Available
Underutilized
Pending
Utilized
Cornelius
Davidson
Kannapolis
Concord
Charlotte
Mount Holly
Lake Norman
Mountain Island Lake
Jetton Rd
Washam Potts Rd
Bailey Rd
E Rocky River Rd
Shearer Rd
River Ford Dr
Mayes Rd
Davidson-Concord Rd
West Catawba Av
Northcross Dr
Sam Furr Rd
McCord Rd
Devonshire Dr
N C 73 Hy
Stumptown Rd
Ramah Church Rd
Wynfield Creek Py
Cashion Rd
Huntersville-Concord Rd
N I-77 Hy
S I-77 Hy
Gilead Rd
Beatties Ford Rd
Mcilwaine Rd
Asbury Chapel Rd
Old Statesville Rd
Neck Rd
Statesville Rd
Hambright Rd
Mccoy Rd
Kerns Rd
Eastfield Rd
Highland Creek Pk
Ridge Rd
Browne Rd
E I-485 Inner Hy
I-485 Ra
Mt Holly-Huntersville Rd
W I-485 Outer Hy
Sample Rd
Prosperity Church Rd
Mallard Creek Rd
Hucks Rd
Breezewood Dr
Mt Isle Harbor Dr
Reames Rd
Lakeview Rd
W W T Harris Bv
David Cox Rd
Davis Lake Py
W Sugar Creek Rd
W Mallard Creek Church Rd
S I-85 Hy
73
2145
115
77
21
16
1609

Land Supply

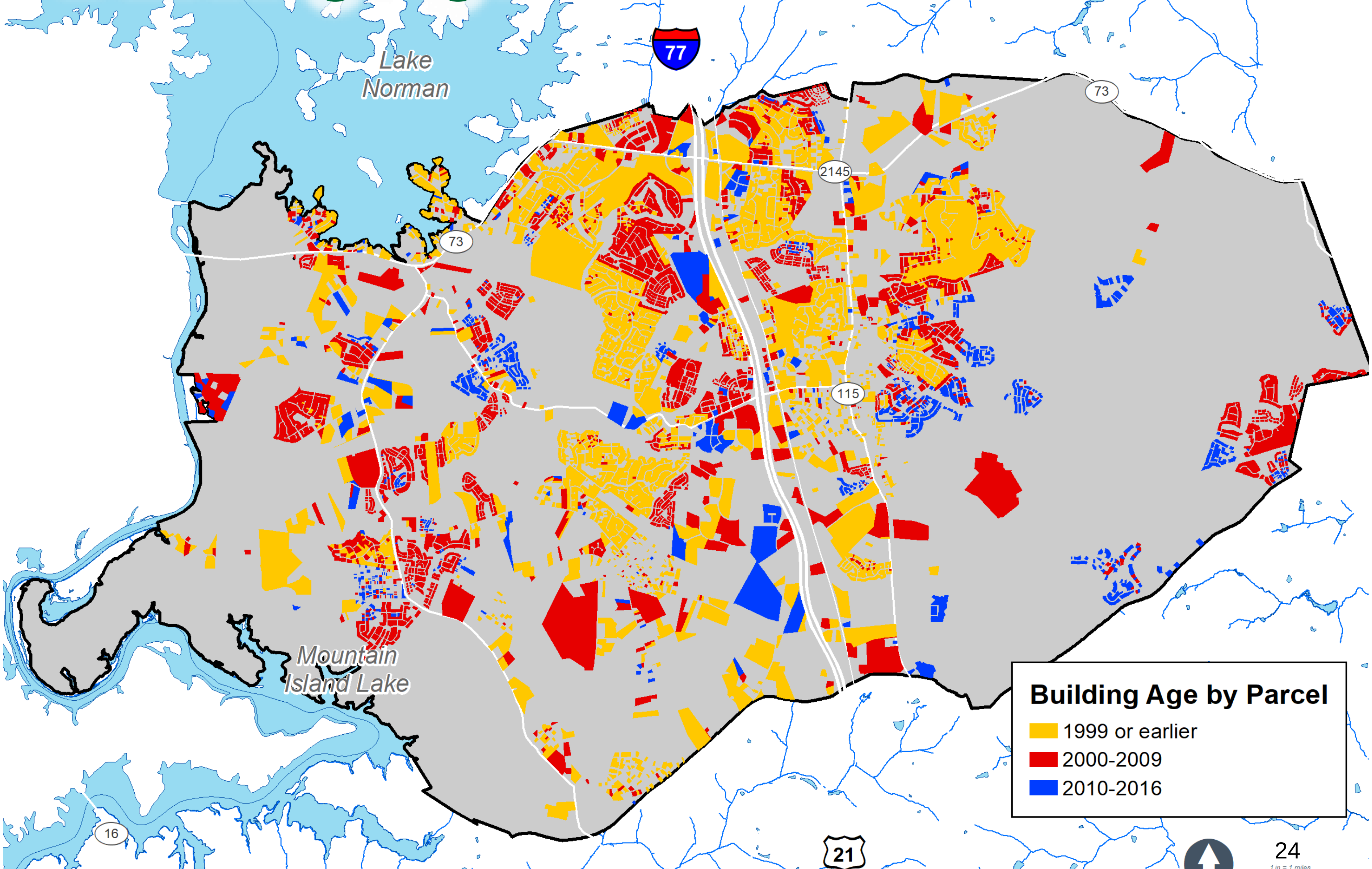


Source: Developed from 2017 Property Appraiser Tax Data

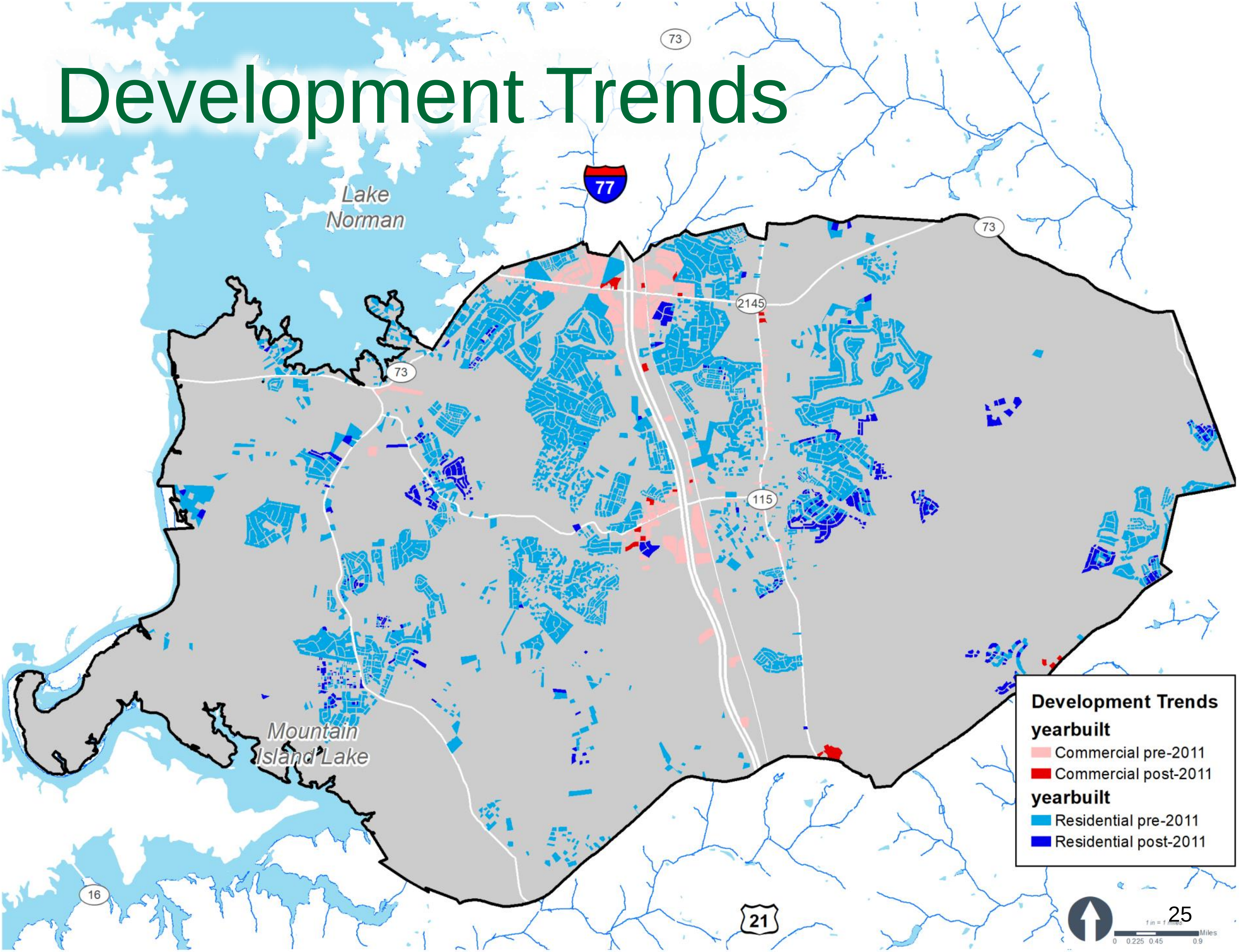
Land Supply & Pending Development Summary

- High Intensity Area:
  - 37% of Available and underutilized lands
  - 10,000 Housing units in approved subdivisions since 2000
- Low Intensity Area:
  - 63% of Available and underutilized lands
  - 5,200 Housing units in approved subdivisions since 2000

Building Age



Development Trends



Transportation and Services

Transportation Assessment – 4 Steps

- **Inventory**

  What projects, funded or unfunded, have been recommended?

- **Diagnostic**

  How well do the inventoried projects address local needs?

- **Transit Assessment**

  What are our long-term goals related to transit and land use?

- **Transportation Policies and Action Items**

  What policies and programs are needed to support other community initiatives?

Transportation Inventory

Plans, Studies, & Programs

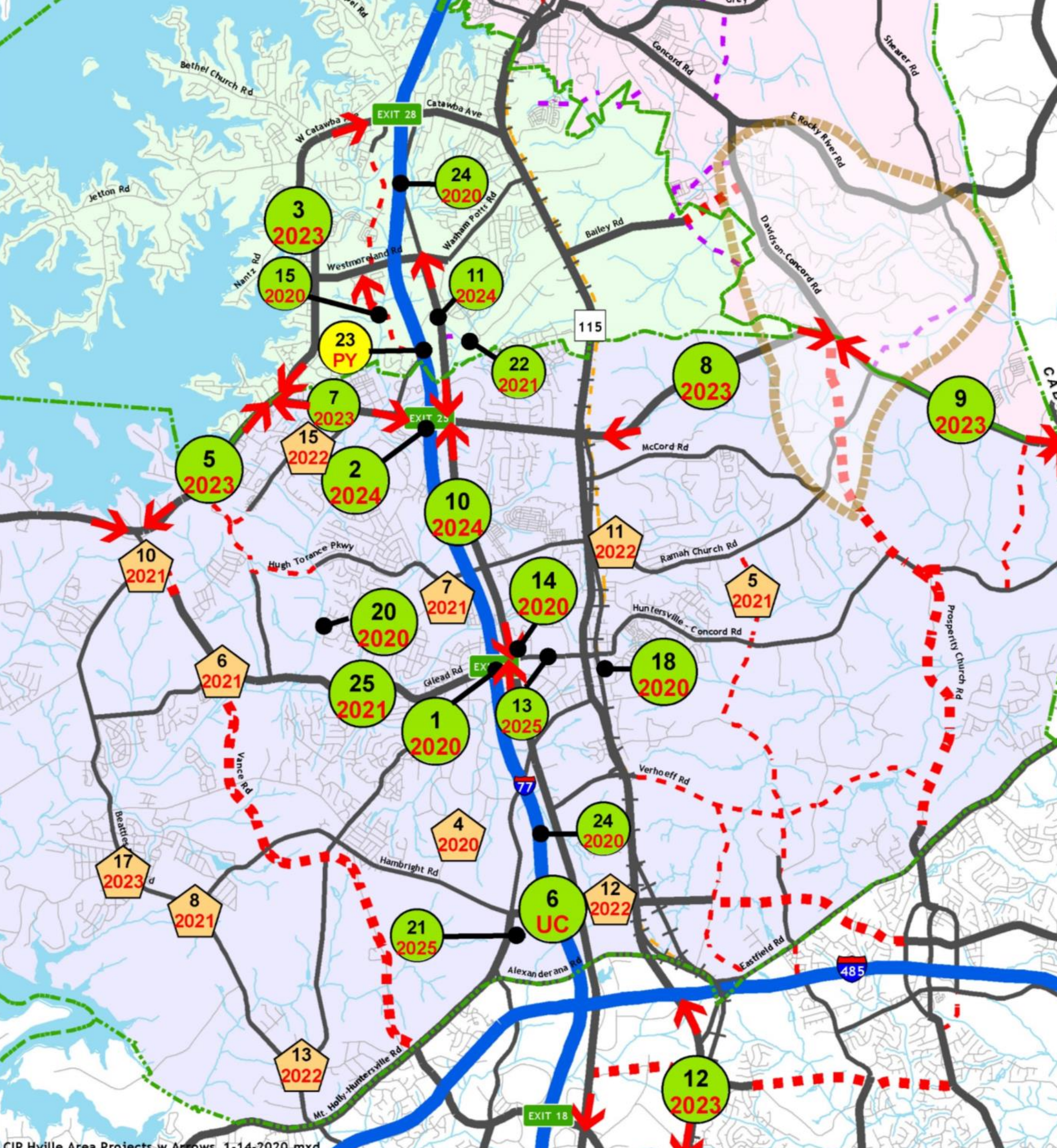
Local		Regional	State
Local	Capital Improvement Plan	Regional Plans	State Transportation Improvement Program
Unfunded	Funded	Funded & Unfunded	Funded

Local:

- Small Area Plans
- Corridor Studies
- Bike/Ped Plans

Regional:

- Metropolitan Transportation Plan
- Comprehensive Transportation Plan
- Transit Studies



Notable Projects

I-77 / Gillead Rd interchange

1-77 / Sam Furr Rd interchange

NC 73 widening

US 21 widening

NC 115 widening

Gilead Road widening

US 21 / Gilead Rd intersection

Northcross Dr Ext (new road)

