Corridors of Opportunity

Corridors of Opportunity

Real Estate Analysis



March 2021

Prepared for the City of Charlotte

EY Building a better working world

CITY of CHARLOTTE

Study Focus

The following analysis explores development opportunities in three corridors of Charlotte: (1) Sugar Creek, (2) Beatties Ford, and (3) Freedom, Wilkinson, and West, with a specific focus on uses to create economic development and jobs. The Albemarle corridor was not included in this analysis as it was the focus of a similar and separate study. These corridors were identified in a previous analysis as underserved areas feature elevated poverty rates, lower educational attainment levels, and disproportionate reliance on public transit. This portion of the study includes an overview of the commercial real estate composition and availability in each corridor, proposed focus areas for catalyst development in each corridor, and examples of potential real estate uses for these focus areas that might serve as demand catalysts for job growth and increased job quality. Note that while the focus of this study is on job creation, holistic planning and development approaches in these corridors should also consider public services, housing, transportation, and other uses.

Section		Page
	Summary	**2**
	Sugar Creek Corridor	**5**
1	Real Estate Composition	5
2	Focus Areas	12
	Beatties Ford Corridor	**23**
3	Real Estate Composition	23
4	Focus Areas	30
	Freedom, Wilkinson, and West Corridors	**38**
5	Real Estate Composition	38
6	Focus Areas	45
7	**Appendix**	**56**

Focus Areas – Selection Process

Eight focus areas within the three corridors were identified for potential catalyst development based on five factors. These five factors were developed through conversations with community developers nationwide about best practices for development promoting job growth as well as through conversations with local stakeholders regarding the character of the corridors. The feedback below applies the factors to the general focus areas we identified.

1. *Potential for development.* The focus areas are in neighborhoods with either some early stage commercial development and transaction activity or in locations that are likely to observe development activity within the next three to five years based on (for example) transit system growth or nearby activity. These areas are more likely to attract private developers and higher-quality tenants and are well positioned for public-private partnership investment.

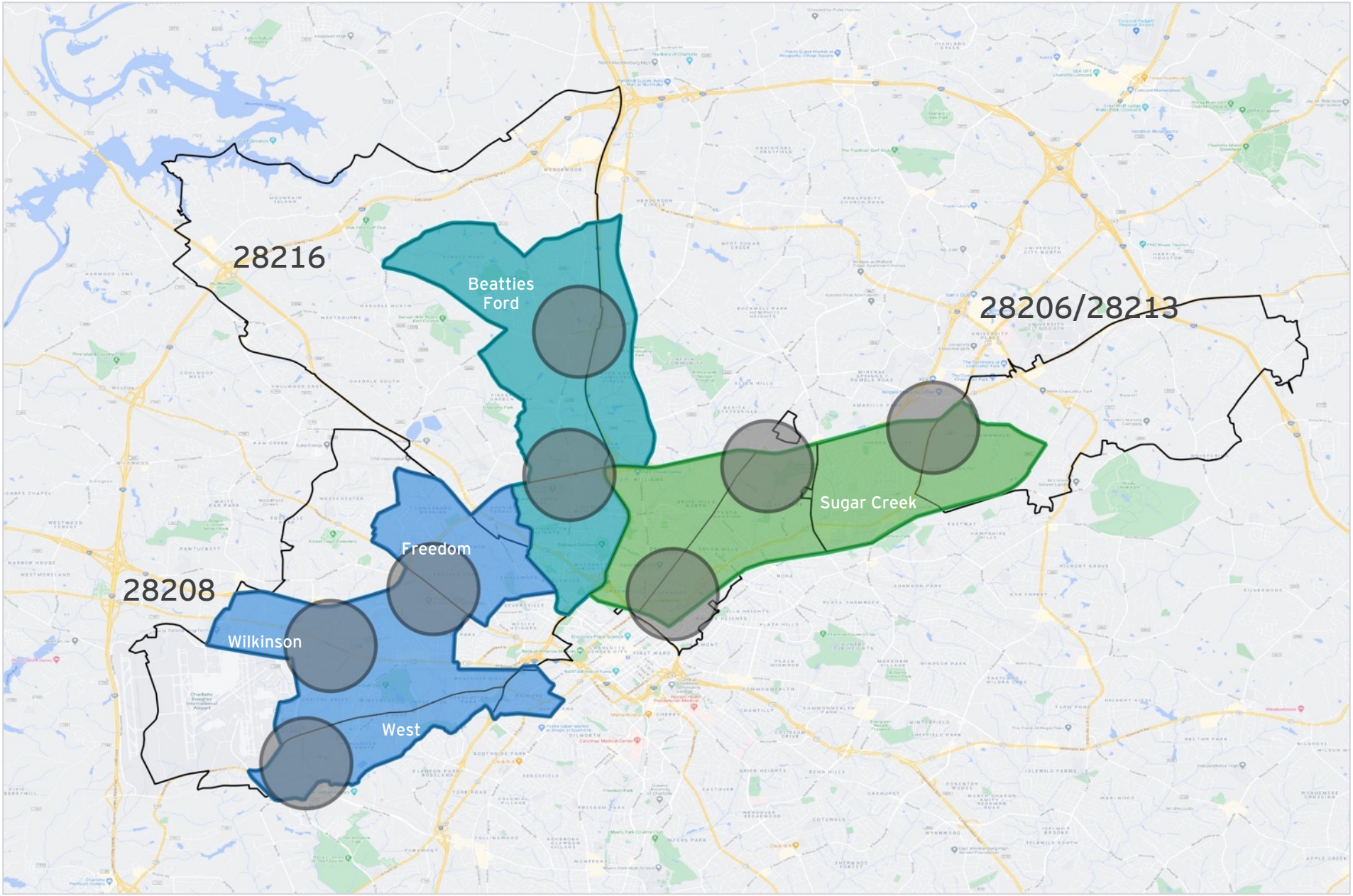
2. *Sufficient scale.* The focus areas have enough scale of existing commercial real estate and employment generators to warrant larger-scale development that could serve as a catalyst for further growth. The focus areas have larger properties, a concentration of commercial development, and are near or in higher-density areas. However, while achieving scale over the long-term is important, community developers note that small scale projects can often serve as a catalyst for growth and should not be discounted. As such, a few focus areas for small- to mid-scale development are also included.

3. *High impact.* Although the focus areas have potential for development and some early-stage investment, they are also areas where further development could have a greater impact on the community. For example, the focus areas are places where residents travel long distances to work, where services (e.g. health centers, day cares, banks) are lacking or scattered, or where unemployment is high. While development in these corridors could create growth, it could also have a displacement impact disproportionately affecting residents of color. Community developers note that real estate development must be paired with holistic community-led initiatives that create economic development while reducing risk of displacement (e.g. through new affordable housing) and loss of culture.

4. *Transitional land use.* The focus areas are in parts of corridors that can support the land use required by the previously identified targeted industries. These areas are ripe for redevelopment that would support job creation. They also aid in the transition between residential neighborhoods and commercial districts.

5. *Marginal location.* The focus areas are generally located on the margins between communities with more resources and development and communities with fewer resources and less development. Community developers note that development in these locations can help overcome actual (e.g. a bridge or highway) or perceived (e.g. perception of safety) barriers to development and allow for future investment and growth. However, development in these locations, especially, must be done intentionally to preserve the character of the neighborhood and prevent displacement of its residents.

Focus Areas

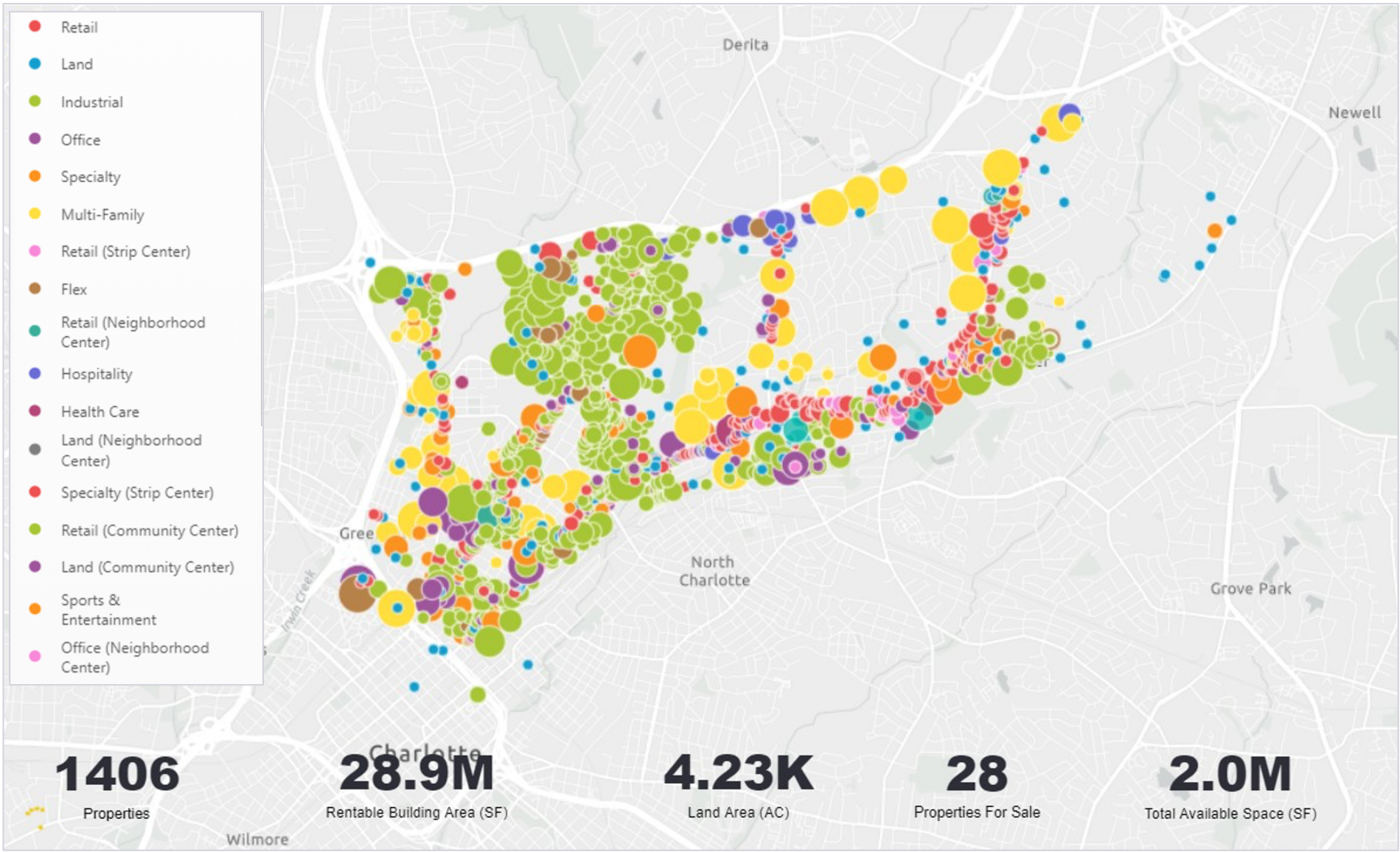

28216
Beatties Ford
28206/28213
Sugar Creek
Freedom
28208
Wilkinson
West



1 Sugar Creek - Real Estate Composition

Real Estate Composition – Existing Properties

SUGAR CREEK



**Bubble size represents rentable building area*

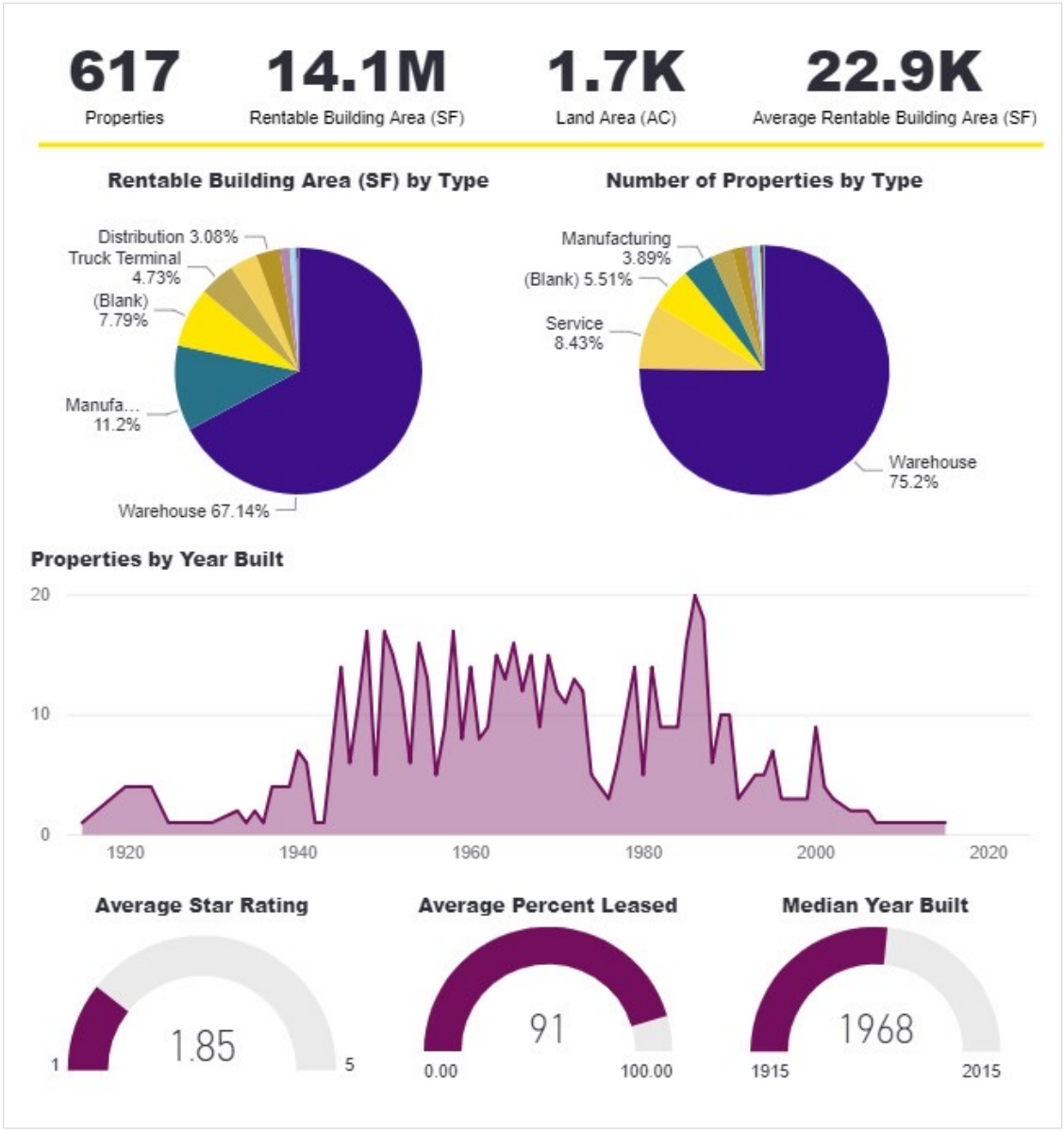
Real Estate Composition – Industrial & Flex Properties

A heavily industrial corridor, Sugar Creek has 617 industrial properties listed on CoStar, accounting for 14.1M in rentable building area. The properties include 464 warehouses, 52 service properties, 24 manufacturing properties, 17 truck terminals, 11 distribution properties, and a few other distribution properties, showrooms, data centers, cold storage, etc. The properties are distributed throughout the corridor, with a concentration along N Graham Street and N Tryon Street.

The properties are generally small. Around 70% are less than 20K SF and 45% are less than 10K SF. While manufacturing space makes up 3.9% of properties, it makes up 11.2% of rentable building area given a larger average property size of 65.9K SF compared to 22.9K SF for all industrial properties. Truck terminals also skew larger than average, while service properties skew smaller.

The properties are also older – the median year built is 1968, with many properties built between the mid-40s and mid-70s or in the 80s. Few industrial properties have been built since the 90s.

Property quality is generally low, with an average 1.85 star rating. Seventy-nine percent of the properties are Class C and another 20% are Class B. Despite the low quality, the properties are mainly fully-leased (average of 91% leased).



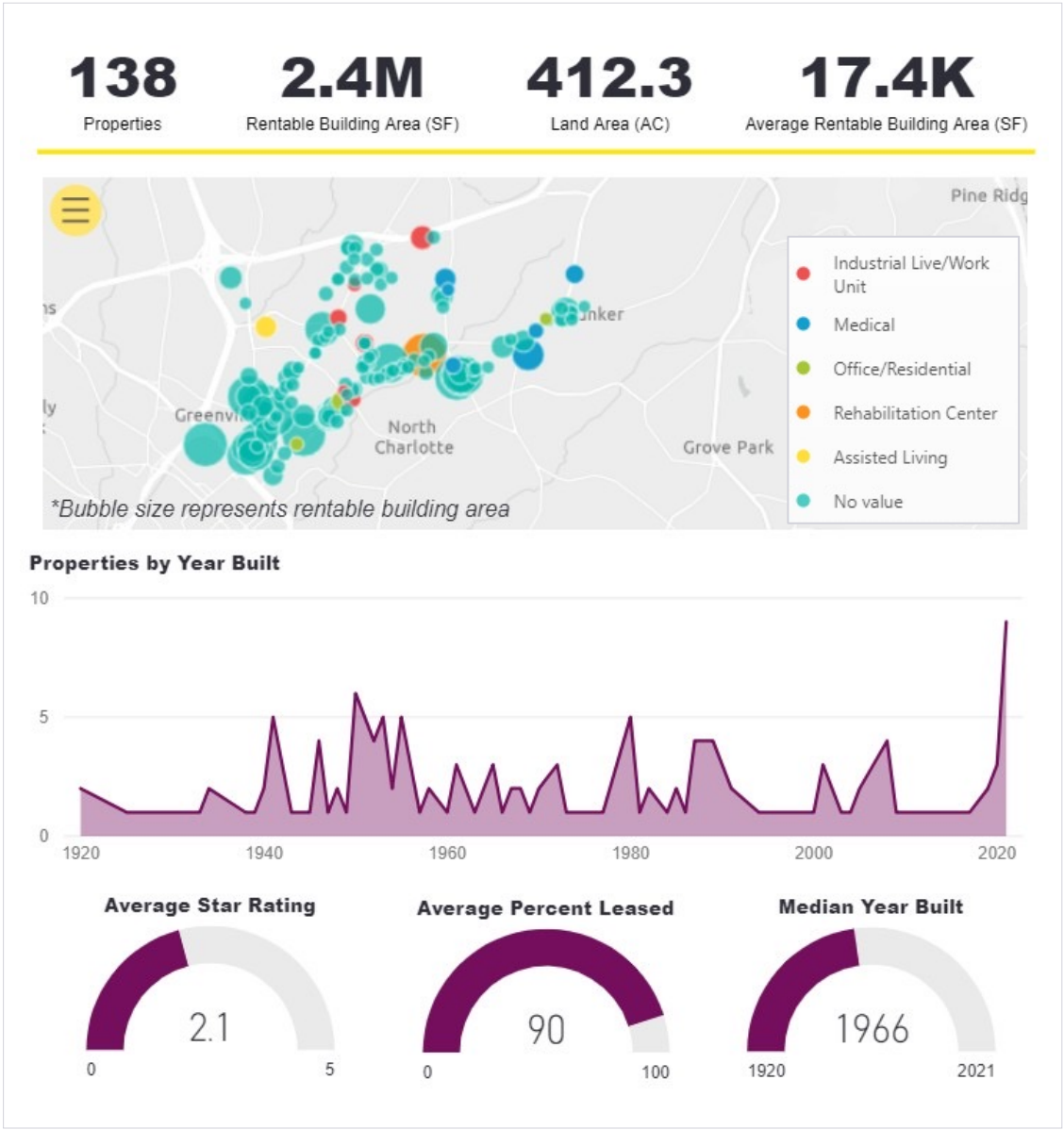
Real Estate Composition – Office & Healthcare Properties

SUGAR CREEK

Of the 348 office and healthcare properties located throughout the three corridors, 138 of them are located in the Sugar Creek corridor, accounting for 2.4M of rentable building area. Most of these properties are general office space, but there are also six medical offices, a few mixed-use office and residential buildings, and an assisted living and rehabilitation center. The office spaces are concentrated along N Graham and N Tryon Streets.

Of the 138 buildings, 114 (83%) have less than 20,000 SF in rentable building area and 70 (51%) have less than 3,000 SF. The median size of the land parcels is also small at 1.1 acres. Most of the properties (64%) are single-tenant, although 25% are multi-tenant buildings (the remaining 11% are not classified). The 34 multi-tenant buildings are larger, with an average rentable building area of 33.9K SF compared to 6.8K SF for the single-tenant buildings.

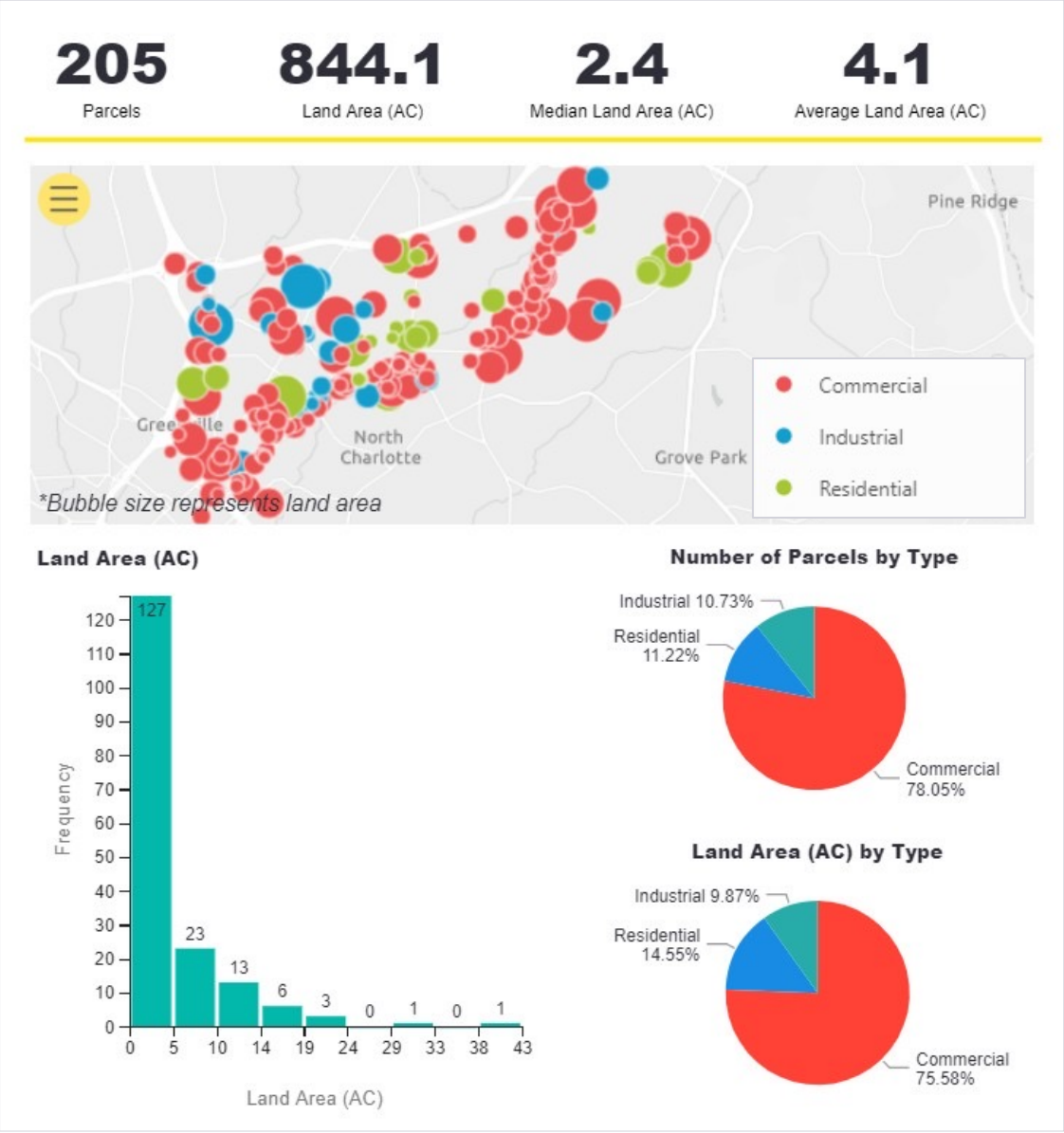
Most of the office properties are single-story (74%), Class C (76%), older (the median year built is 1966 and the average is 1970) buildings. Although there were few office buildings developed in the corridor between 2009 and 2018, in 2021, nine new, multi-story, mainly Class B office buildings are expected to enter the market with an average building size of 64.8K SF. These nine buildings are already 67% leased, indicative of tenant interest and absorption in the corridor.