Main St widening

Public Services

Parks: Town/County partnership

Schools: Charlotte-Mecklenburg Schools, Private & Charters

Fire: Town funded, part time/volunteer staffing

Police: Town

Electric: ElectriCities, Duke Energy and Energy United

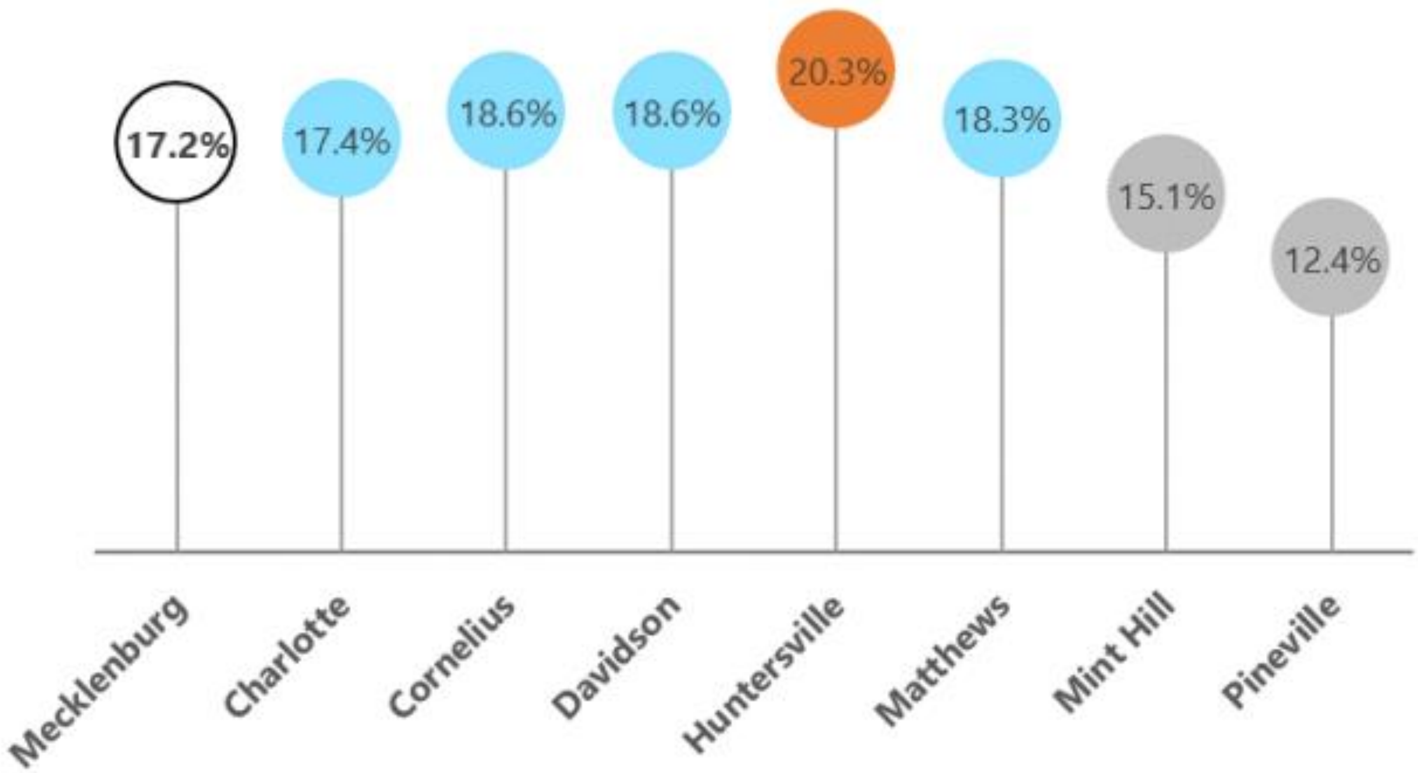
Sanitation: Contract services to Waste Connections

Water/Sewer: City of Charlotte

Streets: Local (Town), major roads/highways (NCDOT)

Schools

School-Aged Youth by Jurisdiction, 2017



Huntersville has the highest proportion of school-aged youth and the highest projected increase in the school-aged population. Over 8,000 new students projected in 2035, which is the highest projected increase in Mecklenburg County.

Demographic Profile

Demographics

At a glance…

Sphere of Influence

62,432
2019 Population

37.0
Median Age

$303,625
Median Home Value

+27.1%
Pop. Change Since 2010

42.2%
Households with Children

76.7%
Owner-Occupied Housing

Charlotte MSA

2,616,243
2019 Population

37.7
Median Age

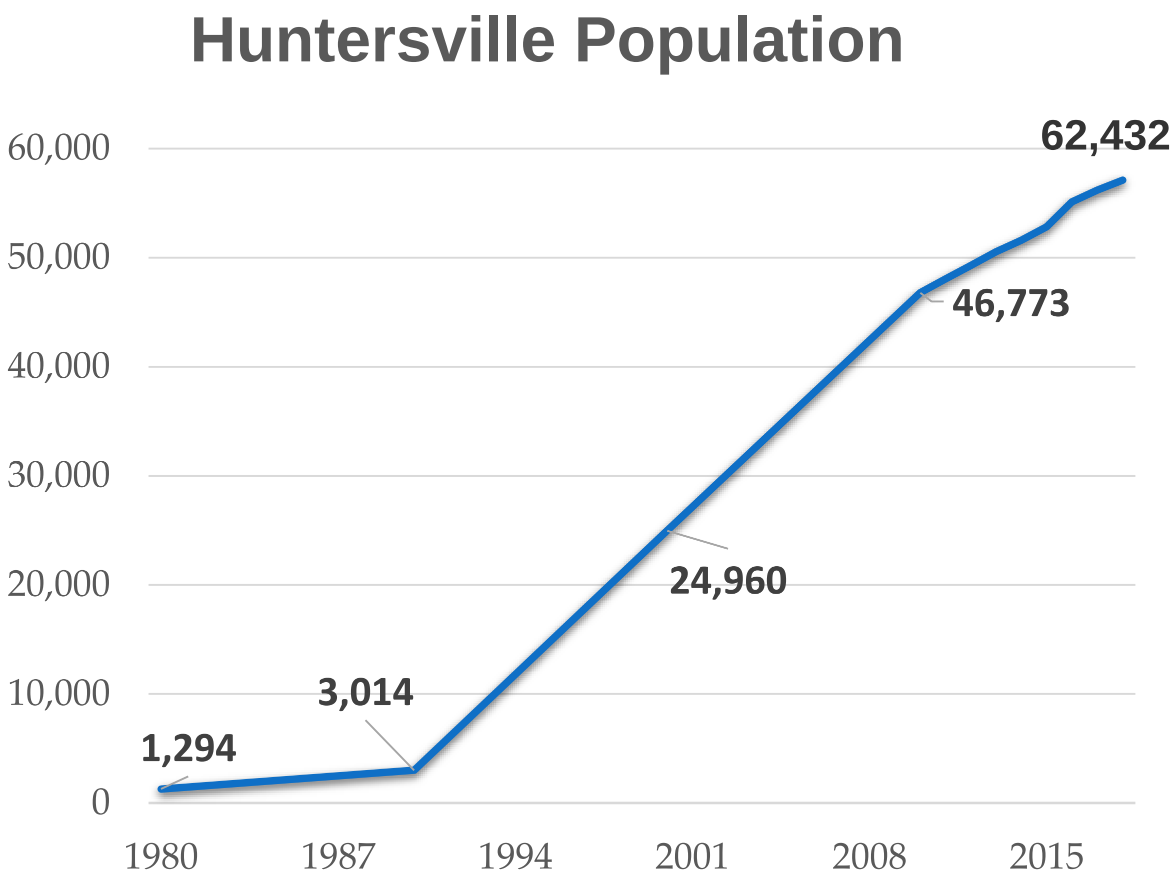
$216,143
Median Home Value

18.0%
Pop. Change Since 2010

36.2%
Households with Children

67.9%
Owner-Occupied Housing

Population

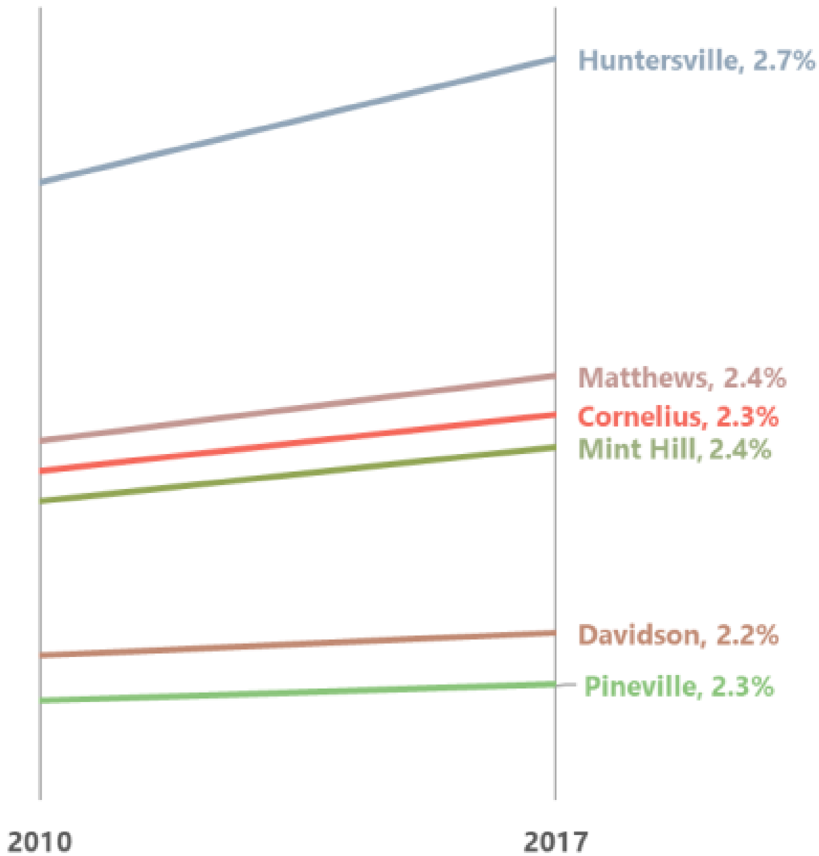


Mecklenburg County is forecasted to grow by 600,000 between 2015 and 2045

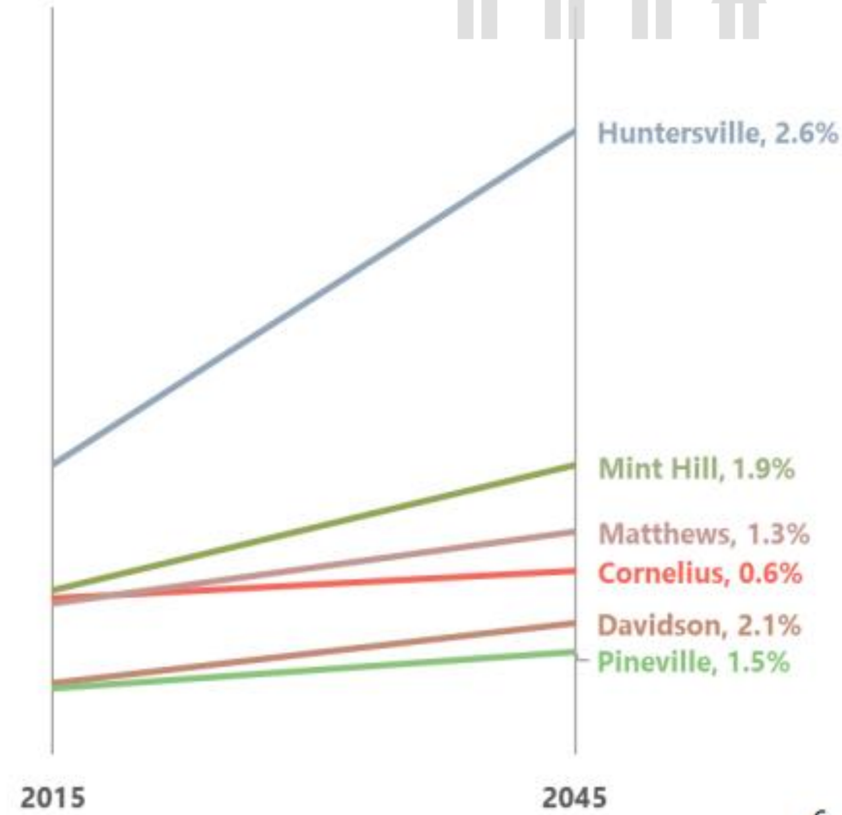
Projections indicate that Huntersville population could grow significantly based on demand for housing

Source: 2017 ACS, Decennial Census

Population



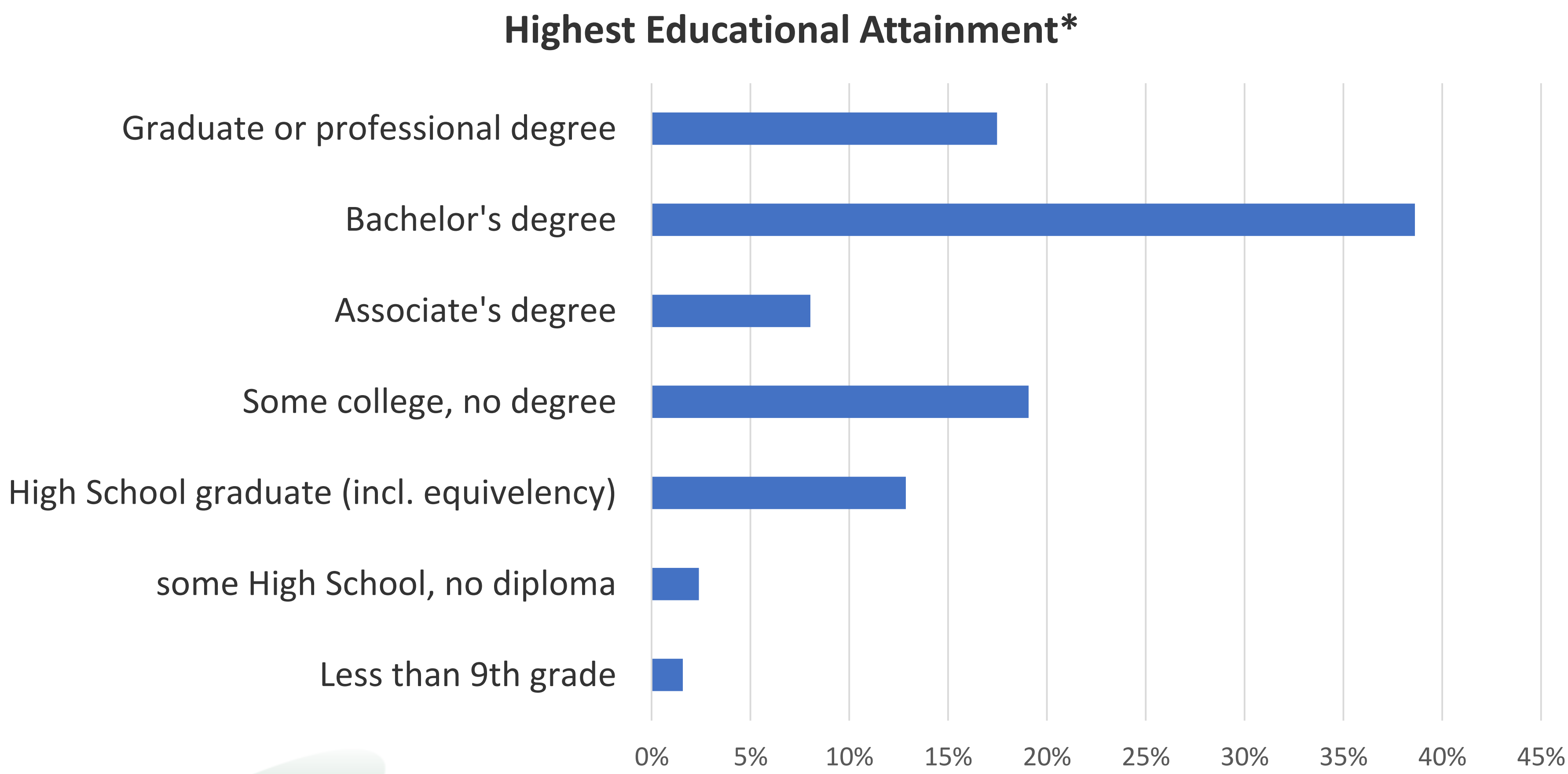
Historic Annual Growth by Jurisdiction, 2010 to 2017



Projected Annual Growth by Jurisdiction, 2015 to 2045

Source: MEAC Growth Trends 2018

Education



*persons age 25 or older

Source: 2017 ACS

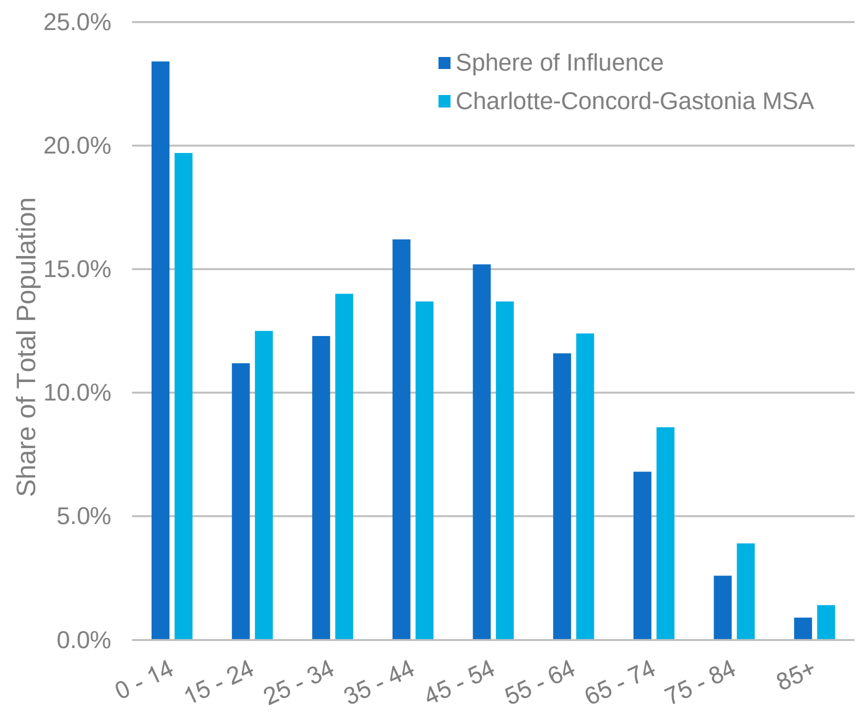
Age Characteristics

Children less than 14 years old represented the largest age cohort in the Sphere of Influence in 2019 at 23.4% of the total population. This age group experienced notable growth since 2010, adding nearly 2,400 additional children.