Real Estate Composition – Land Parcels

The Sugar Creek corridor has 205 parcels of vacant land located throughout the corridor, accounting for 844 acres. The majority of the parcels (78%) and the majority of the land acreage (76%) are commercial. Of the non-commercial parcels, 22 are industrial and 23 are residential.

The parcels are generally small – 159 of 205 are five acres or less. The industrial and commercial parcels skew smaller while the residential parcels have an average size of 5.3 acres (above the overall average of 4.1 acres). The 46 parcels greater than five acres account for 535 acres of land (average of 12 acres) and are equally distributed across commercial, industrial, and residential-zoned areas.



Real Estate Composition – Properties For Sale

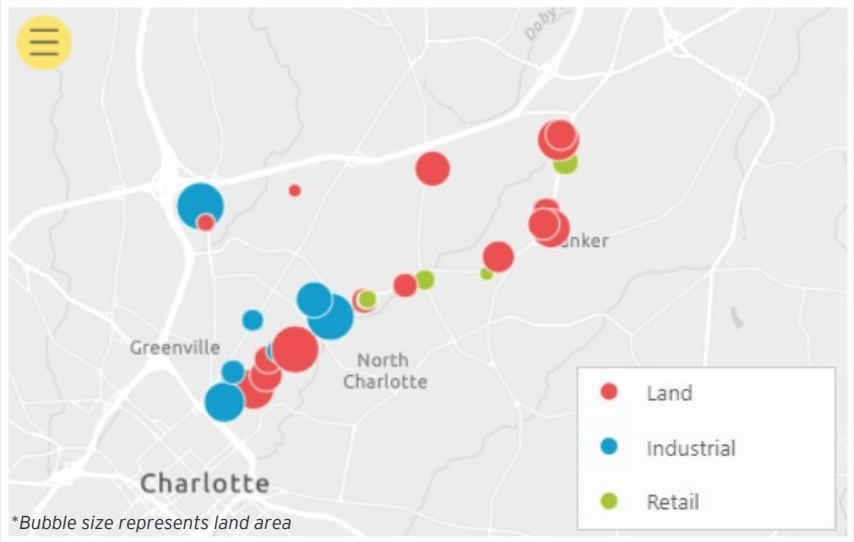
SUGAR CREEK

Sugar Creek has 28 properties listed for sale on CoStar, accounting for 465,123 SF of rentable building area and 47.3 acres of land. Sixteen of the properties are land, seven are industrial (warehouses), and five are retail. Most of the land parcels are commercially-zoned, between 0.2 and 3.6 acres, and located on N Tryon Street. The seven warehouse properties are primarily located in Tryon Hills, with one larger property (144,000 SF) located in the J.T. Williams industrial area. The other larger industrial property for sale (211,000 SF) is a Class C warehouse located at the intersection of N Tryon and W 32nd Street. The five retail properties available range between 1,868 SF and 4,296 SF and are also located along N Tryon Street.

The average age of the 12 existing buildings (with available year built data) is around 60 years and the average star rating is two of five. The majority of buildings (83%) are Class C properties and ten of the 12 buildings, excluding the two aforementioned larger industrial properties, are less than 25,000 SF in size.



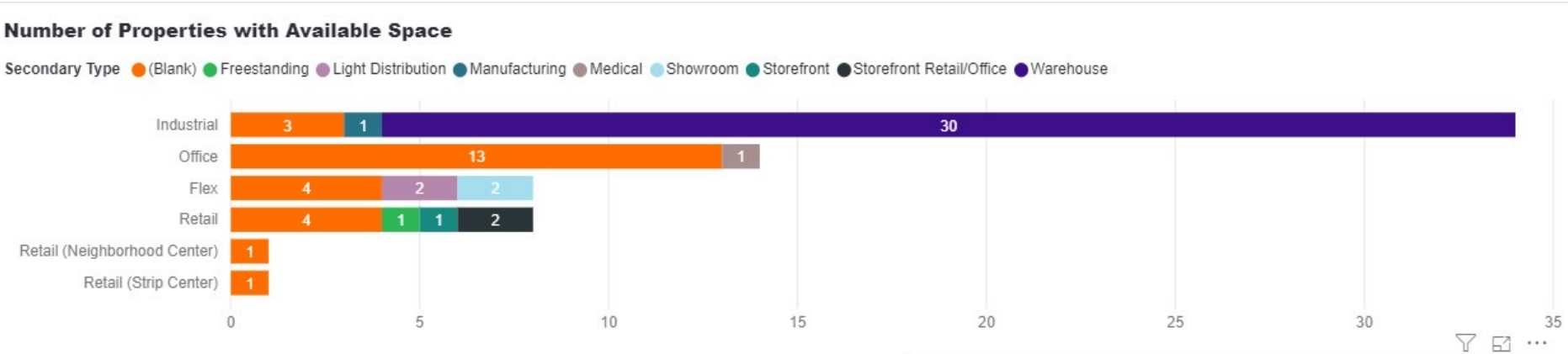
Property Type	# of Properties	Rentable Building Area (SF)	Average of Rentable Building Area (SF)	Land Area (AC)	Average of Land Area (AC)
Industrial	**7**	**449,027**	**64,147**	**21.99**	**3.14**
Warehouse	7	449,027	64,147	21.99	3.14
Land	**16**	**0**	**0**	**22.52**	**1.41**
Commercial	13	0	0	20.73	1.59
Industrial	1	0	0	0.45	0.45
Residential	2	0	0	1.34	0.67
Retail	**5**	**16,096**	**3,219**	**2.76**	**0.55**
Bar/Nightclub	2	7,500	3,750	1.09	0.55
Day Care Center	1	4,296	4,296	0.94	0.94
Freestanding	2	4,300	2,150	0.73	0.36
Total	**28**	**465,123**	**16,612**	**47.27**	**1.69**



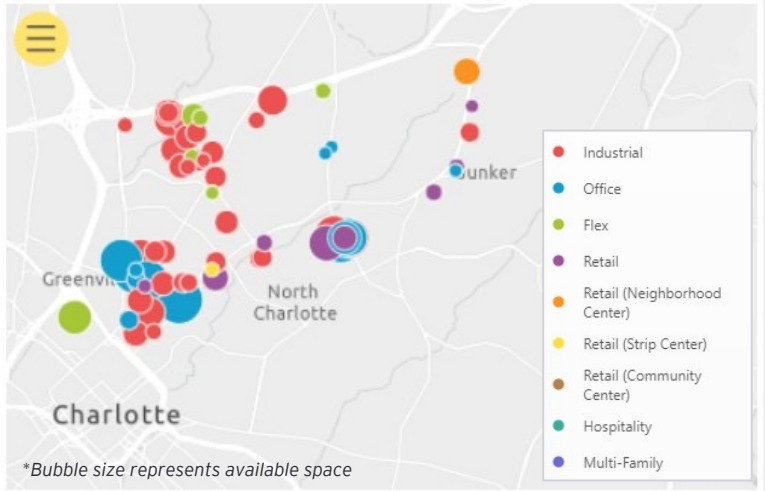
*Bubble size represents land area

Real Estate Composition – Properties For Lease

The Sugar Creek corridor has almost two million square feet of space for lease listed on CoStar across 66 properties. The majority of the properties with space available for lease are industrial, with 30 warehouses mainly in the western portion of the corridor accounting for 580,919 SF of space for lease (average of 19,364 SF per property). Twenty industrial properties are fully-vacant, with an average 20,022 SF available per property. There are 14 office spaces with space for lease, seven of which are in the Druid Hills South/Lockwood area in or near Camp North End, and six of which are along Sugar Creek Road. Eight office properties split among both areas are fully-vacant and have an average of 95,035 SF available per property. Eight flex properties, including two light distribution properties and two showrooms, have space available for lease, but all have less than 40% of the total rentable space available.



Property Type	# of Properties	Total Available Space (SF)	Average Total Available Space (SF)	Average Percent Available	Average Rentable Building Area (SF)	Average Land Area (AC)
Flex	8	100,235	12,529	17.8%	65,521	3.86
Industrial	34	801,794	23,582	73.3%	40,768	3.62
Office	14	932,280	66,591	68.8%	77,298	6.98
Retail	8	130,120	16,265	47.6%	39,520	3.89
Retail (Neighborhood Center)	1	25,800	25,800	100.0%	25,800	4.90
Retail (Strip Center)	1	1,600	1,600	15.1%	10,571	0.85
Total	**66**	**1,991,829**	**30,179**	**62.0%**	**50,682**	**4.37**