When compared to the larger Charlotte MSA, the Sphere of Influence has higher shares of children under 14 and adults aged 35 to 54, but comparatively lower shares of Millennials and residents age 55+. These shares reflect the Sphere of Influence's attractiveness for families.

Trends indicate the 55+ age group is growing.

Comparison of Population Shares by Age Cohort, 2019



Source: ESRI BAO; US Census; Kimley-Horn

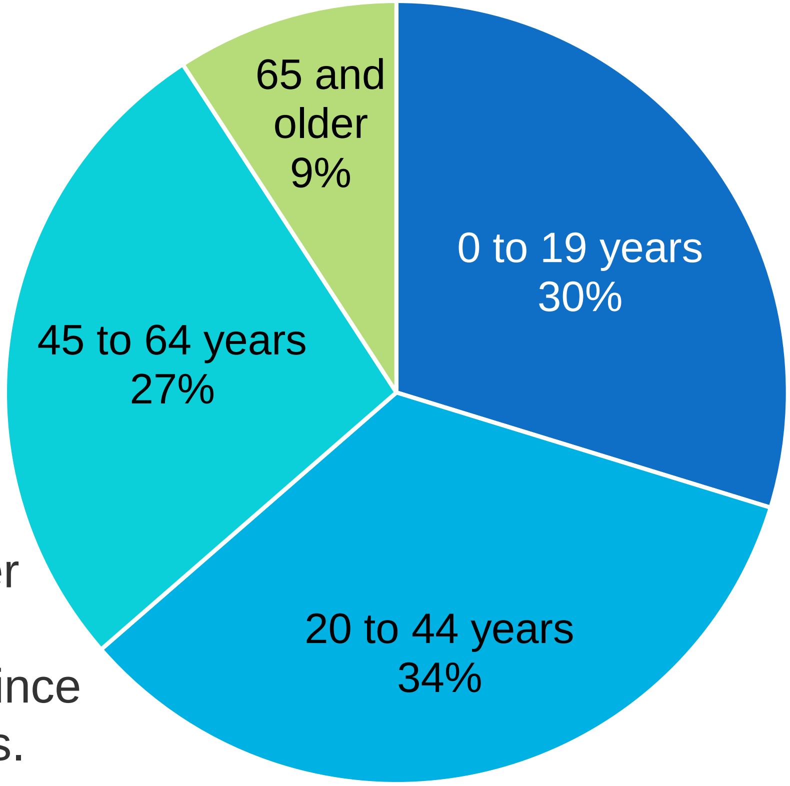
Aging

Change in Age Group, 2010-2017

0-19	+10.7%
20-44	+.83%
45-64	+27.5%
65+	+53.6%

The age cohort representing the younger segment of Baby Boomers (age 55-64) reported the largest absolute increase since 2010, with an addition of 2,528 residents.

2017 Population by Age



Source: 2017 ACS, Decennial Census

Health / Aging

2017 Mecklenburg County Health Priorities

1. Care Access
2. Chronic Disease Prevention
3. **Environmental Health**

Environmental health includes everything around you, including the air that you breathe, the water you drink, the places where your food is grown or prepared, the ground below us and the communities in which you live, work and play.

Source: 2017 ACS, 2016 Mecklenburg Health Report

Households

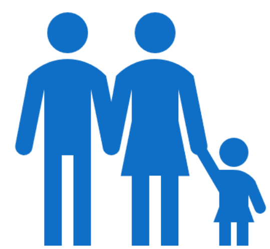
There were over 23,000 households in the Sphere of Influence in 2019, a 27.0% increase from 2010. During the same time period, the Charlotte MSA increased by more than 150,000 households or 17.7%.

As of 2019, the average household size in the Sphere of Influence was 2.68. Comparatively, the Charlotte MSA had a household size of 2.58. Growth rates for households in both geographies were only slightly slower than population, indicating a relatively stable household size since 2010.

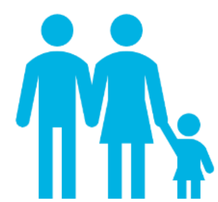
Comparison of Household Trends, 2010-2019

			2010-2019 Δ		
Area	**2010**	**2019**	**#**	**%**	**CAGR**
Sphere of Influence	18,280	23,214	4,934	27.0%	2.7%
Charlotte-Concord-Gastonia MSA	848,745	998,853	150,108	17.7%	1.8%
Sphere of Influence % MSA	**2.2%**	**2.3%**	**3.3%**		

Comparison of Average Household Size, 2019



Sphere of Influence
2.68 persons

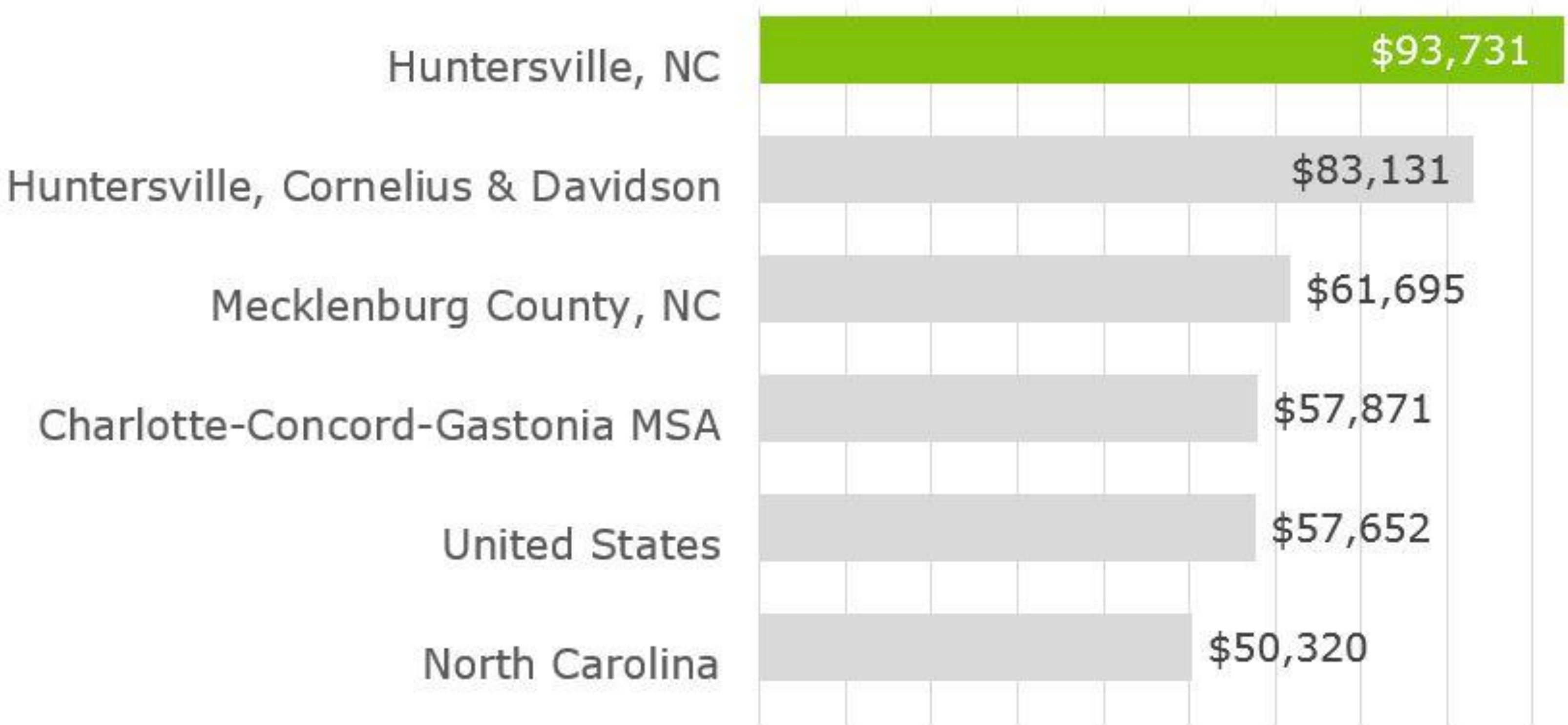


Charlotte MSA
2.58 persons

Source: ESRI BAO; Kimley-Horn

Income

Median Household Income*



Median Household Income in Huntersville *

2000	2010	2017
$71,932	$96,109	$93,731

*Statistics for Town Limits

Source: 2017 ACS

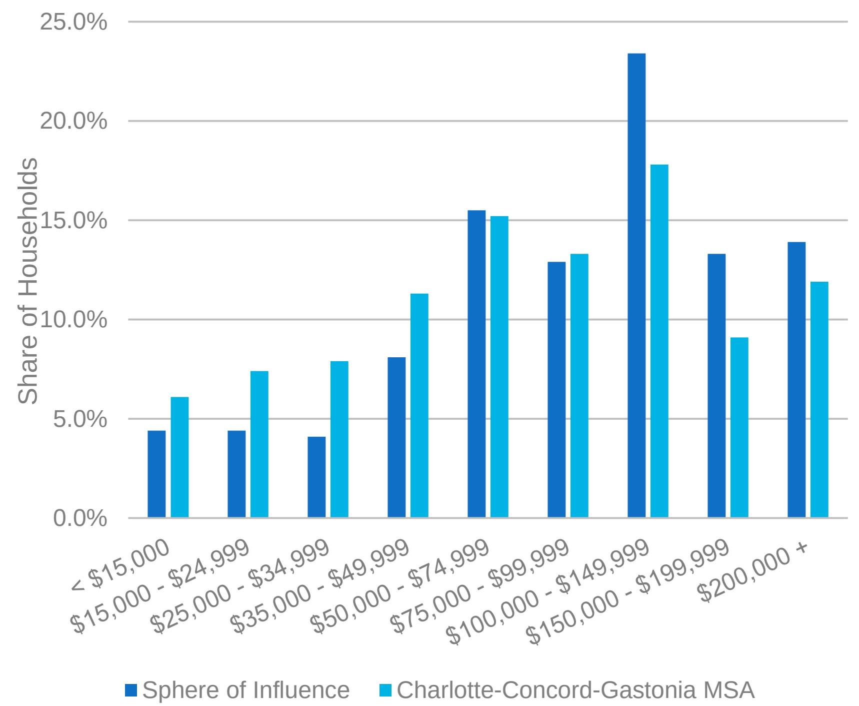
Income

The Sphere of Influence had an estimated median household income of $110,716 in 2019.

The Charlotte MSA median income was nearly 40% lower at $62,323.

Approximately 23% of the Sphere of Influence households earn between $100,000 and $149,999 annually, making it the most common income cohort. It is also the most prevalent cohort in the MSA. An estimated 50.6% of all households in the Sphere of Influence earn more than $100,000. This share of high-income households is higher than 38.8% for the MSA.

Comparison of Household Shares by Income Cohort, 2019



Source: ESRI BAO; US Census; Kimley-Horn

Tapestry Segmentation

BOOMBURBS
28.3% households

- Young professionals with families that have opted to trade up for new housing in the suburbs
- Residents are well-educated with head start on higher than average earnings and savings
- Low unemployment & high labor force participation
- Spend more than the average household on most retail goods and services

UP & COMING FAMILIES
12.4% households

- Young, mobile and diverse residents, many with children living at home
- Seeking new housing subdivisions on suburban periphery
- Primarily live in single-family homes with low vacancy
- Cost-conscious shoppers with average budgets for retail goods and services

SOCCER MOMS
11.9% households

- Affluent, family-oriented market
- Prefer new single-family, owner-occupied housing within a reasonable commute to jobs
- Carry a higher than average level of debt
- Favor time-saving devices and services, slightly above average retail budgets

Source: ESRI BAO; Kimley-Horn

Economic Profile

Economics

At a glance…

Sphere of Influence

- **26,197** 2019 Jobs
- **$100,808** Median HH Income
- **65.5%** Secondary Degree
- **17.0%** Largest Sector: Retail Trade
- **50.6%** Households Earning +$100k
- **77.6%** White Collar Occupation

Charlotte MSA

- **1,088,850** 2019 Jobs
- **$62,323** Median HH Income
- **45.1%** Secondary Degree
- **14.6%** Largest Sector: Health Care
- **38.8%** Households Earning +$100k
- **62.0%** White Collar Occupation

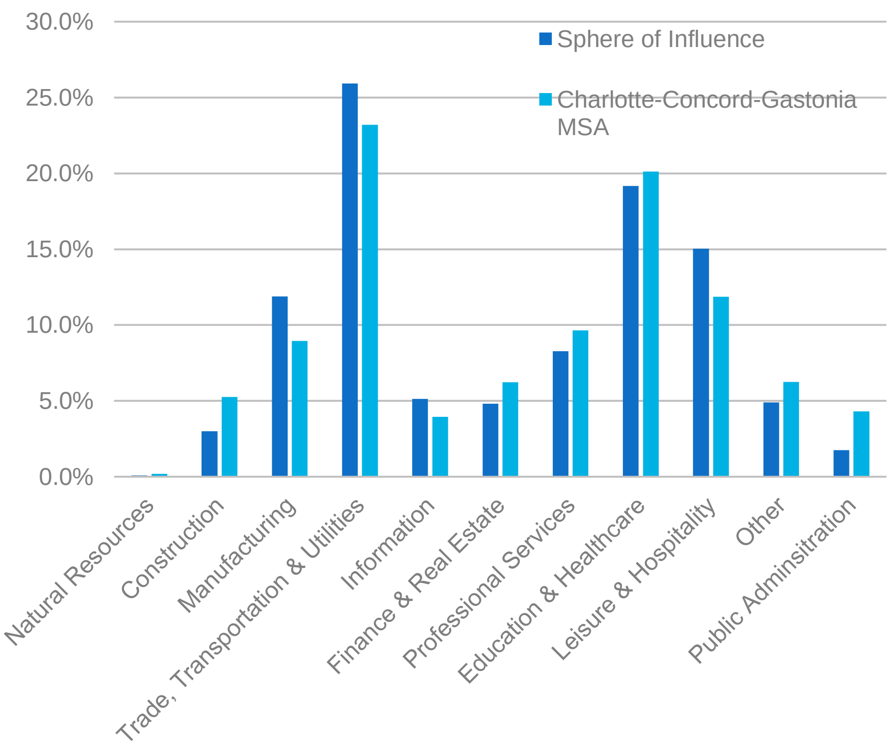
Jobs by Industry

The nearly 26,200 jobs in the Sphere of Influence made up approximately 2.4% of the Charlotte MSA total in 2019. Trade, Transportation & Utilities, largely driven by retail positions, represented the largest share of jobs in both the Sphere of Influence and Charlotte MSA.