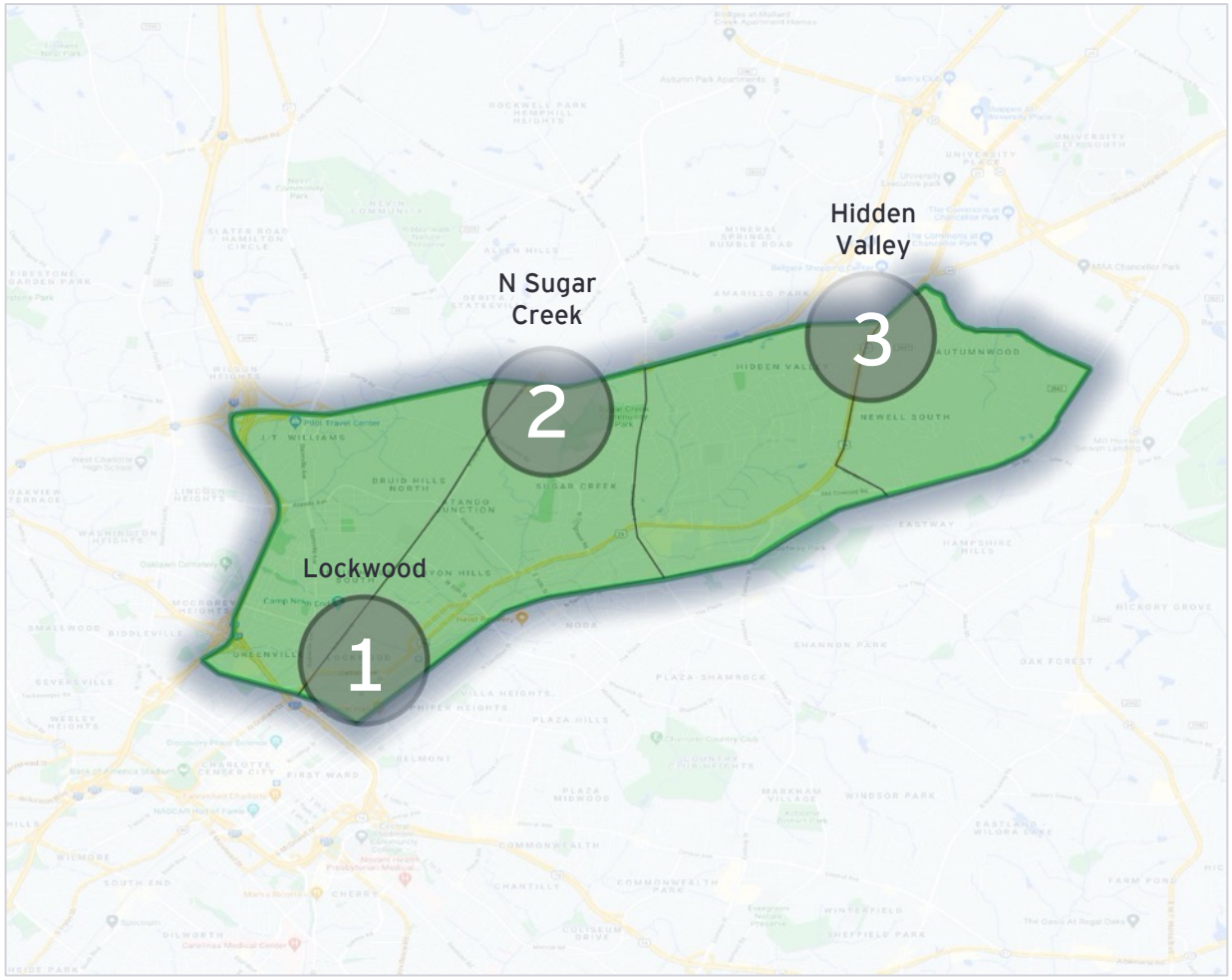
2

Sugar Creek - Focus Areas



Focus Areas

Three focus areas were identified within the Sugar Creek corridor. Note that these focus areas have been named for the purpose of this analysis and that these names, in the context of this report, reference the focus areas as opposed to the neighborhoods. While the boundaries of each focus area are defined below, they should be considered loosely since potential development opportunities may exist outside of the boundaries.



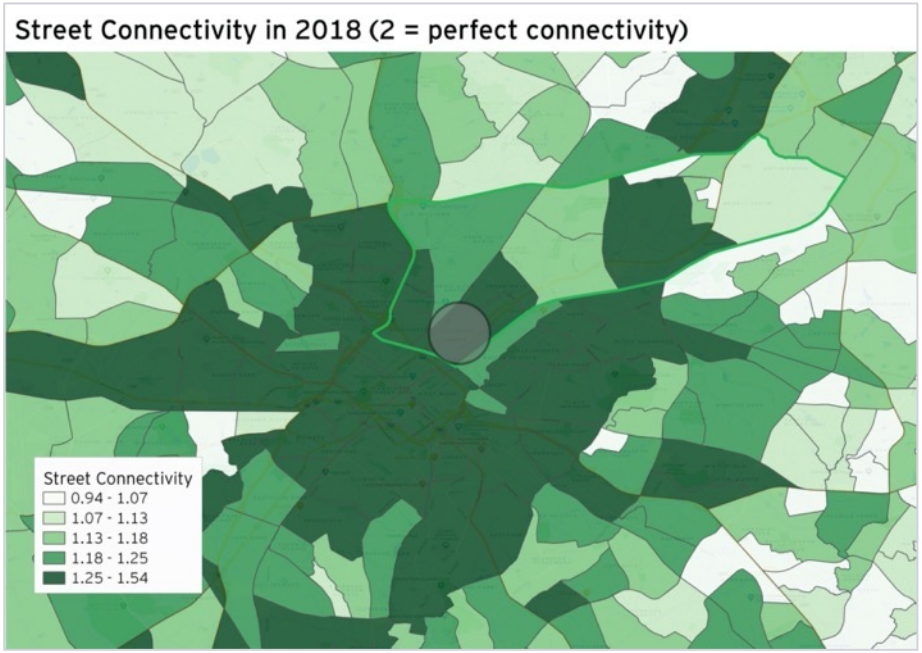
1 *Lockwood*
The Lockwood focus area is loosely defined as the area northeast of W 12th Street, northwest of the light rail tracks, southeast of N Graham Street and Statesville Ave, and southwest of Matheson Ave.

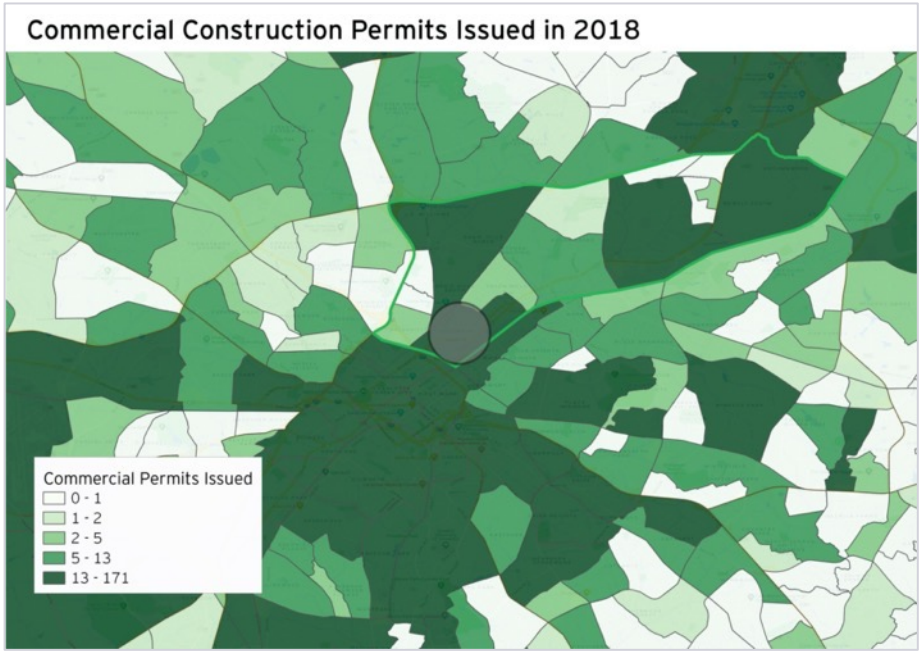
2 *North Sugar Creek*
The North Sugar Creek focus area is defined as the area south of I-85, north of W Craighead Road and Sofley Road, east of N Graham Street, and west of W Sugar Creek Road.

3 *Hidden Valley*
The Hidden Valley focus area is defined as the area south of I-85, north of Orr Road, east of Monteith Drive, and west of N Tryon Street (including the west side of N Tryon Street).

Focus Area: Lockwood – Character

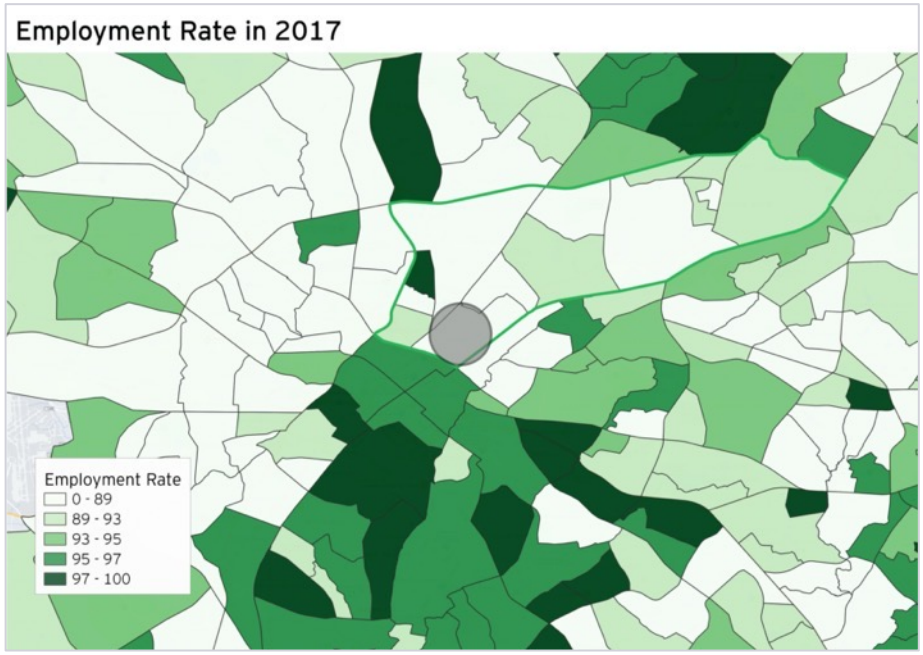
- ***Strong connectivity.*** Given its proximity to Uptown and its location on the LYNX Blue Line along N Tryon Street, the Lockwood focus area is highly accessible and well-connected via public transport. It is therefore well-situated for large-scale commercial and office development.
- ***Significant development activity.*** This development activity is already underway as demonstrated by Camp North End, a 76-acre mixed-use development nearby, and additional office and mixed-use development around Matheson Avenue. Compared to the other focus areas, Lockwood is later in the stages of development and requires less public sector incentivization for investment, which has already been set in motion by early movers.
- ***Gentrification underway.*** However, the development in surrounding areas has led to increasing housing prices and displacement, potentially resulting in the need for intervention that continues to encourage investment while preserving affordable housing and promoting jobs for residents.
- ***Diverse land use.*** Lockwood is characterized by a diverse mix of industrial, commercial, residential, and office properties and is well-positioned for the Innovation Mixed-Use place type and creative development concepts that connect employers to the local workforce.





Focus Area: Lockwood – Character

- ***High unemployment.*** Despite high job density and ongoing development creating even more jobs, the resident population faces higher rates of unemployment, indicating a disconnect between the jobs available and local workforce.
- ***Long travel time to work.*** This is further demonstrated by a long travel time to work for residents, indicating that residents are commuting out of the area to work while non-residents commuting in. It is likely that current developments (e.g. Camp North End) could exacerbate this trend.
- ***Older buildings.*** Compared to the other corridors and focus areas, the commercial buildings in Lockwood are older (built mainly in the 40s-60s), indicating potential for adaptive reuse projects and redevelopment as exemplified at Camp North End.
- ***Space available.*** Compared to the rest of the corridor, Lockwood has more available properties for both sale and lease, including some above-average sized (although still relatively small) industrial properties and larger commercial land parcels. These listings demonstrate existing opportunities on the market for both new development and adaptive reuse.





Focus Area: Lockwood – Development Concepts

Potential development concept

Back office adaptive reuse. Based on the characteristics of the Lockwood focus area, a back office development such as a call center, IT support center, or medical office that serves as a large-scale driver of higher-quality employment opportunities could be a suitable use. Development should focus on creating employment opportunities for local residents (as opposed to commuters) and attracting larger regional or national employers, which may be reluctant to consider other parts of the corridor with less development activity and connectivity. Based on the deficiencies of jobs in business & finance, health diagnostics & technicians, and office administration & support in Sugar Creek, these industries might be targets for office tenants. Based on existing stock of older industrial buildings and examples of similar projects nearby, an adaptive reuse project could be considered.

Potential development concept

Mixed-use commercial, office, and residential. Alternatively, a mixed-use development with residential, retail, and office components could enable the creation of affordable housing to deter displacement and create a live-work-play environment. Given the existing mixed-use nature of the Lockwood area and the current development activity in surrounding areas, it is well-suited for a development that creates job opportunities for the residents, affordable housing, and activity to spur further development, all within a cohesive plan. Community developers note that mixed-use developments are often catalyst projects in community revitalization efforts since they generate activity and prevent overconcentration of a single use.

Example available sites

Target site: Large warehouse or land parcel



Old industrial properties such as 2301-2305 N Graham St, a 17,000 SF warehouse, might offer opportunities for creative adaptive reuse into office space but generally lack the scale needed to attract larger employers.