The Sphere of Influence has larger than average concentrations of Manufacturing, Trade, Information, and Hospitality jobs when compared to the MSA.

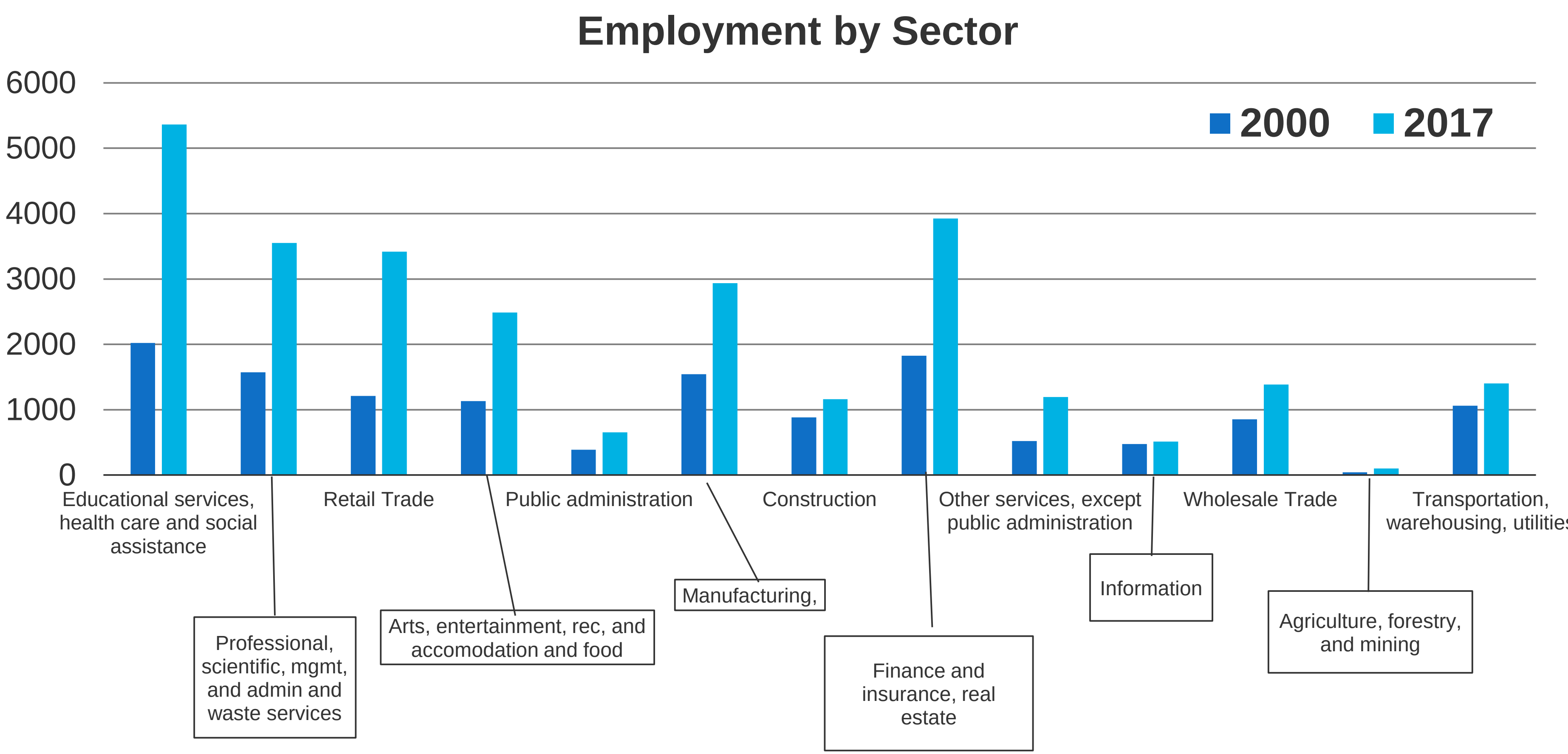
Based on the most recent trend data available, the job base in the Sphere of Influence has grown significantly in the last five years, reporting an increase of nearly 45% between 2012 and 2017.

Comparison of Jobs by Industry Sector, 2019



Source: ESRI BAO; Kimley-Horn

Employment Growth



Source: 2017 ACS, Decennial Census

Commuting Trends

As of 2017, nearly the same number of people commuted into the Sphere of Influence for employment as the number that commuted out. Based on US Census data, over 3,000 people live and work in the Sphere of Influence. This pattern suggests there is a mis-match in the skills of the residents compared to the jobs available.

For those employed Huntersville residents traveling out for employment, the following are the most common destinations:

- Charlotte (23.1%)
- Concord (4.3%)
- Cornelius (4.0%)
- Mooresville (3.1%)

Source: US Census; LEHD On the Map; Kimley-Horn

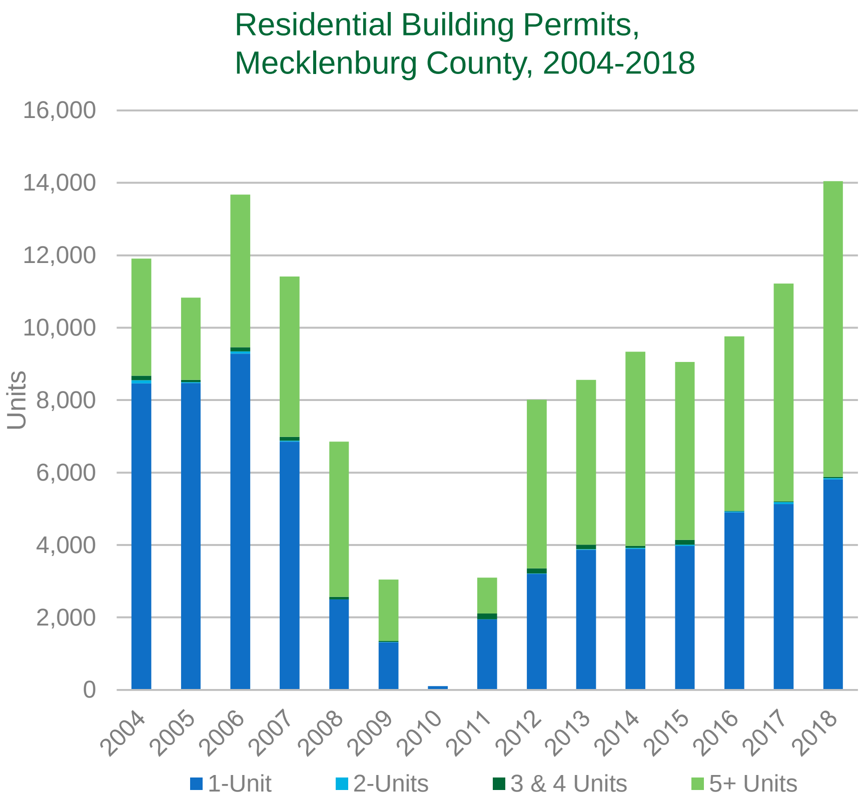
Real Estate Profile

Residential

Mecklenburg County Building Permit Trends

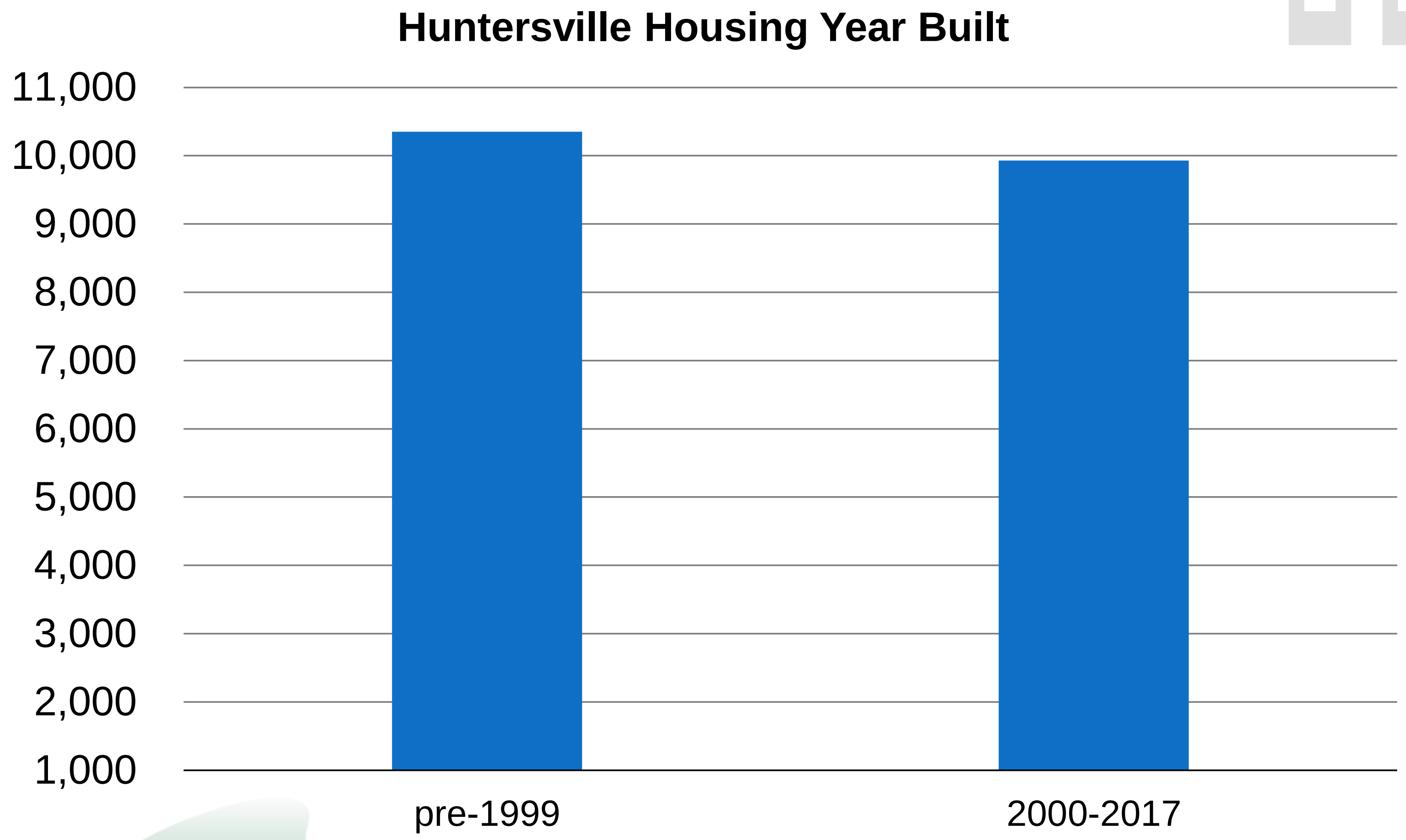
Single-family homes represent that largest share of residential building permits between 2004 and 2018 in Mecklenburg County, making up 53.3% of all permits. Housing permits in Mecklenburg County were significantly impacted by the Great Recession. The measure reported for 2010 is incomplete.

Annual permits have largely recovered, averaging nearly 10,700 units per year over the last five years. The total in 2018 represented the 15-year high at 14,049 total units, indicating a return to pre-Recession levels. The make-up of housing types permitted has changed since the Recession, with single-family units making up a smaller share in recent years than before 2008.



Source: US Census; Kimley-Horn

Housing


Huntersville Housing Year Built
11,000
10,000
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
pre-1999
2000-2017

Housing

Median home value
in municipality

2010: **$243,000** → 11% increase

2017: **$270,100**

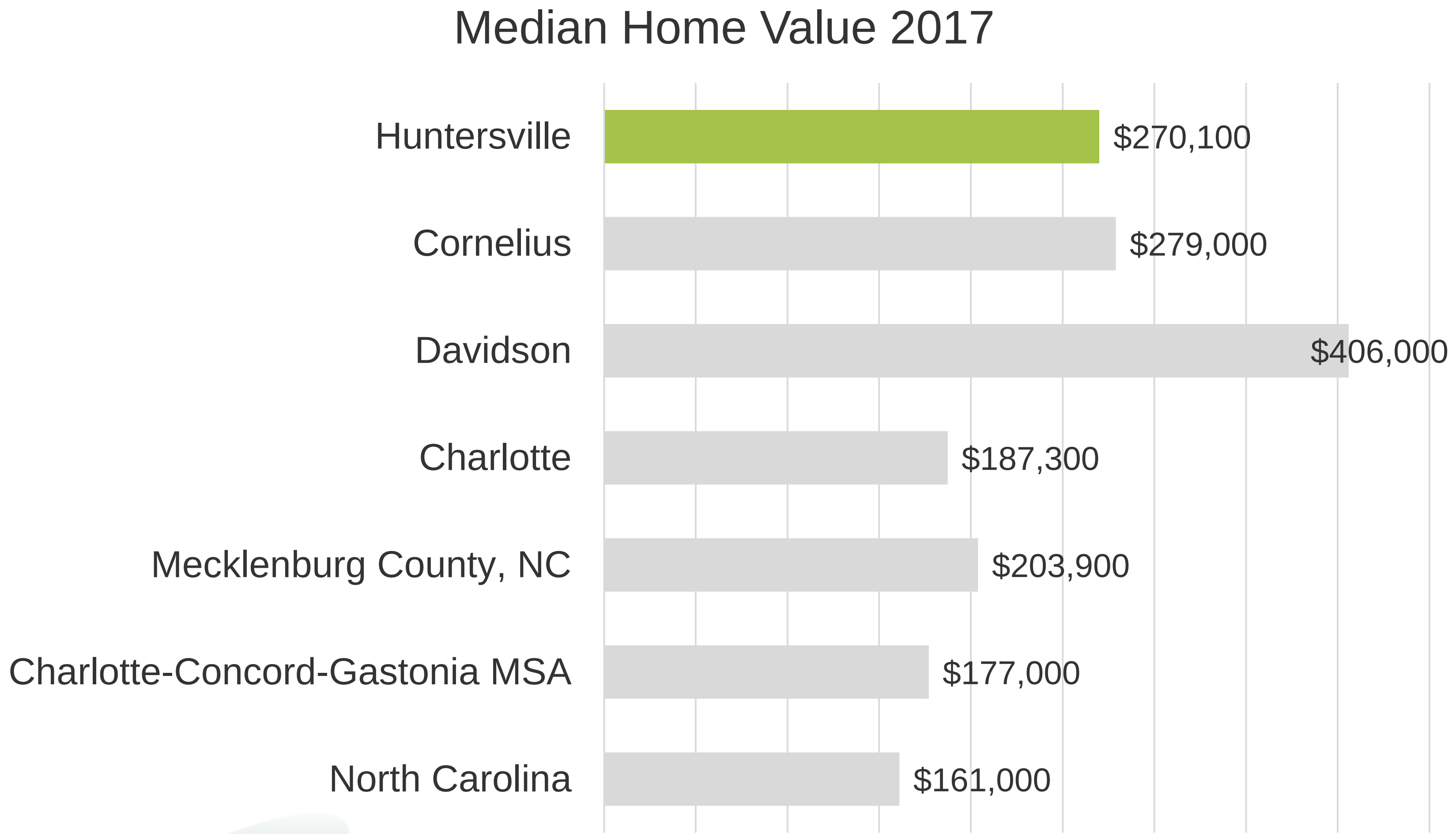
Huntersville Housing
Units (including ETJ)

2010: **18,283** → 23% increase

2017: **22,568**

Source: 2017 ACS

Home Value



Source: 2017 ACS

Affordability

21% Of households have an income less than $50k

$13,820 Annual Transportation Cost

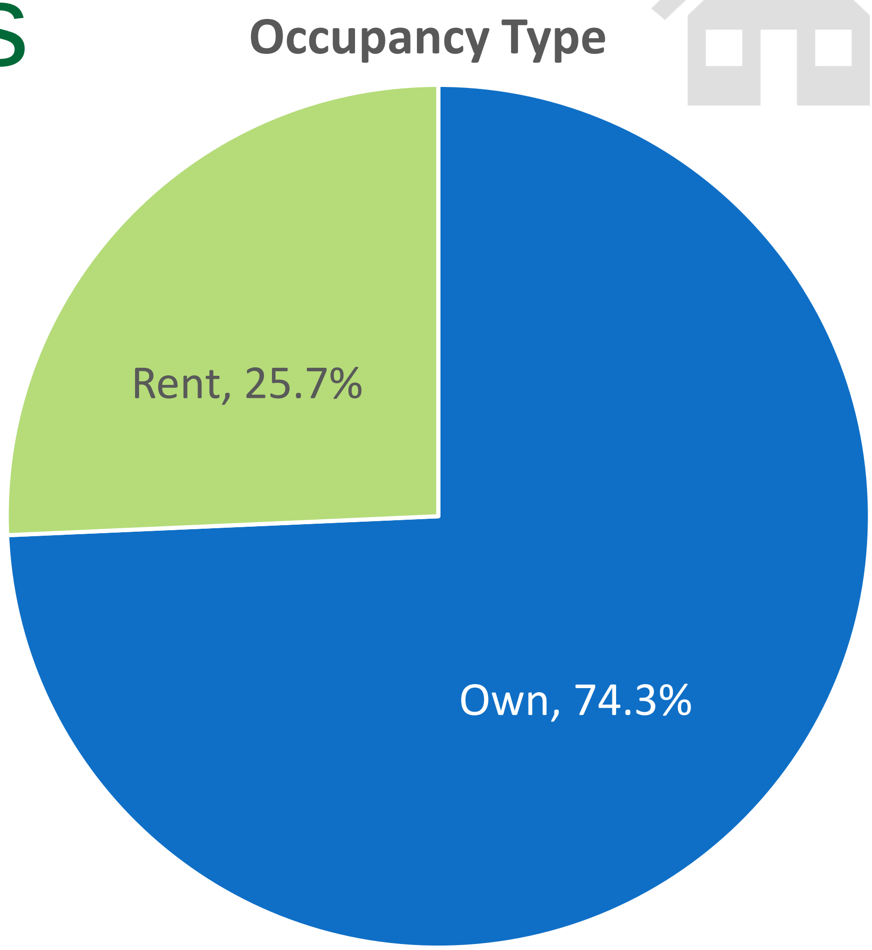
$1,040 Median monthly rent

$42,000 Starting police officer salary

Source: ESRI, Center for Neighborhood Technology, Stakeholder Interviews

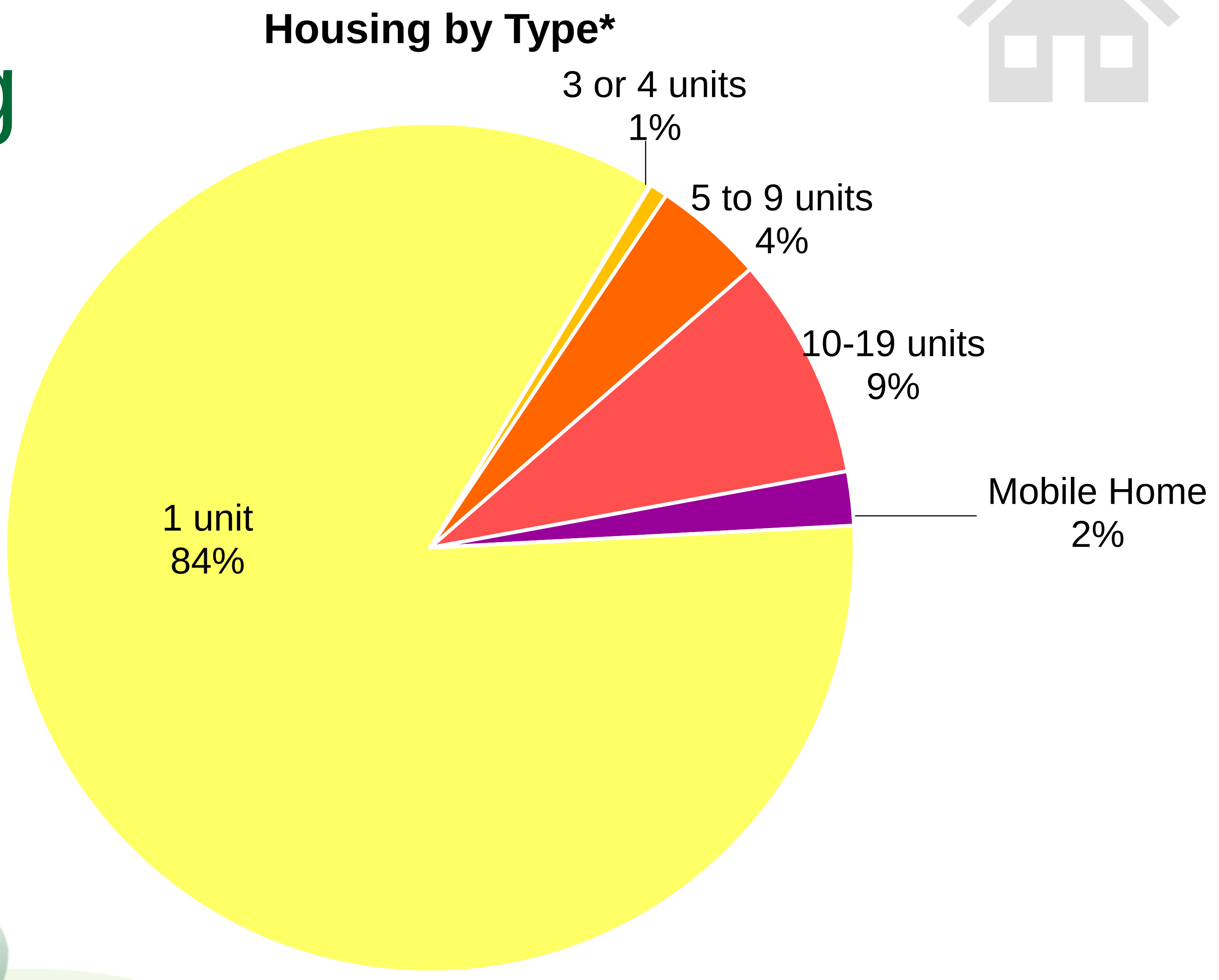
Housing Trends

Since 2010, Huntersville has seen
- 1.5% decrease in home ownership
- 4.5% increase in renting



Source: 2017 ACS, Decennial Census

Housing



Source: 2017 ACS
*Housing structure breakdown provided by the Census.

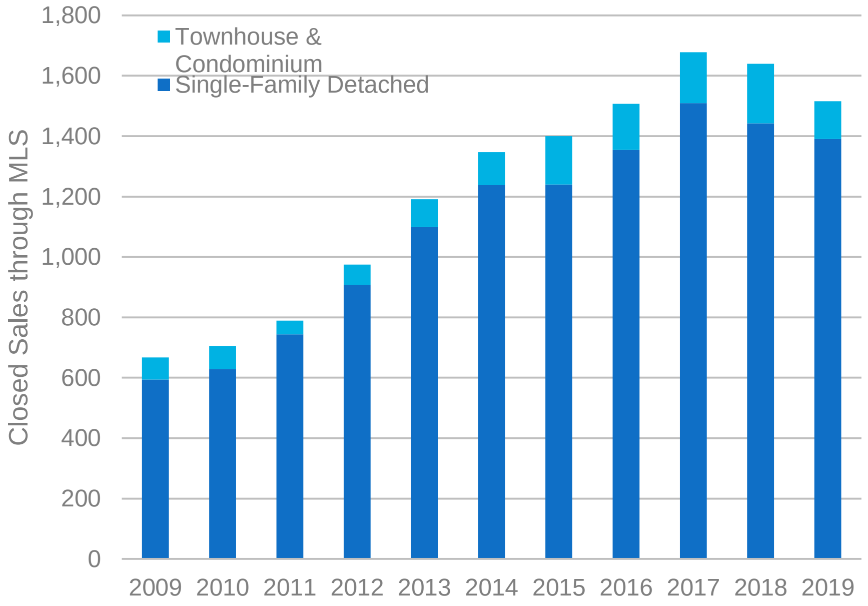
For-Sale Residential

Closing Trends

In the first 11 months of 2019, there were more than 1,500 for-sale residential closings in Huntersville's Sphere of Influence, including single-family detached, townhouse, and condominium units. Over the last 10 years single-family detached units consistently comprised 90%-94% of the total closings.

The number of closings in the Sphere of Influence has increased steadily since 2009, peaking at 1,678 units in 2017. Since 2017, annual closings have leveled-off, with 2019 expected to have a similar annual total to 2018.

For-Sale Residential Closing Trends, Sphere of Influence, 2009-2019



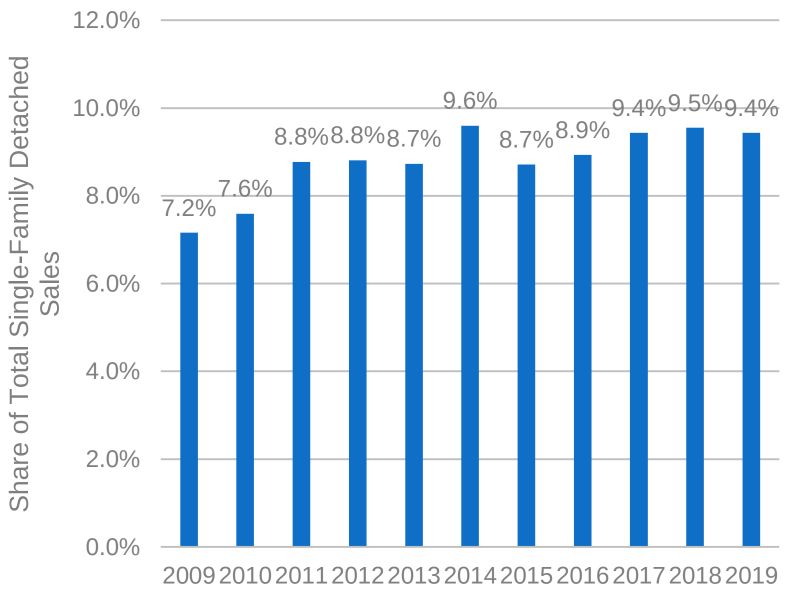
Source: Canopy MLS, Inc.; Kimley-Horn

For-Sale Residential

Closing Trends

Huntersville's Sphere of Influence area has increased it's share of total county-wide closings since 2009. At the end of the 2007-2009 Recession, the Sphere of Influence represented 7.2% of the total for-sale closings in the county. The share of total activity increased gradually in the last 10 years. In fact, the measures in the last three years have consistently been between 9.4% and 9.5%.

Sphere of Influence Share of Mecklenburg County Closings, Single-Family Detached, 2009-2019



Source: Canopy MLS, Inc.; Kimley-Horn

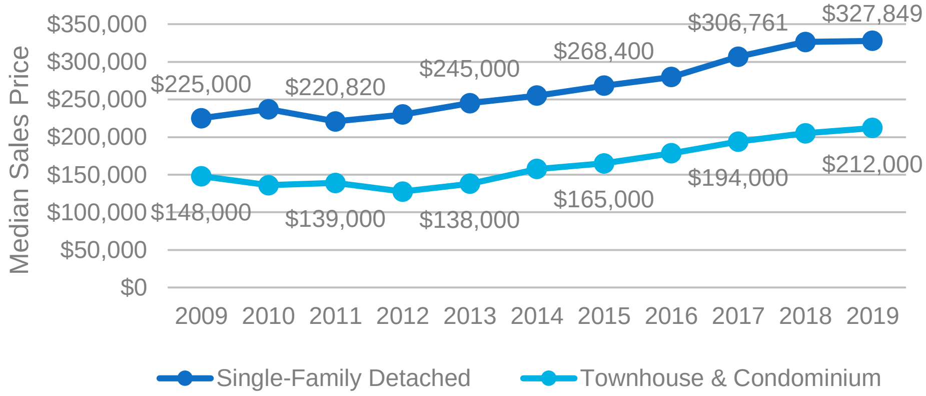
For-Sale Residential

Closing Price Trends

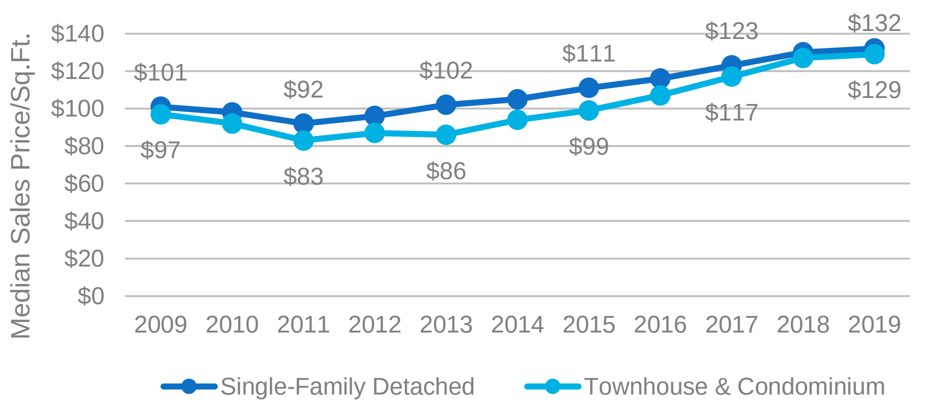
The median closing price for a single-family detached unit in Huntersville's Sphere of Influence was over $328,800 in November 2019. This represents a 45.7% increase since 2009. Attached units, including townhouses and condominiums, experienced a similar 43.2% increase, reaching a median price point of $212,000 in November.

Normalized for the size of the product, single-family detached and single-family attached units have median prices of$132 and $129 per square foot, respectively.