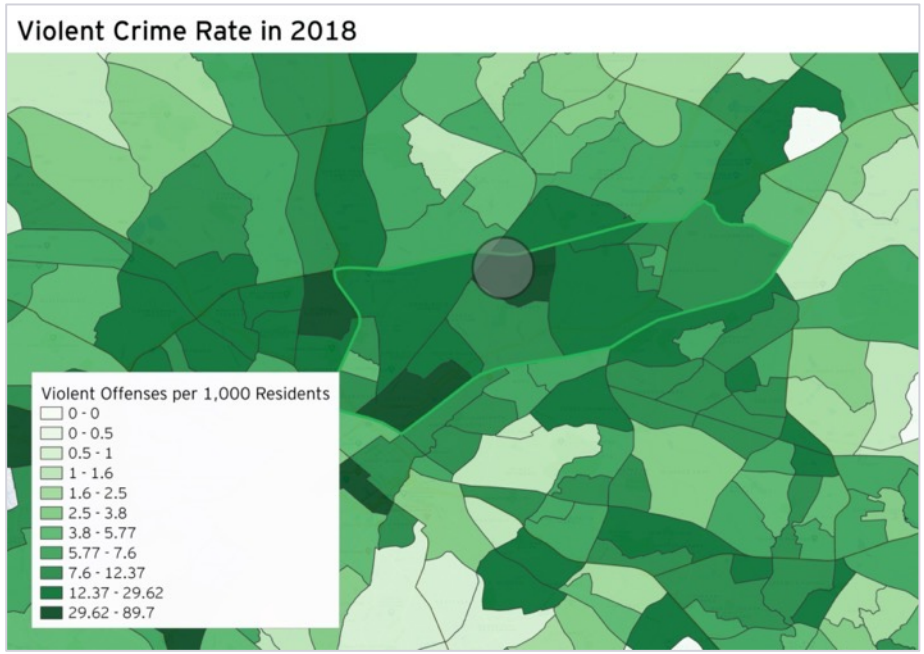
The 216,833 SF industrial property at 1830 Stateville Ave is part of the Camp North End development and could serve as an example of an adaptive reuse project or could be considered as a site for a community-oriented employer invested in creating jobs.

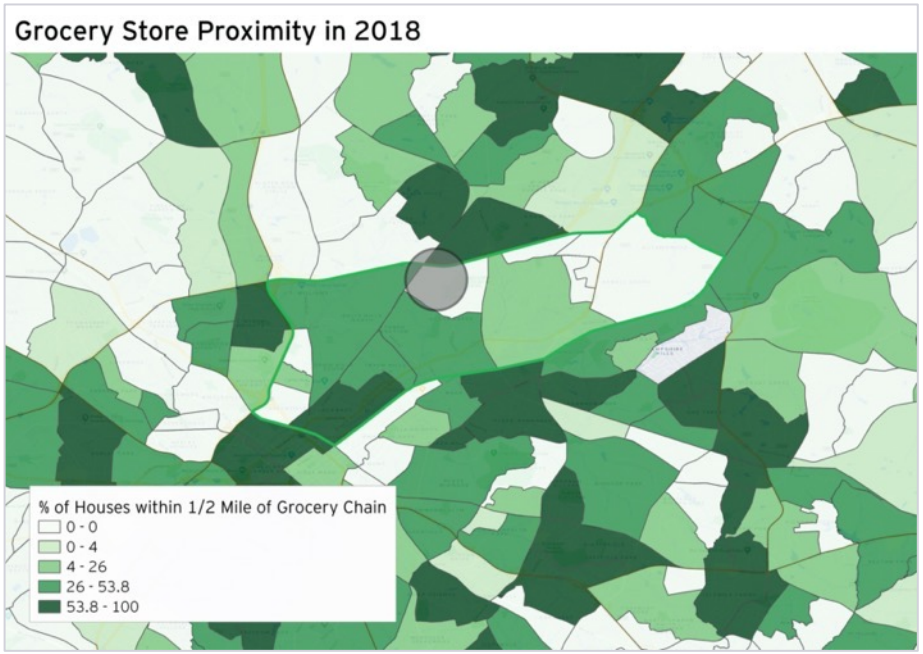


Land parcels such as this 3.58 acre parcel located close to existing development activity could have potential and sufficient space for a mixed-use or office ground-up development.

Focus Area: North Sugar Creek – Character

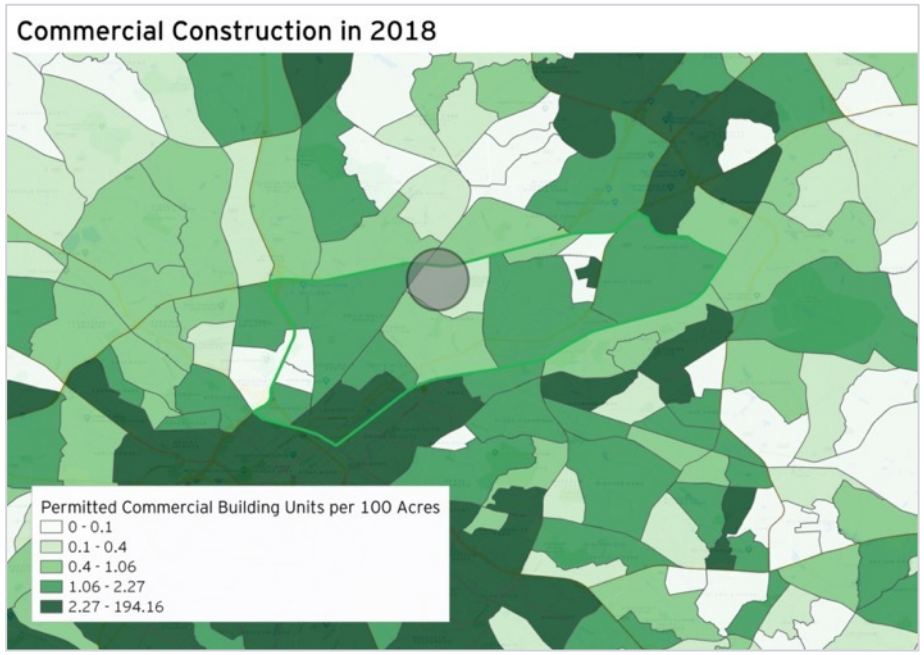
- *Low connectivity.* Compared to the southern portion of the Sugar Creek corridor, which is located along the LYNX Blue Line, the northern portion is removed from public transportation and has limited street connectivity. Similarly to as in Lockwood, residents have long commutes to work.
- *Low population density.* The North Sugar Creek area has low population density and more single-family residential land use, indicating greater potential for lower-density development that is appropriate to the neighborhood's character and does not disrupt nor interfere with residents' quality of life.
- *High crime.* Local market participants note that the area is marked by the I-85 interchange, which is a hub for human trafficking. North Sugar Creek has one of the highest violent crime rates in the city. Market participants note that any development plan in this area should focus on reducing the uses of real estate that enable crime such as the hotels around the interchange and activating the area through new uses.
- *Under-resourced.* While in general, the three corridors have historically lacked services and resources, public and private investment has begun to impact parts of the three corridors. However, North Sugar Creek has not received as much public or private attention and lacks resources such as financial service institutions (e.g. banks) and grocery stores.

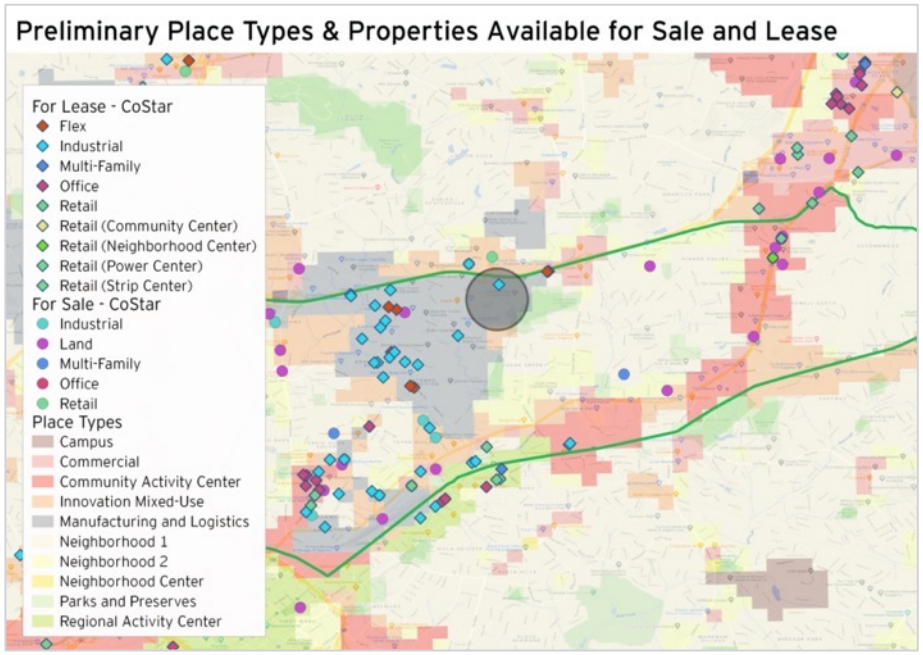




Focus Area: North Sugar Creek – Character

- ***Minimal development activity.*** Compared to the southern portion of the corridor, there is limited commercial development activity in the northern portion, with few construction permits recently issued.
- ***Surrounding development pressure.*** However, there is increasing development both to the north in Derita and to the south along N Tryon Street, which could put development pressure on the northern portion of Sugar Creek in the mid- to long-term.
- ***High industrial concentration.*** The North Sugar Creek area, especially around N Graham Street, is mainly industrial, with a high concentration of warehouses and some service facilities. While the west of N Graham Street is almost all industrial, in the area between N Graham St and W Sugar Creek Road, industrial uses directly border single-family housing and retail uses, without a transitional place type. Further industrial development to the east might interfere with existing residential or commercial uses.
- ***Limited space available.*** Given the low population density and the lack of development or market activity, there is limited space (land or buildings) for sale or for lease on the market. There may be opportunities off the market.





Focus Area: North Sugar Creek – Development Concepts

Potential development concept

Small-scale logistics space. A small-scale logistics space in an existing industrial building could help activate the area between N Graham Street and W Sugar Creek Road, catalyzing later stages of development that could help address crime and replace existing activity around the interchange. Local market participants note that given that the interchange is not currently fit for large-scale commercial development, the expansion or activation of industrial spaces to the east of N Graham Street could be an early-stage step for development.

A non-disruptive industrial use could allow for the diversification of the existing employment base and fit in with the low-density character of the neighborhood without impeding on the residential areas nearby or preventing future commercial uses around the interchange. It could also provide employment for the local workforce, which is heavily concentrated in fields such as material moving and production.

Development considerations

Given the challenges related to the North Sugar Creek area, a holistic and community-driven approach to development is critical. Market participants note that a development plan for North Sugar Creek could also consider spaces for community organizations, training centers, and neighborhood services as well as a plan to address the hotel uses surrounding the interchange, which have discouraged development in other areas of the corridor.

Example available sites

Target site: Mid-sized warehouse or flex space



A mid-sized warehouse such as the 35,400 SF 4525 Reagan Drive, which recently sold in October 2020, could be converted into a logistics center for a local company; for older properties, extensive renovations might be required.