Comparison of Median Closing Price, Sphere of Influence, 2009-2019



Comparison of Median Closing Price per Sq.Ft., Sphere of Influence, 2009-2019



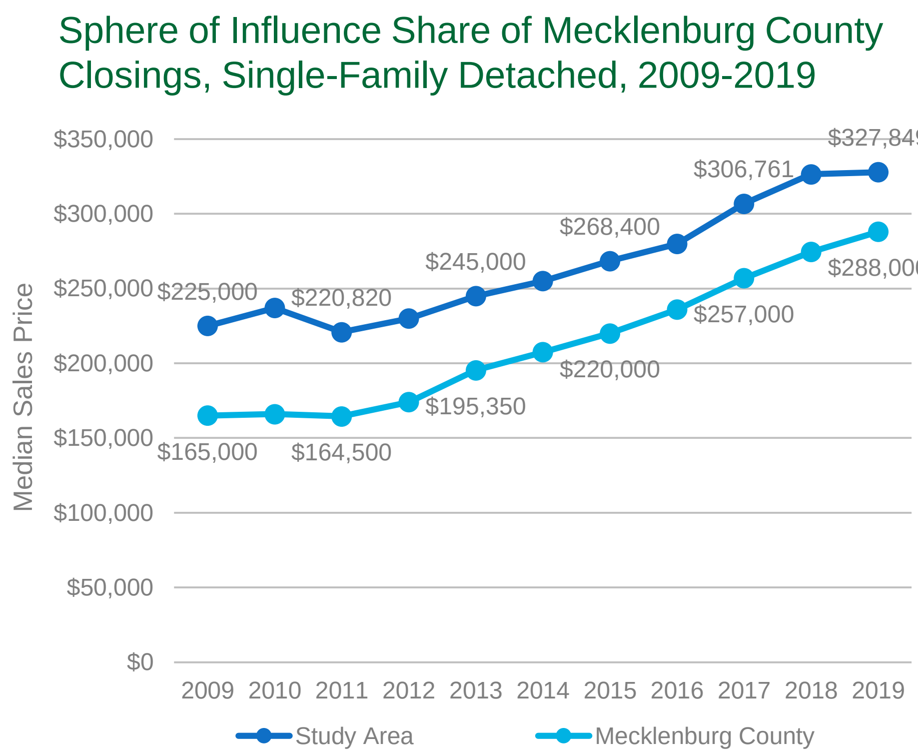
Source: Canopy MLS, Inc.; Kimley-Horn

For-Sale Residential

Closing Price Trends

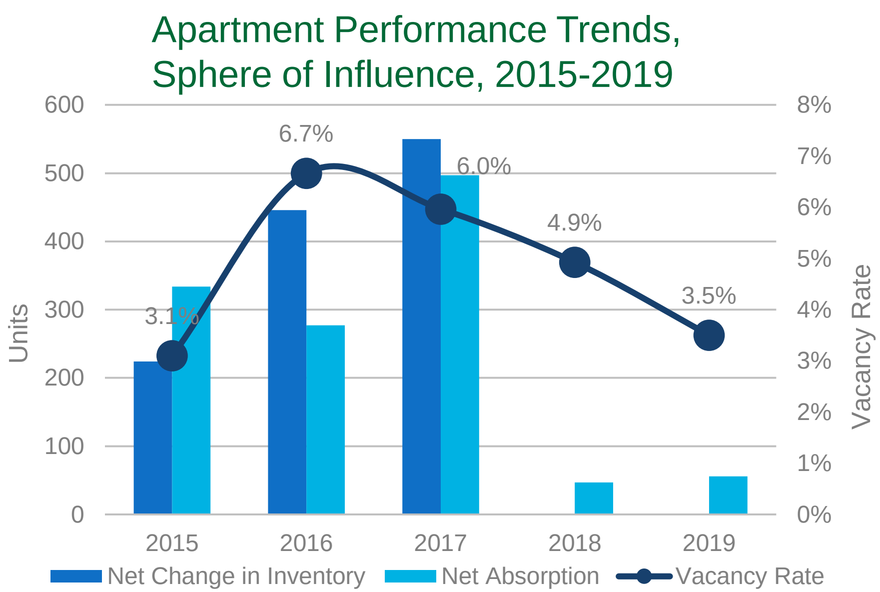
When compared to the Mecklenburg County median sales price, Huntersville demonstrates a consistent premium. In 2009, single-family detached units in Huntersville's Sphere of Influence had a median closing price that was 36% higher than the county-wide aggregate.

The price point differential has gradually declined in the last 10 years. Before 2016, the Sphere of Influence premium was over 20%, however, in the last four years it has declined. Single-family detached units in Huntersville had a 14% premium over the county in November 2019.

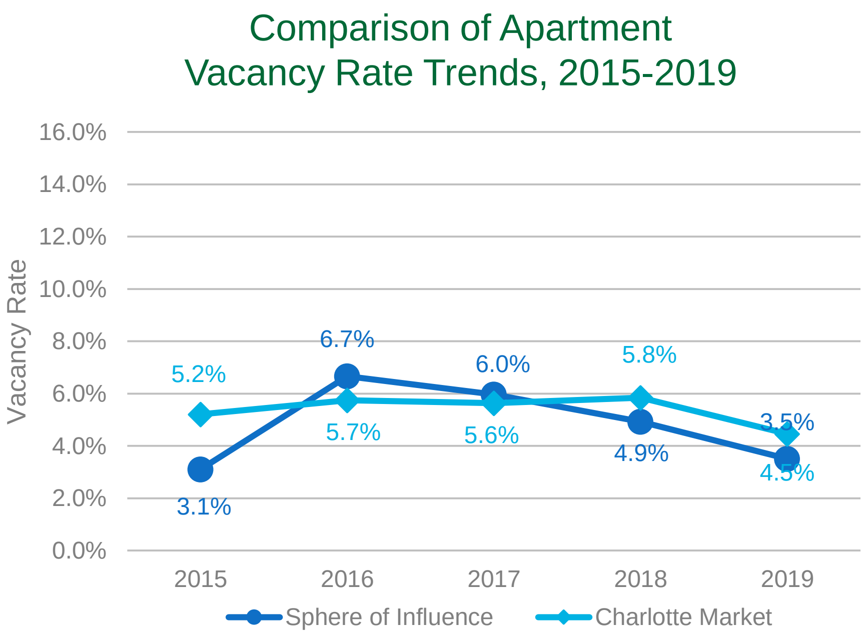


Source: Canopy MLS, Inc.; Kimley-Horn

Rental Multi-Family Residential *Performance*



There are 4,224 professionally-managed apartments in the Sphere of Influence, contained in 15 communities. No new units have been completed in the last two years. More than 1,200 units have been added in each decade, beginning in the 1990s. Almost no inventory was delivered prior to that.



Vacancy rates in the Sphere of Influence have been lower than for the larger Charlotte market in recent years. The delivery of nearly 1,000 units between 2016 and 2017 in the Sphere of Influence resulted in an elevated vacancy rate that was higher than the MSA. Both geographies have trended lower than the industry standard 7.% vacancy, representing a healthy market.

Source: Real Data; Kimley-Horn

Rental Multi-Family Residential

Comparable Communities

1 Holly Crest

16408 Holly Crest Ln

- Built 2015
- 402 units
- 4.5% vacancy rate
- Avg. rent: $1.38/sq.ft.
- Surface parking

2 Silver Collection at the Park

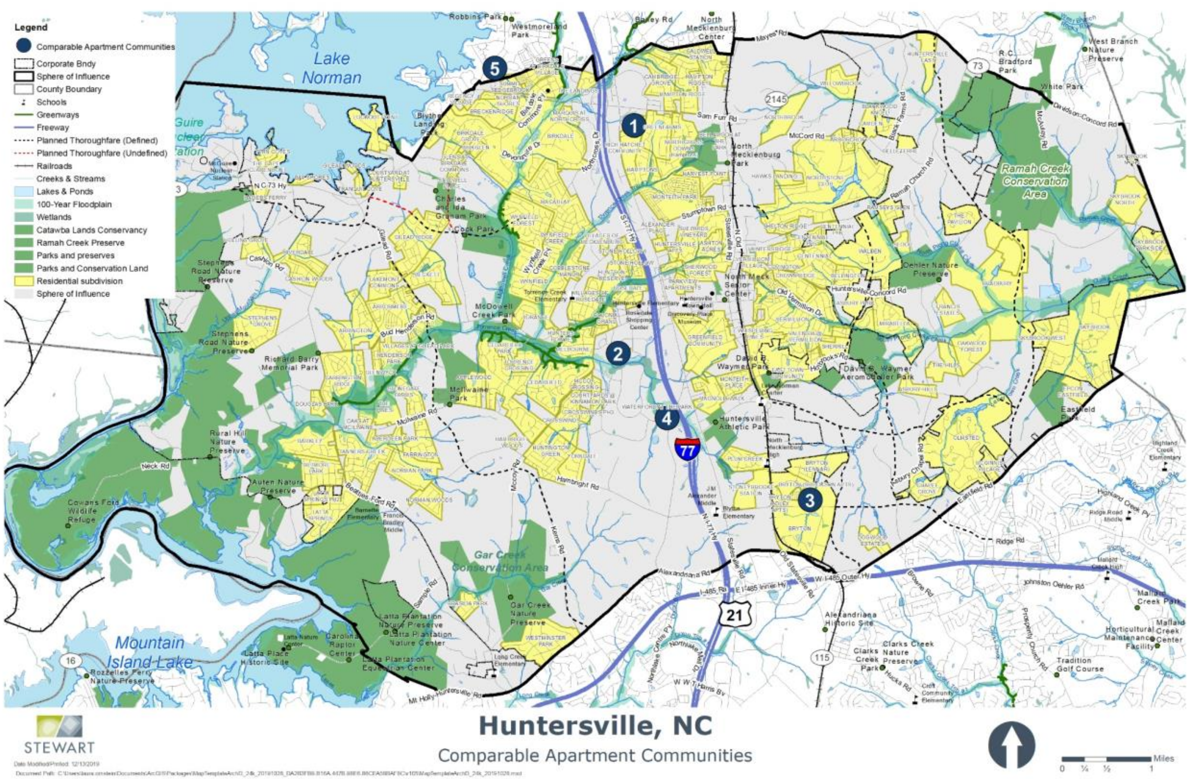
12821 Little Penny Dr

- Built 2016
- 332 units
- 1.8% vacancy rate
- Avg. rent: $1.44/sq.ft.
- Surface parking

3 Brookson Resident Flats

13428 Bryton Gap Blvd

- Built 2016
- 296 units
- 7.8% vacancy rate
- Avg. rent: $1.26/sq.ft.
- Surface parking



4 Silver Collection at Waterford

11920 Joleen Ct

- Built 2014
- 226 units
- 5.8% vacancy rate
- Avg. rent: $1.35/sq.ft.
- Surface parking

5 Reserve at the Kenton Place

17110 Kenton Dr

- Built 2014
- 210 units
- 6.7% vacancy rate
- Avg. rent: $1.14/sq.ft.
- Surface parking

Source: Real Data; Kimley-Horn

Retail

Leakage Analysis

Retail leakage refers to the difference between the retail expenditures by residents living in a particular area and the retail sales produced by the stores located in the same area. If desired products are not available within that area, consumers will travel to other places or use different methods to obtain those products. Consequently, the dollars spent outside of the area are said to be “leaking.” If a community is a major retail center with a variety of stores it will be “attracting” rather than “leaking” retail sales.

The numbers are not meant as accurate accounts of individual stores, but, taken as an aggregate, they provide reasonable estimates of total expenditures and sales. Equally important, this type of data is reviewed by national chains when deciding whether to move into a new area.

The graphic to the right shows retail sales, consumer expenditures, and retail leakage in the Sphere of Influence. The defined Sphere of Influence had a surplus of $103.6 million in retail sales over the previous year, largely driven by car dealerships and building material and supply stores.

Sphere of Influence

Stores Sold
$1,239,203,759
million

Consumers Spent
$1,135,569,179
million

Area Surplus
$103,634,580
million

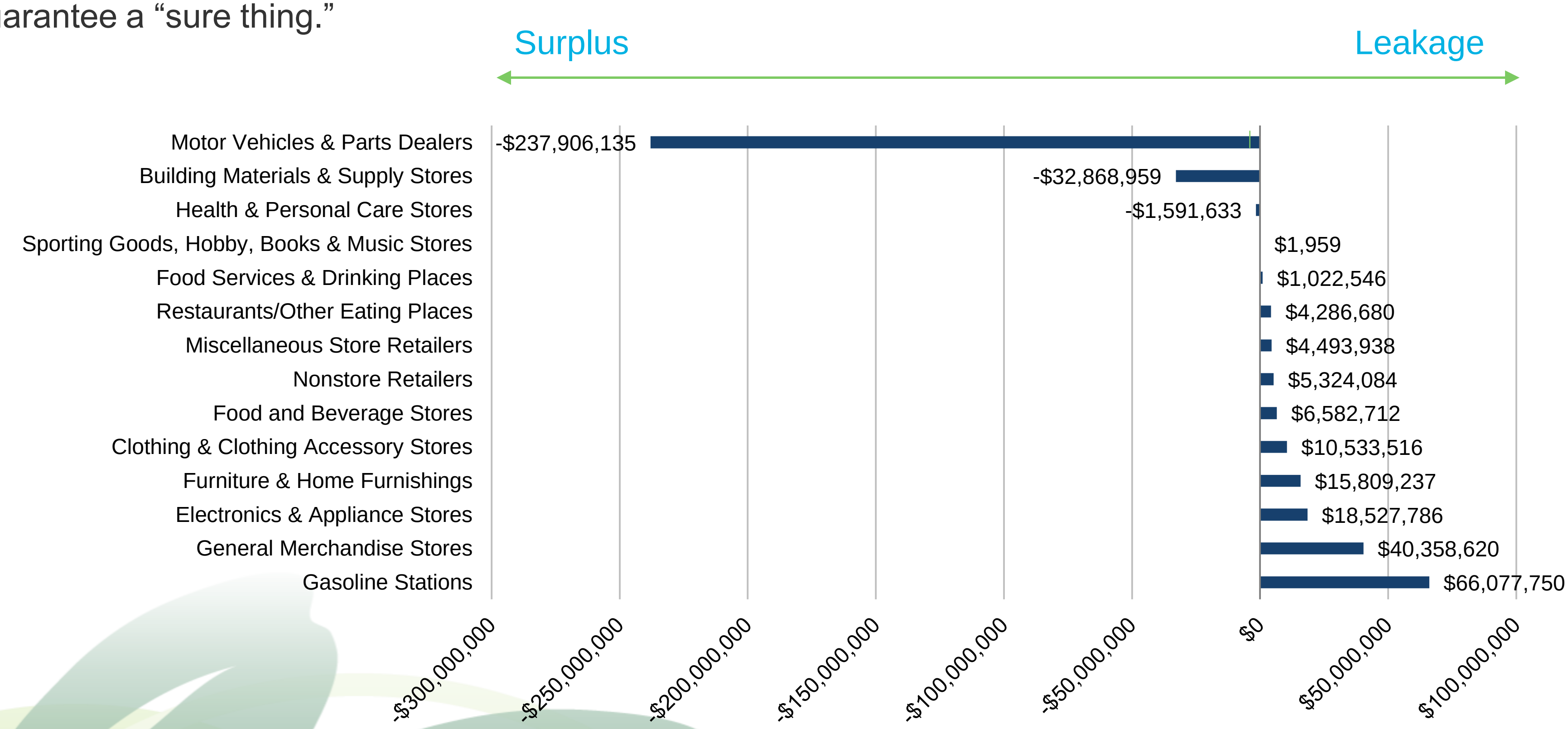
Source: ESRI BAO; Kimley-Horn

Retail

Leakage Analysis

This graph displays retail market opportunities for the Sphere of Influence by category based on existing retail leakage. A positive value indicates leakage of a retail opportunity outside the area, as it represents retail potential being larger than retail sales. The categories with the biggest leaks (where the most money is spent outside the Sphere of Influence) are the following: Gasoline Stations and General Merchandise Stores.

While this data can reveal opportunities for new businesses, it should serve only as a starting point and does not guarantee a “sure thing.”



Source: Real Data; Kimley-Horn

Retail

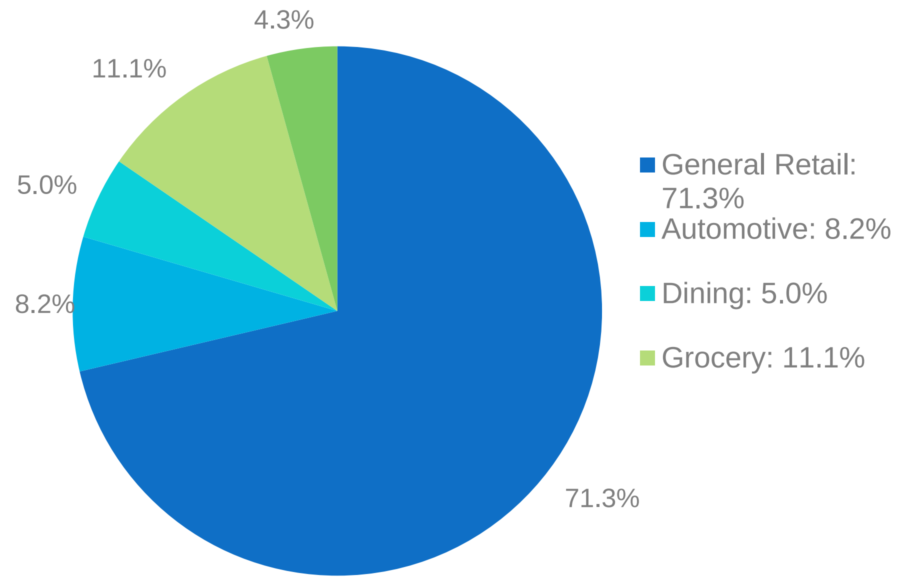
Sphere of Influence Inventory

Based on tax parcel data, there is approximately 3.35 million square feet classified as retail in the Sphere of Influence.

A majority, 71.3%, of the square footage is General Retail. Grocery uses make up the second largest share at 11.1%, followed by Automotive uses at 8.2%.

The commercial property containing the most square footage is Joe Gibbs Racing on Reese Boulevard, followed by the Walmart Supercenter on Bryton Town Center Drive.

Retail Square Feet by Use Type, Sphere of Influence, 2019



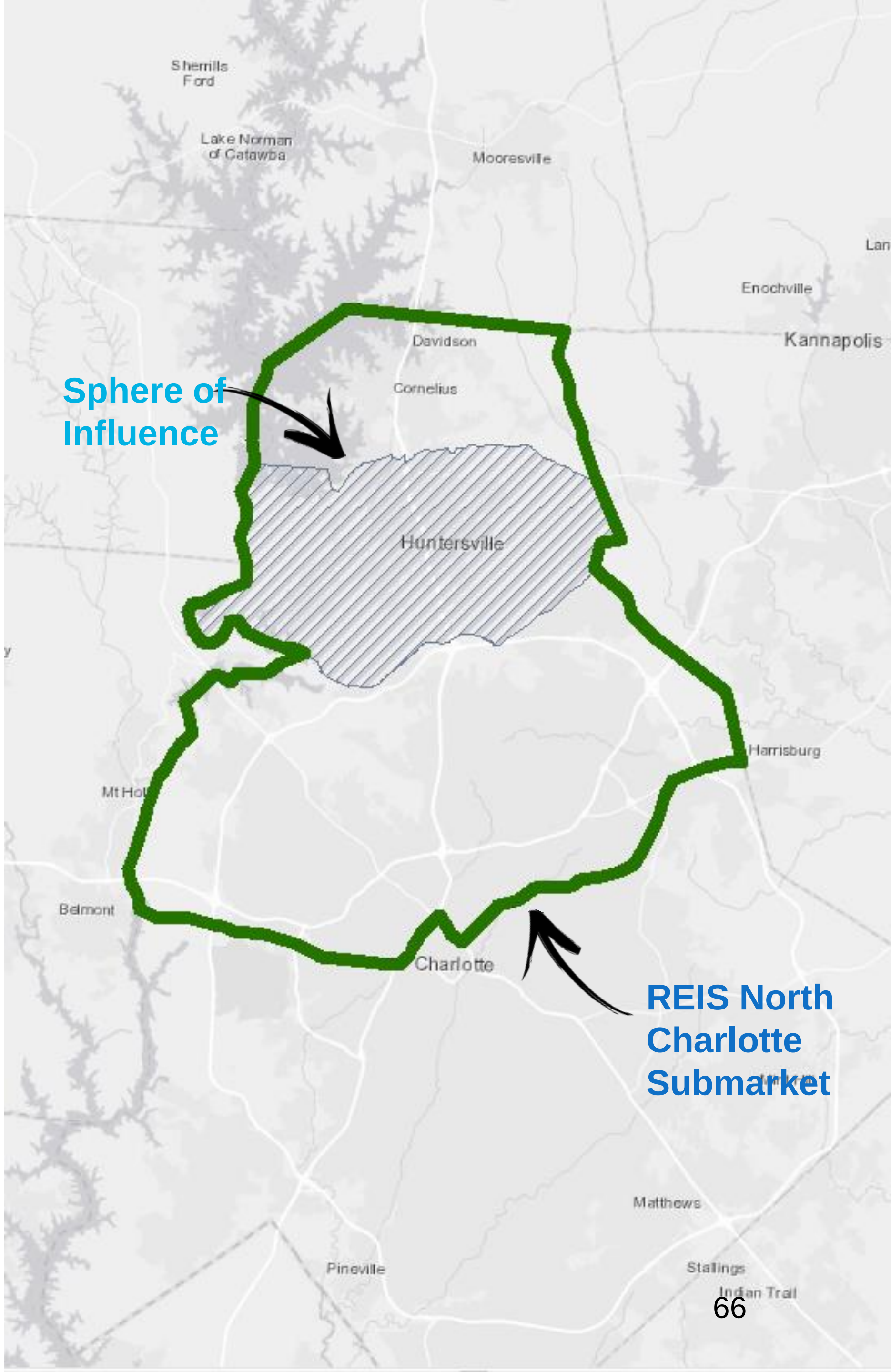
Source: Mecklenburg County; Kimley-Horn

Retail

REIS Submarket

Retail performance trends are provided for the North Submarket, as detailed trend information is not available for the custom-defined Sphere of Influence. The North Submarket is bounded by the Mecklenburg County boundary to the west, north, and east.

The southern boundary includes NC 16, Central Ave, The Plaza, US 74, and US 21. It encompasses the entirety of the Sphere of Influence. This submarket is consistent for office and industrial trends, as provided later in the summary.

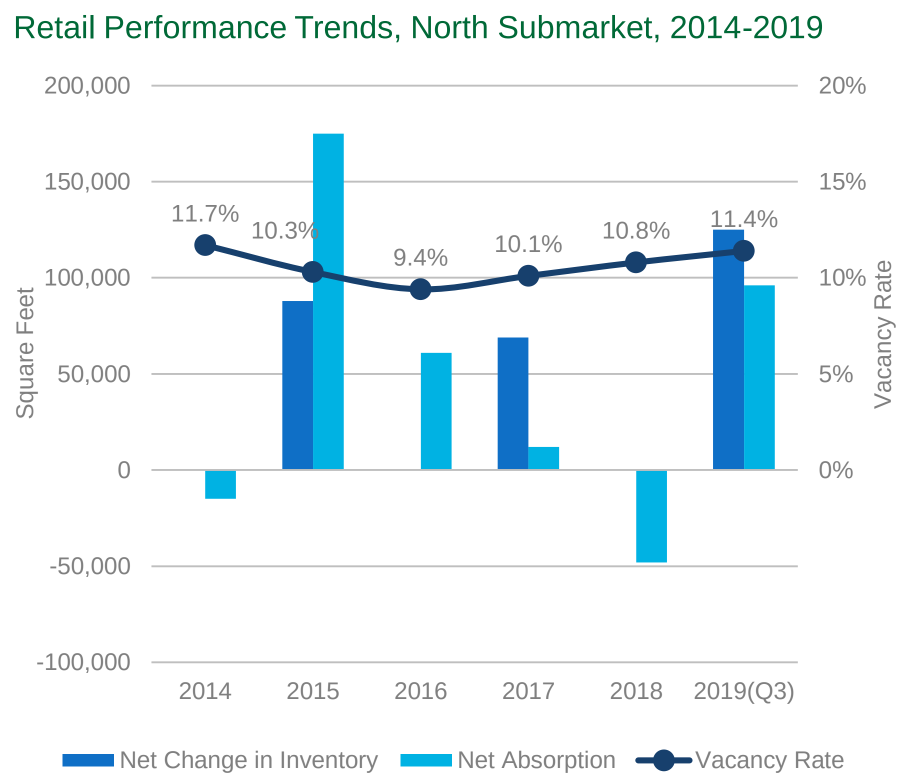


Retail

Submarket Performance (Vacancy)

The vacancy rate in the Submarket was estimated at 11.6% as of third-quarter 2019. This measure is higher than the 9.4% vacancy rate reported for the entire Charlotte market. Metrics presented in this graph focus on multi-tenant retail spaces in centers over 15,000 square feet. Free-standing, often owner-occupied spaces, are excluded from the analysis.

Net absorption (demand) and new deliveries (supply) have not followed a predictable pattern in the last five years. In fact, in two of the years, net absorption was negative, indicating that more retailers moved out of their spaces than moved in. Overall, however, the supply and demand have been balanced recently, with only a minor 1,000-square-foot over supply since 2014.



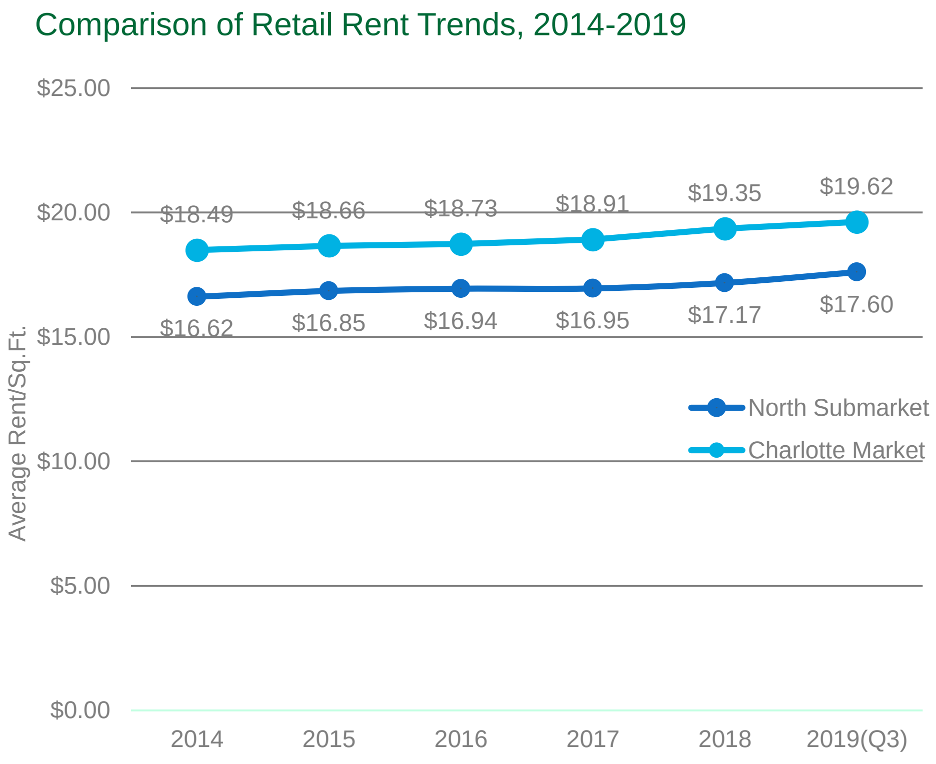
Source: REIS; Kimley-Horn

Retail

Submarket Performance (Rents)

The average rent per square foot for multi-tenant retail space in the North Submarket was $17.60 in third-quarter 2019. This measure represents a 5.9% increase from 2014.

In comparison, the greater Charlotte market has an 11.5% higher average lease rate of $19.62 per square foot. During the last five years, retail space in the Charlotte market experienced a 6.1% increase in average lease rates, comparable to the North Submarket.



Source: REIS; Kimley-Horn

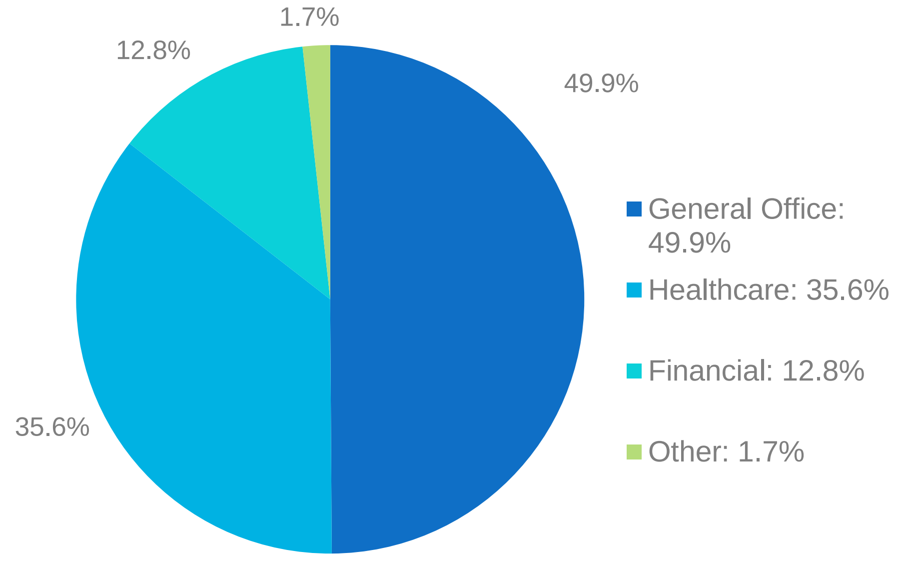
Office

Sphere of Influence Inventory

The Sphere of Influence contains approximately 3.27 million square feet of office space. Nearly half of the office space in the Sphere of Influence is classified as General Office, with Healthcare uses comprising another 35.6% of all office space.

Office properties with the largest square footage are primarily Healthcare-related, including the Novant Health Huntersville Medical Center, Ensemble Health Partners headquarters, and Atrium Health Huntersville outpatient facility.

Office Square Feet by Use Type, Sphere of Influence, 2019

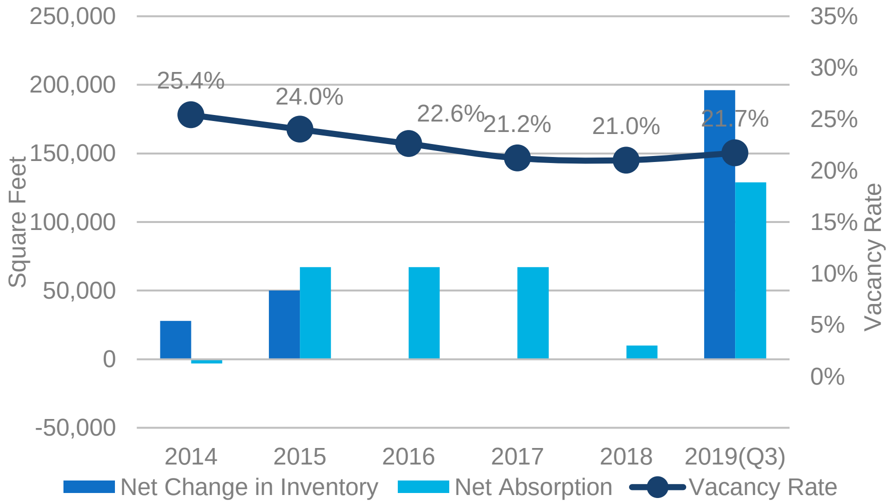


Source: Mecklenburg County; Kimley-Horn

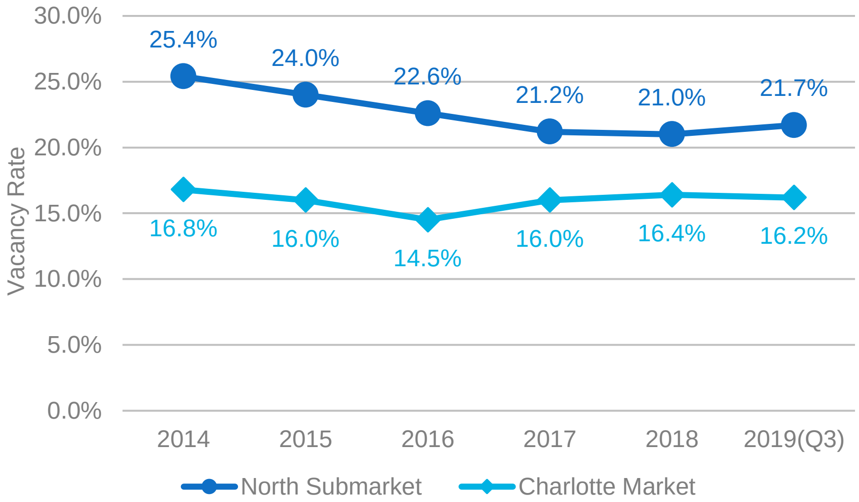
Office

Submarket Performance (Vacancy)

Office Performance Trends,
North Submarket, 2014-2019



Comparison of Office Vacancy
Rate Trends, 2014-2019



Like retail, office trends are based on the North Submarket. Approximately 196,000 square feet of office space has been completed in the first three quarters of 2019. No new office space delivered between 2016 and 2018 in the Submarket. The North Submarket measured an undersupply of 63,000 square feet as demand outpaced supply.