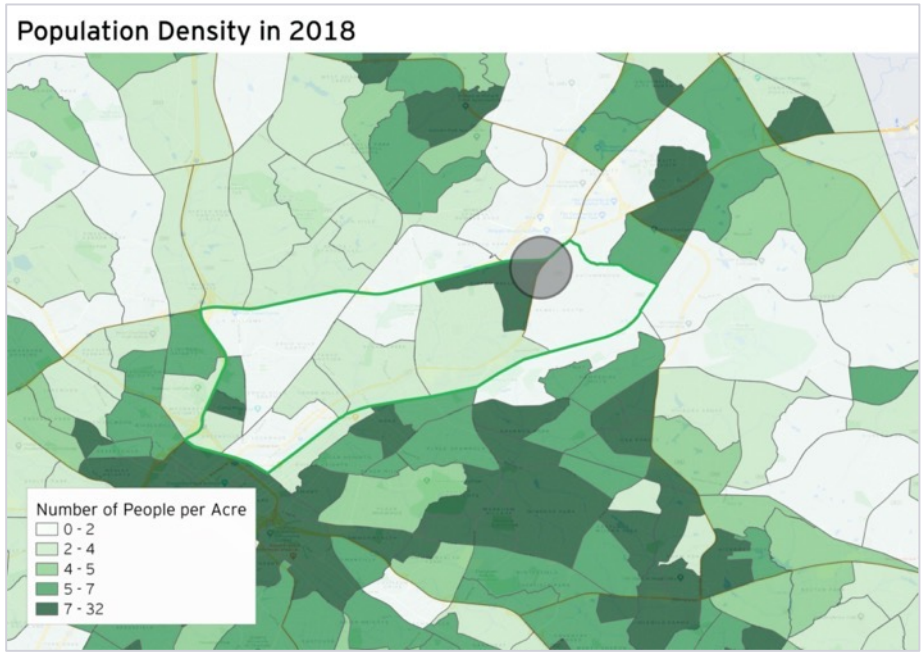
A flex space such as 2020 Starita Road in Woodland Business Park, which leases to mainly small manufacturers, could provide a space suited for a local industrial or office tenant.

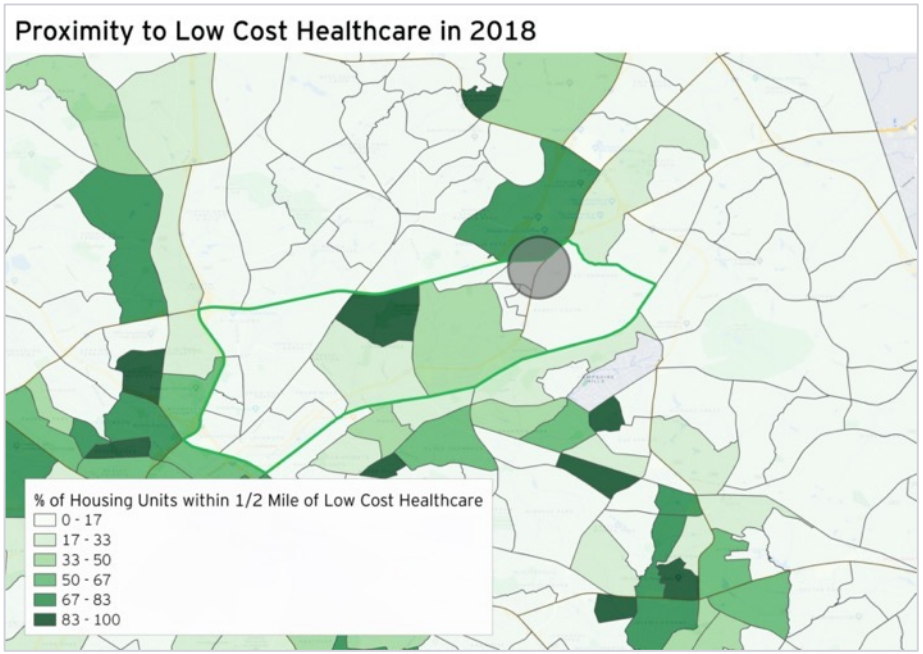


Smaller, lower-quality properties (such as the 6,600 SF warehouse at 1400 Amble Drive), which are prevalent throughout the corridor, might be challenging to convert into uses that could generate employment and might not offer the required scale.

Focus Area: Hidden Valley – Character

- ***Higher-density residential.*** Compared to other areas in the Sugar Creek corridor, the Hidden Valley focus area (the area south of the I-85 Connector and N Tryon Street intersection) has higher population density, more multi-family housing, and more mixed-residential zones (as opposed to single-family zones).
- ***Changing population dynamics.*** Based on local market participant feedback, the Hidden Valley neighborhood has a lasting reputation of having high crime levels despite the aging population and lower crime rates compared to other parts of the corridor. The neighborhood also has a slightly higher median income compared to the rest of the corridor.
- ***Under-resourced.*** Despite the changing dynamics in the neighborhood, it still lacks resources such as grocery stores, day cares, and healthcare. Unemployment is still high (although slightly lower than the rest of the corridor), indicating a potential lack of job opportunities for the residents.
- ***Lacking healthcare.*** Notably, there are few low cost healthcare providers in close proximity to the areas with greater residential concentration. Sugar Creek has a deficit of 826 health diagnostic & technical jobs and 293 healthcare support jobs, indicating a potential opportunity to match needed services with the existing skill set of residents.

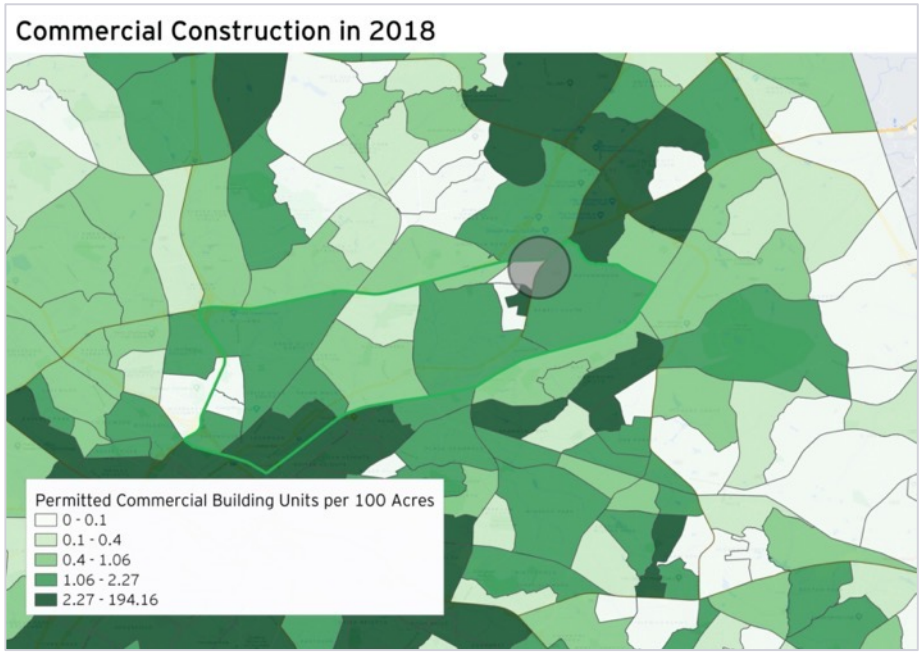




Focus Area: Hidden Valley – Character

- ***Transit-oriented development.*** Given the extension of the LYNX Blue Line, development has begun around transit stations, particularly the Tom Hunter Station. The northeast corner of the Sugar Creek corridor is in a designated transit-oriented development zone. The area could be well-suited for transit-oriented, mixed-use development surrounding the stations.
- ***Early-stage development.*** While some early-stage development has begun, particularly around the Tom Hunter Station, local market participants note that the area might begin to see more significant private investment in a few years. They note that the area lacks the maturity to attract large employers or office development at this stage.
- ***Neighboring growth.*** However, given the high activity and rapid growth of the area to the north of Hidden Valley around University City Boulevard and in the University Executive Park, it is possible that this growth could spread south and impact the focus area.
- ***Commercial use.*** Within the focus area along N Tryon Ave and near Tom Hunter Station, there is a concentration of small retail spaces classified under the Community Activity Center place type per preliminary place type mapping. This commercial zone is likely to be the epicenter of both commercial and residential growth over the next few years.





Focus Area: Hidden Valley – Development Concepts

Potential development concept

Retail or small-scale office focusing on healthcare. Although the Hidden Valley focus area might be challenged to attract larger employers at this point, a use that combines needed services for the community and employment opportunities could be an appropriate early step in the area's development and create jobs, albeit on a smaller scale. Healthcare or health offices were identified as a potential use given the lack of low cost healthcare in the area combined with a deficit of jobs in healthcare-related fields in the Sugar Creek corridor. As the area continues to develop over the long-term, which is expected to occur due to transit-oriented development activity and growth in University City South, larger office spaces may be absorbed by the market.

Case study



EastPoint, Oklahoma City. EastPoint is a 41,202 SF, 2.7 acre office and retail development in Oklahoma City anchored by a health clinic and mainly leased by small business owners of color who are granted equity in the development. The project is under development by a community-oriented private developer and is located in a historic commercial hub for the Black community that has seen disinvestment since the 1970s. The retail tenants are determined by community members in an inclusive, community-led process.

Example available sites

Target site: Centrally-located commercial land or retail space



A small land parcel along N Tryon Street, such as the 1.2 acre lot located at 6797 N Tryon St, could be appropriate for ground-up commercial development. However, ground-up development might put upward pressure on rents and result in above-market prices.



A retail center with a larger space for lease could be suitable for a local employer, healthcare provider, or other service provider. There are limited spaces listed and those listed are of lower quality.



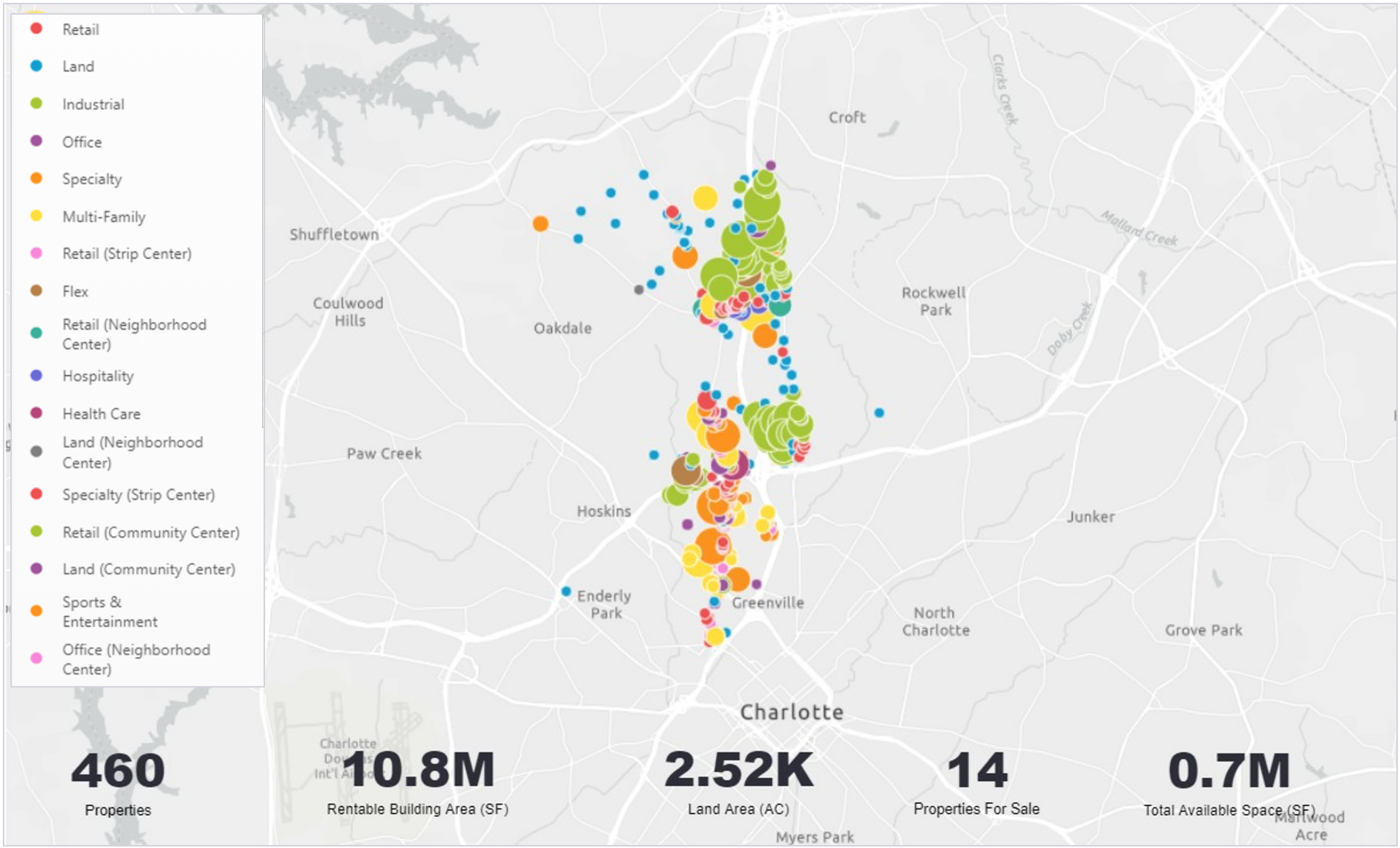
Existing office spaces or industrial spaces could be renovated to bring in new local tenants. However, there is limited space on the market for lease and almost no properties for sale. Suitable properties would ideally be centrally-located along N Tryon St near LYNX stations.