When compared to the larger Charlotte market, the Submarket's office vacancy rates are notably higher. In third-quarter 2019, the Submarket's 21.7% vacancy rate was 550 basis points higher than the Charlotte market. Vacancy had steadily been declining in the Submarket before an uptick in 2019 that coincided with the delivery of new space.

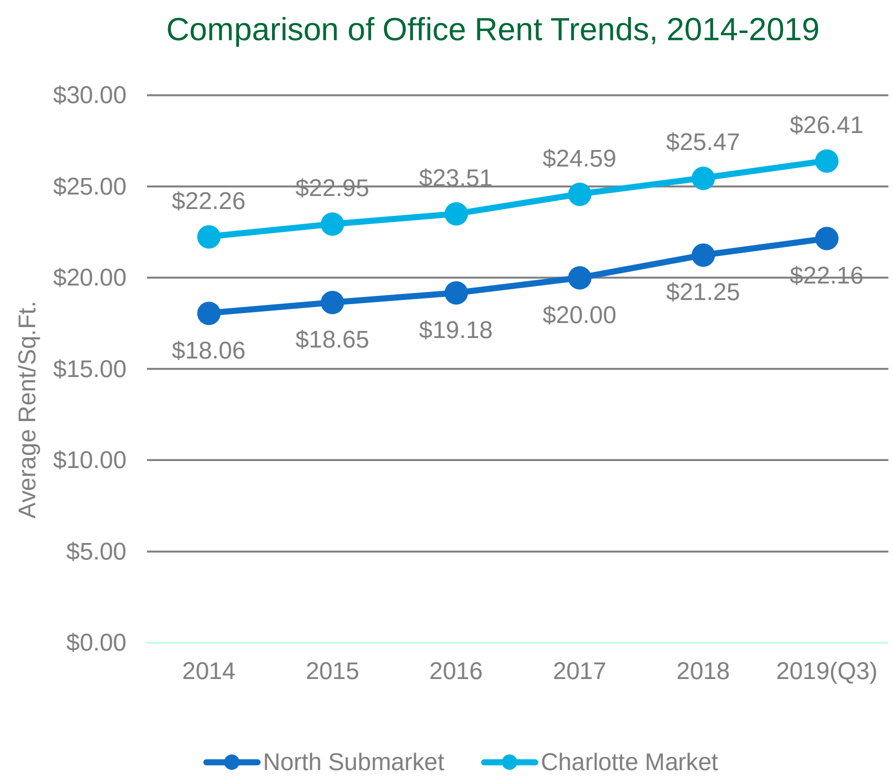
Source: REIS; Kimley-Horn

Office

Submarket Performance (Rents)

The average rent per square foot for multi-tenant office space in the North Submarket was $22.10 in third-quarter 2019. This measure represents a 22.4% increase from 2014.

In comparison, the greater Charlotte market has an 19.5% higher average lease rate of $26.41 per square foot. During the last five years, retail space in the Charlotte market experienced a 18.6% increase in average lease rates. The higher average price point for the Charlotte market is driven by the concentration of Class A office space in and near downtown Charlotte, which generates a notable premium.



Source: REIS; Kimley-Horn

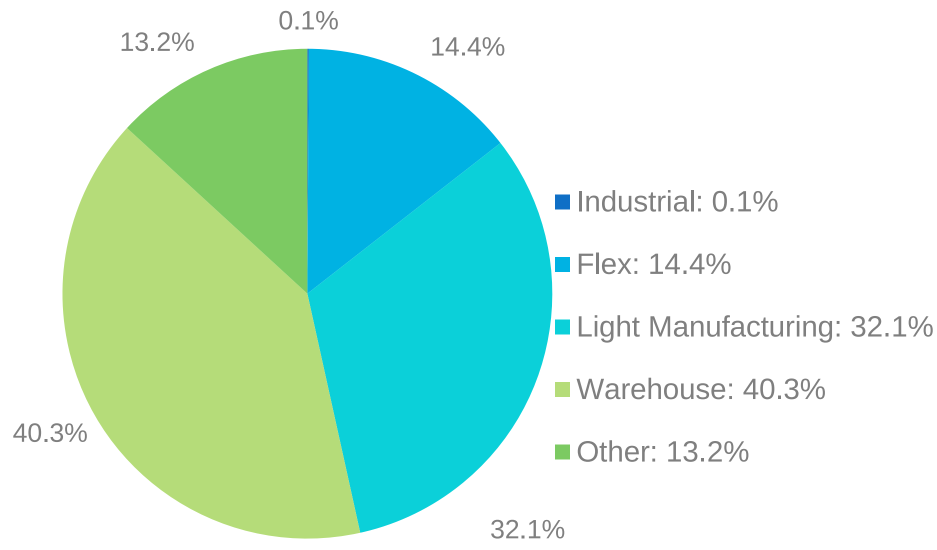
Industrial
Sphere of Influence Inventory

There is approximately 6.4 million square feet of space classified as industrial uses in the Sphere of Influence.

The industrial use type making up the largest share is Warehouse, comprising approximately 40% of all industrial square footage. Light manufacturing is the second most prevalent use type at 32.1%.

Pactive Corporation operates the two largest industrial facilities in the Sphere of Influence, located on Meacham Farm Drive and Jamesburg Drive.

Industrial Square Feet by Use Type, Sphere of Influence, 2019

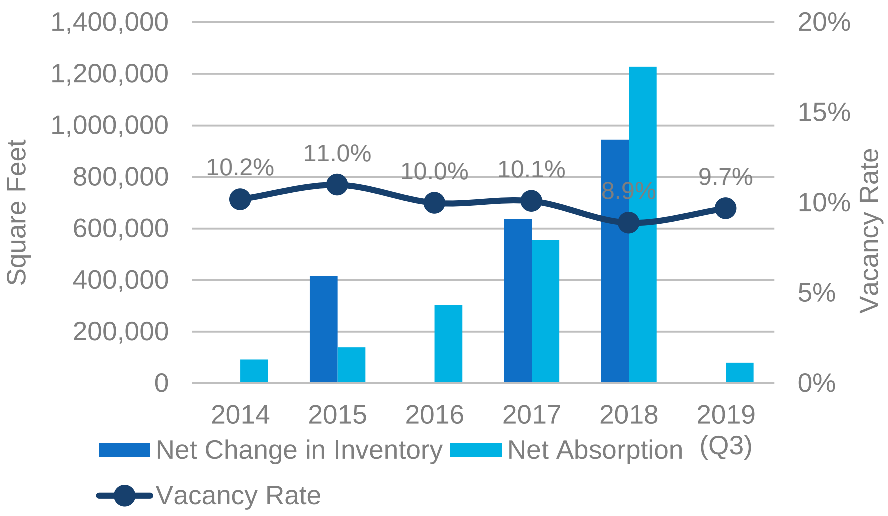


Source: Mecklenburg County; Kimley-Horn

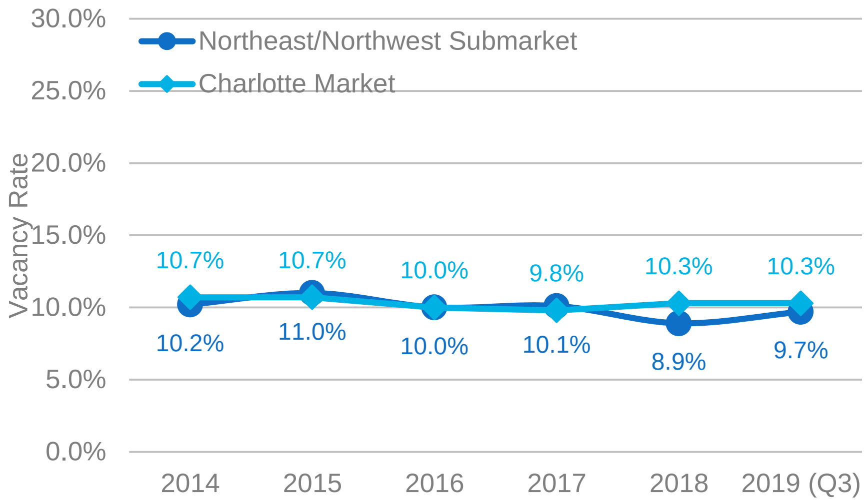
Industrial

Warehouse/Distribution Performance

Warehouse/Distribution Performance Trends, NE/NW Submarket, 2014-2019



Comparison of Warehouse/Distribution Vacancy Rate Trends, 2014-2019



Industrial trends are based on the Northeast/Northwest Submarket, which has the same boundaries as REIS' North Retail and Office Submarket. Nearly two million square feet has been completed since 2014. Overall, there has been an undersupply of approximately 400,000 square feet, with demand outpacing supply in four of the six years analyzed.

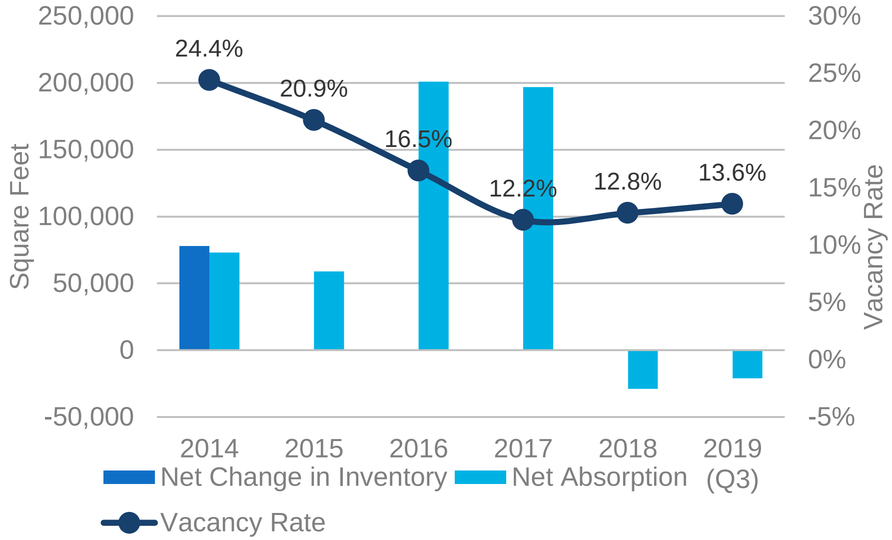
When compared to the larger Charlotte market, the Submarket's warehouse/ distribution vacancy rates are very similar. In third-quarter 2019, the Submarket's 9.7% vacancy rate was lower than the 10.3% for the Charlotte market. Both geographies followed a similar pattern over the last five years.

Source: REIS; Kimley-Horn

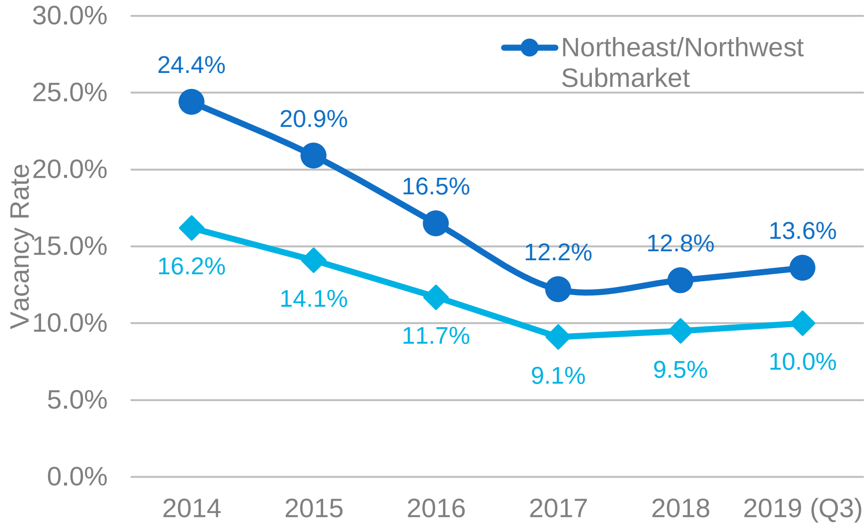
Industrial

Flex/R&D Performance

Flex/R&D Performance Trends,
NE/NW Submarket, 2014-2019



Comparison of Flex/R&D
Vacancy Rate Trends, 2014-2019



According to REIS, there has been some flex/R&D space completed in the Submarket since the addition of 78,000 square feet in 2014 but this is not reflected in the data above.

While the Submarket has maintained a higher vacancy rate than the larger Charlotte market, both geographies have followed a similar pattern. After falling from 24.4% in 2014 to 13.6% in 2019, the most recent measure for the Submarket was 360 basis points higher than the Charlotte market.

Source: REIS; Kimley-Horn

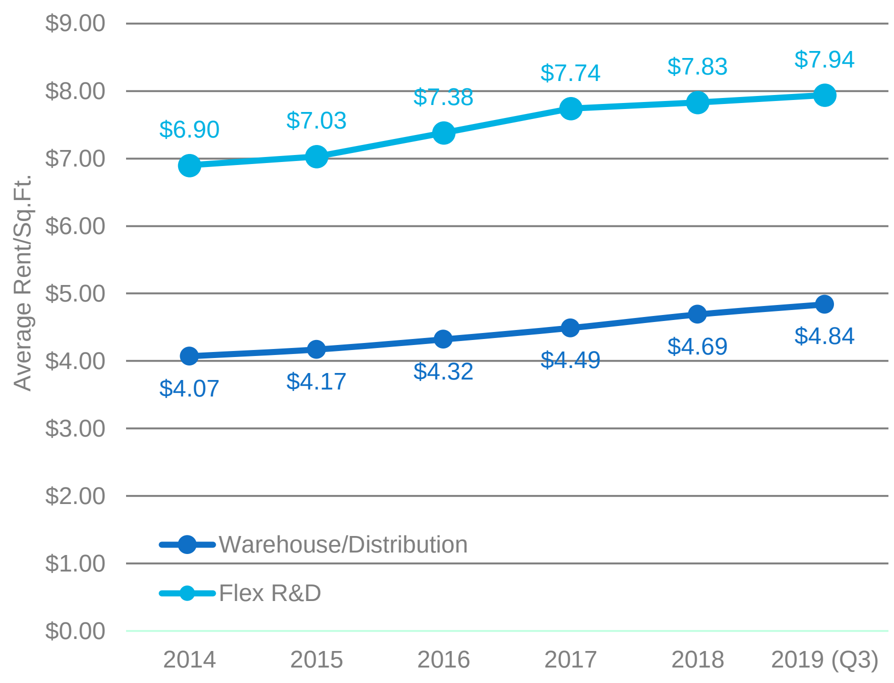
Industrial

Submarket Performance (Rents)

The average rent per square foot for warehouse/distribution industrial space in the Northeast/Northwest REIS Submarket was $4.84 in third-quarter 2019, a 18.9% increase from $4.07 in 2014. The 2019 measure is 1.5% higher than the larger Charlotte market's average rent of $4.77.

Flex/R&D industrial space lease rates have increased to $7.94 per square foot, 15.1% more than the $6.90 measure reported in 2014. The Submarket measures for flex/R&D space have remained consistently lower than the greater Charlotte market, which had an aggregate rent of $8.42 per square foot in third-quarter 2019.

Comparison of Industrial Rent Trends, Northeast/Northwest Submarket, 2014-2019



Source: REIS; Kimley-Horn

Economic Development
Strengths and Weaknesses

STRENGTHS

Highly-skilled labor force

Shovel-ready sites

Existing base of employers

Regional connectivity

Easy access to CLT, I-77 & I-485

Proximity to Lake Norman

WEAKNESSES

Imbalanced tax base

Traffic congestion

Major corridors create barriers

Housing access and affordability

Lack of access to Lake Norman

Attracting young talent

OPPORTUNITIES

Transportation improvements can mitigate congestion

Future BRT/transit opportunities

Strong regional economy (low leakage)

THREATS

Regional competitiveness

Out-commuting of skilled labor

Build-out of competitive areas

Maintaining downtown capture