3 Beatties Ford – Real Estate Composition

Real Estate Composition – Existing Properties

BEATTIES FORD



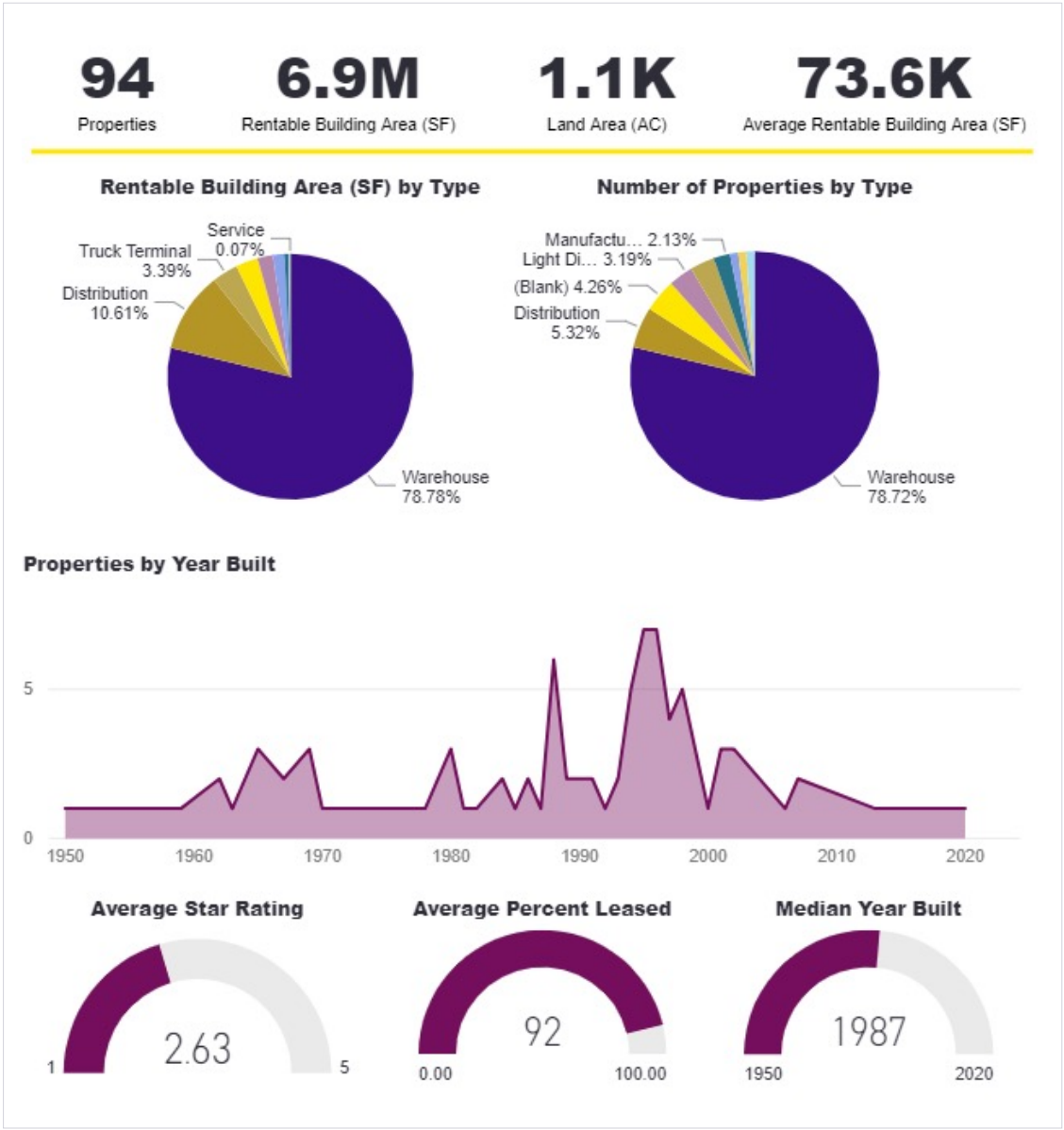
**Bubble size represents rentable building area*

Real Estate Composition – Industrial & Flex Properties

As a more residential corridor, Beatties Ford has only 94 industrial and flex properties (out of 1,165 across the three corridors), accounting for 6.9M SF of rentable building area. Most of the properties are warehouses, with some distribution, light distribution, truck terminal, manufacturing, light manufacturing, service, and showroom properties. The industrial properties are clustered in two main areas of the corridor: Wilson Heights and Beatties Ford/Trinity. There are also some smaller industrial properties along I-85.

Compared to the industrial properties in Sugar Creek, the properties in Beatties Ford are larger, at an average 73.6K SF. However, most properties are still small, with properties under 20,000 SF accounting for 35% of all industrial buildings in the corridor.

The properties are generally newer compared to those in Sugar Creek given a wave of construction that occurred in the 1990s. Building quality is also better than observed in Sugar Creek. The average star rating is 2.6 out of 5.0. Eleven percent of properties are Class A, 48% are Class B, and 40% are Class C. Although most properties are lower classes, the proportion of higher class properties is greater than observed in the other corridors.



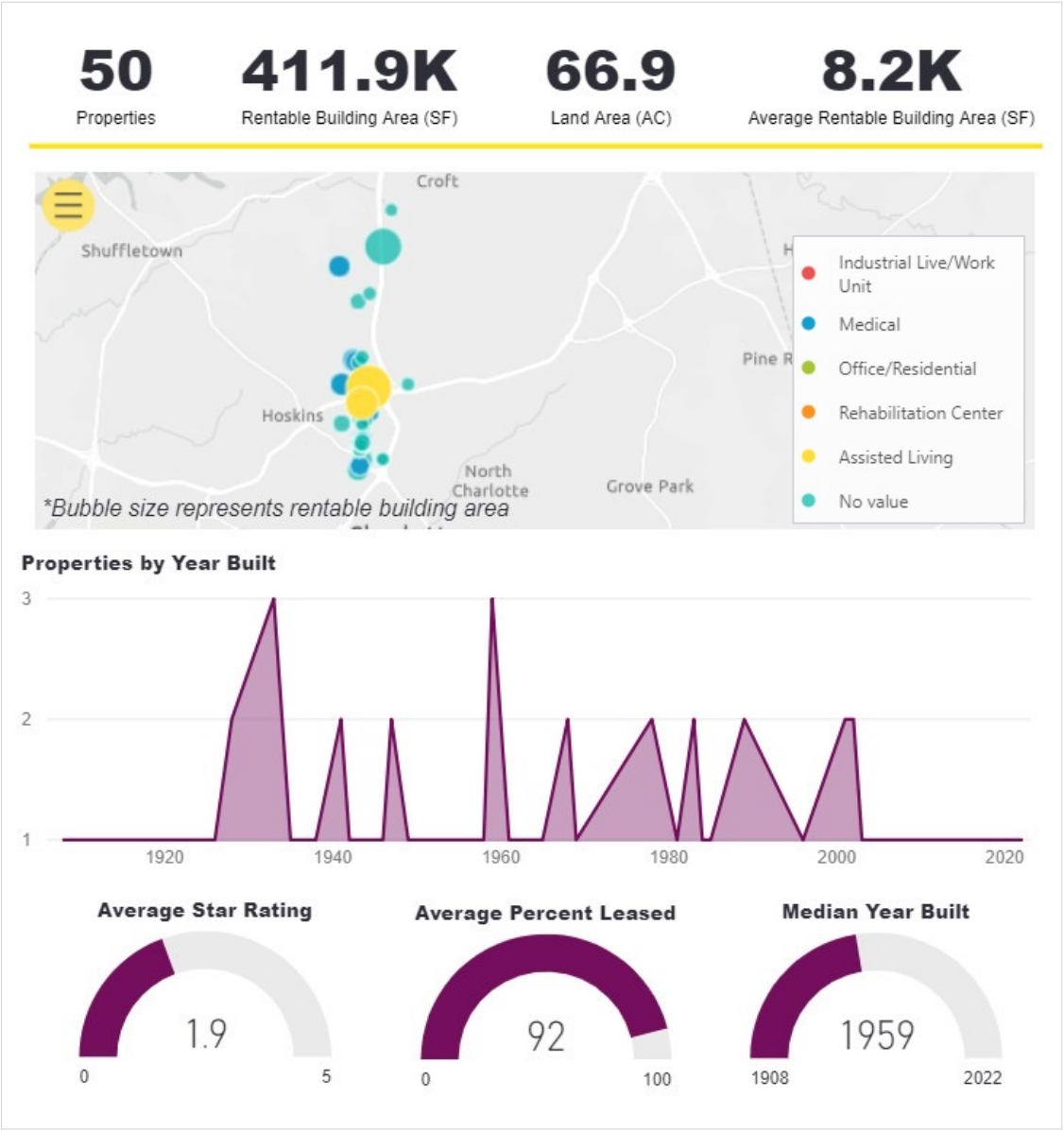
Real Estate Composition – Office & Healthcare Properties

BEATTIES FORD

Compared to the other corridors, the Beatties Ford corridor has less office space, which is mainly concentrated at the southern portion of the corridor along Beatties Ford Road. There are 50 total office and healthcare properties, accounting for 411.9K SF of rentable building area and 66.9 acres of land. Of the 50 spaces, nine are medical offices.

The properties are mainly small, single-tenant, Class C properties on small parcels. Almost all of the properties (46 of 50) are under 20,000 SF, and 22 are under 2,000 SF. The median land area is 0.3 acres and the average is 1.3 acres. Seventy-two percent of the properties are single tenant. The 12 multi-tenant office buildings are larger (average of 16.2K SF) than the single-tenant properties and are located along Beatties Ford Road. They are all fully-leased.

Similarly to the office properties in the Sugar Creek corridor, the office buildings in Beatties Ford are generally old and low quality. The properties were built sporadically between the 1920s and early 2000s, with a median year built of 1959. Eighty-six percent of the properties are Class C and 14% are Class B. The seven Class B properties were built more recently and include four medical offices located towards the southern end of the corridor.

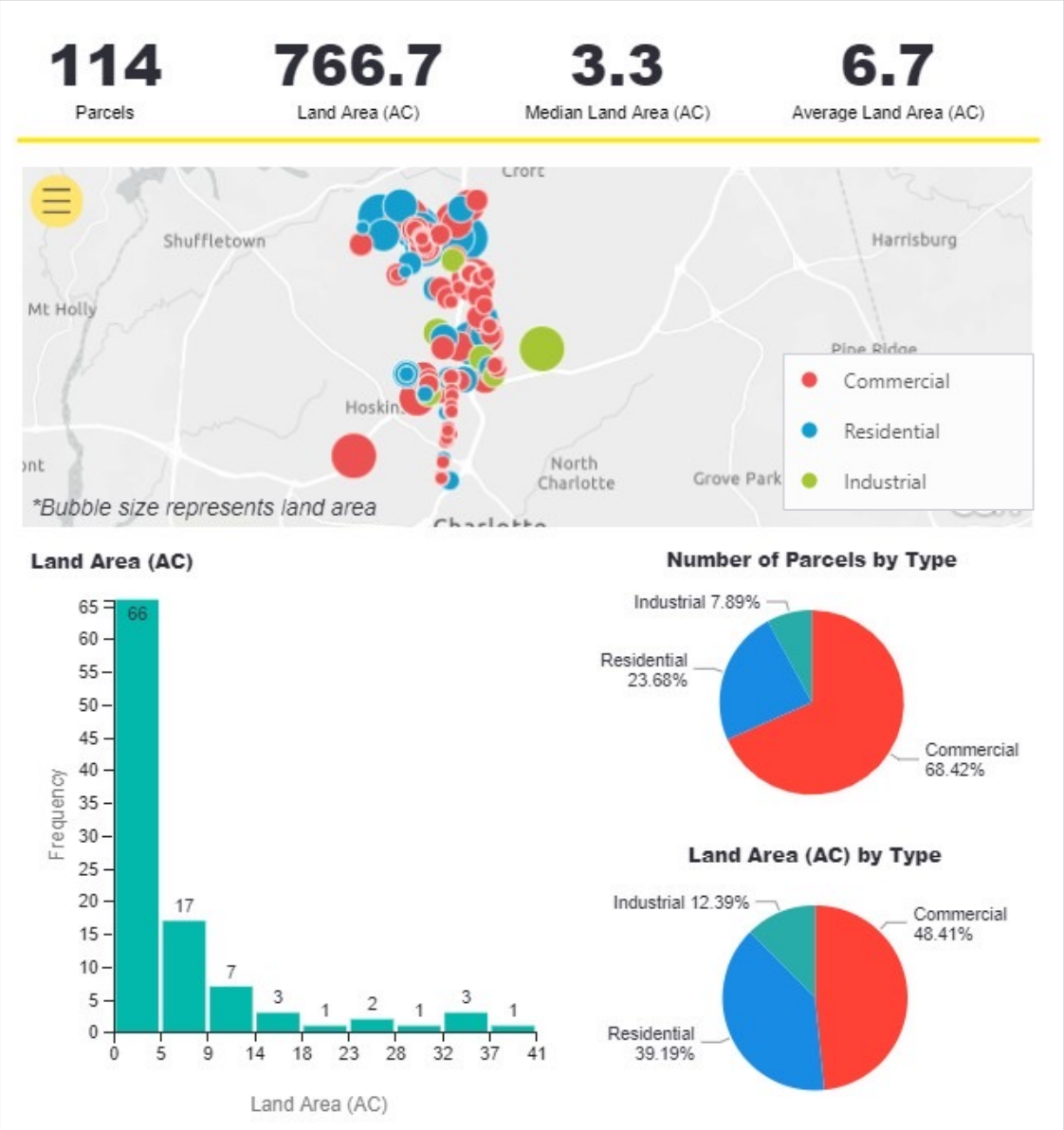


Real Estate Composition – Land Parcels

Beatties Ford has fewer, but larger, land parcels compared to the other corridors. There are 114 parcels in the corridor accounting for 767 acres. Although commercial parcels make up the majority, compared to the other two corridors, a greater portion of the land in Beatties Ford is residentially-zoned. While commercial parcels account for 68% of total parcels, they account for 48% of the land, indicating a smaller average parcel size. Residential parcels, on the other hand, account for 24% of parcels but 39% of land given an average size of 11 acres.

The majority of parcels (77 of 114) are less than five acres. However, there are 20 parcels with ten or more acres, most of which are residentially or commercially zoned.

The southern portion of the corridor has small, mainly commercial parcels located along Beatties Ford Road. Further north is a mix of larger industrial, commercial, and residential parcels along both Beatties Ford Road and I-77.

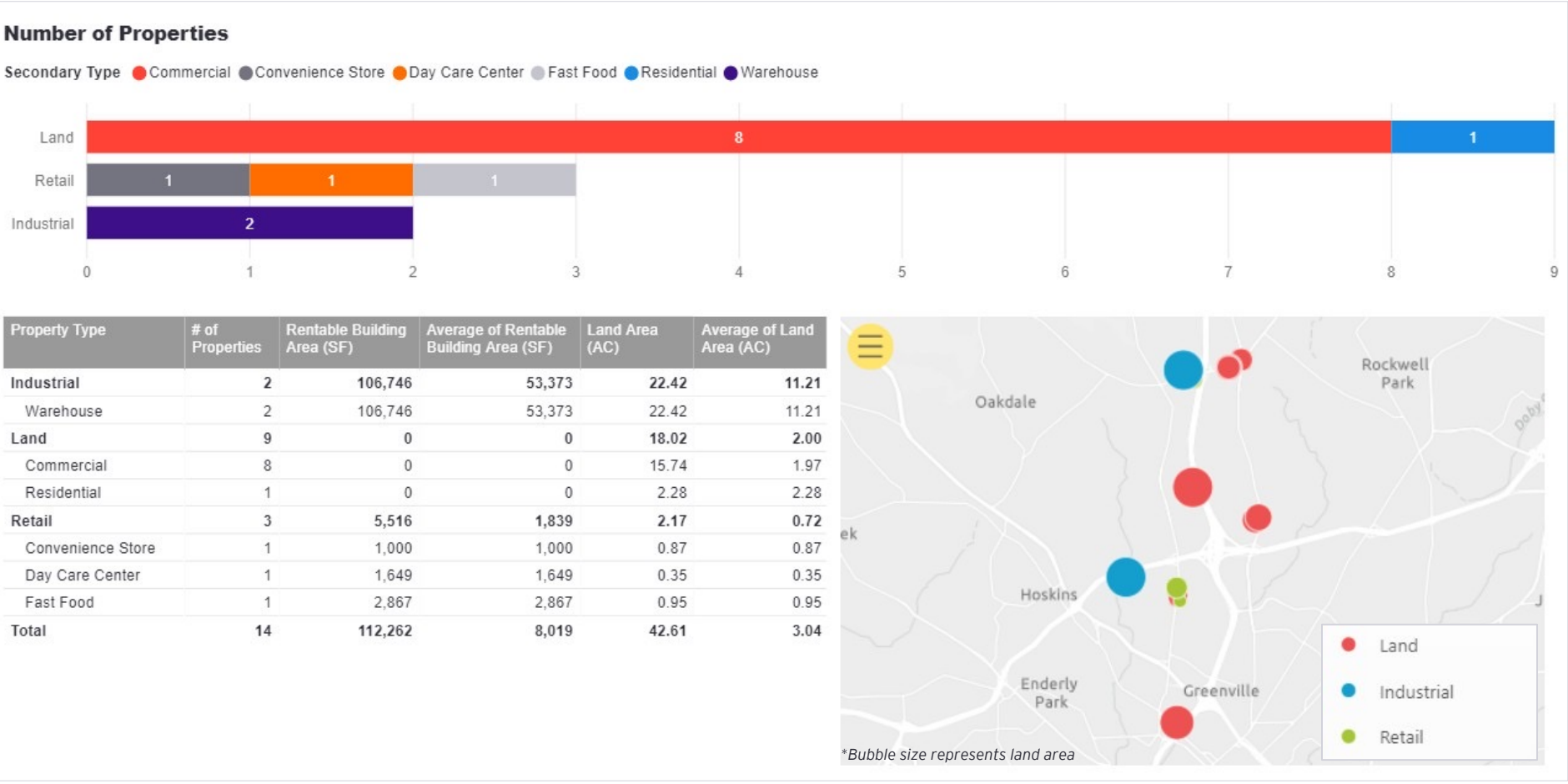


Real Estate Composition – Properties For Sale

The Beatties Ford corridor has 14 properties listed for sale on CoStar, accounting for 112,262 SF of rentable building area and 42.6 acres of land. Most of the land parcels are commercially-zoned, spread along I-77 and Statesville Road, and range in size from 0.7 to 7.9 acres.

There are also two Class B, 50-60k SF industrial warehouses listed for sale, one along I-85 and the other at the intersection of Sunset Road and I-77. The former was built in 1962 and is currently owned by Royal Pacific Corp. and partially leased by American Tex-Chem Corp. The latter was built in 1990 and is owned by ACO Medical Supply.

The corridor also has three small retail stores listed for sale: a convenience store near Lasalle Street, a day care center near Lasalle Street, and a fast food property near Sunset Road. All three are under 3,000 SF.



Property Type	# of Properties	Rentable Building Area (SF)	Average of Rentable Building Area (SF)	Land Area (AC)	Average of Land Area (AC)
Industrial	**2**	**106,746**	**53,373**	**22.42**	**11.21**
Warehouse	2	106,746	53,373	22.42	11.21
Land	**9**	**0**	**0**	**18.02**	**2.00**
Commercial	8	0	0	15.74	1.97
Residential	1	0	0	2.28	2.28
Retail	**3**	**5,516**	**1,839**	**2.17**	**0.72**
Convenience Store	1	1,000	1,000	0.87	0.87
Day Care Center	1	1,649	1,649	0.35	0.35
Fast Food	1	2,867	2,867	0.95	0.95
Total	**14**	**112,262**	**8,019**	**42.61**	**3.04**

*Bubble size represents land area

Real Estate Composition – Properties For Lease

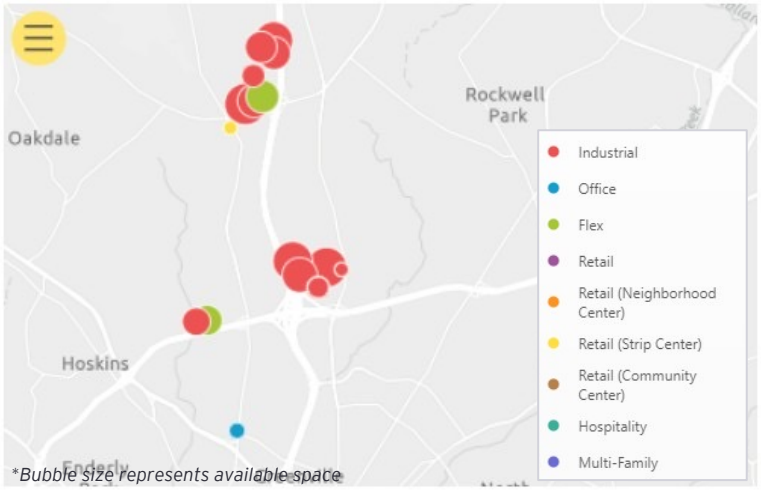
BEATTIES FORD

The Beatties Ford corridor has approximately 713k square feet of space for lease listed on CoStar across 18 properties. Thirteen of these properties are industrial and are mainly located in the Wilson Heights and Beatties Ford/Trinity areas. Three of these industrial properties are fully-vacant, with an average of 80,915 SF for lease. Seven of the industrial properties have less than 42% of their space available for lease.

There are also three flex properties with space for lease, including one fully-vacant space – a Class C multi-tenant space with 35,000 SF along I-85. One fully-vacant office space with 4,470 SF of available space is located on Beatties Ford Road and Booker Avenue.



Property Type	# of Properties	Total Available Space (SF)	Average Total Available Space (SF)	Average Percent Available	Average Rentable Building Area (SF)	Average Land Area (AC)
Flex	3	84,300	28,100	51.6%	52,300	4.55
Industrial	13	622,950	47,919	51.7%	89,642	15.94
Office	1	4,470	4,470	100.0%	4,470	0.31
Retail (Strip Center)	1	1,408	1,408	8.8%	16,000	1.80
Total	**18**	**713,128**	**39,618**	**52.0%**	**74,595**	**12.39**



*Bubble size represents available space

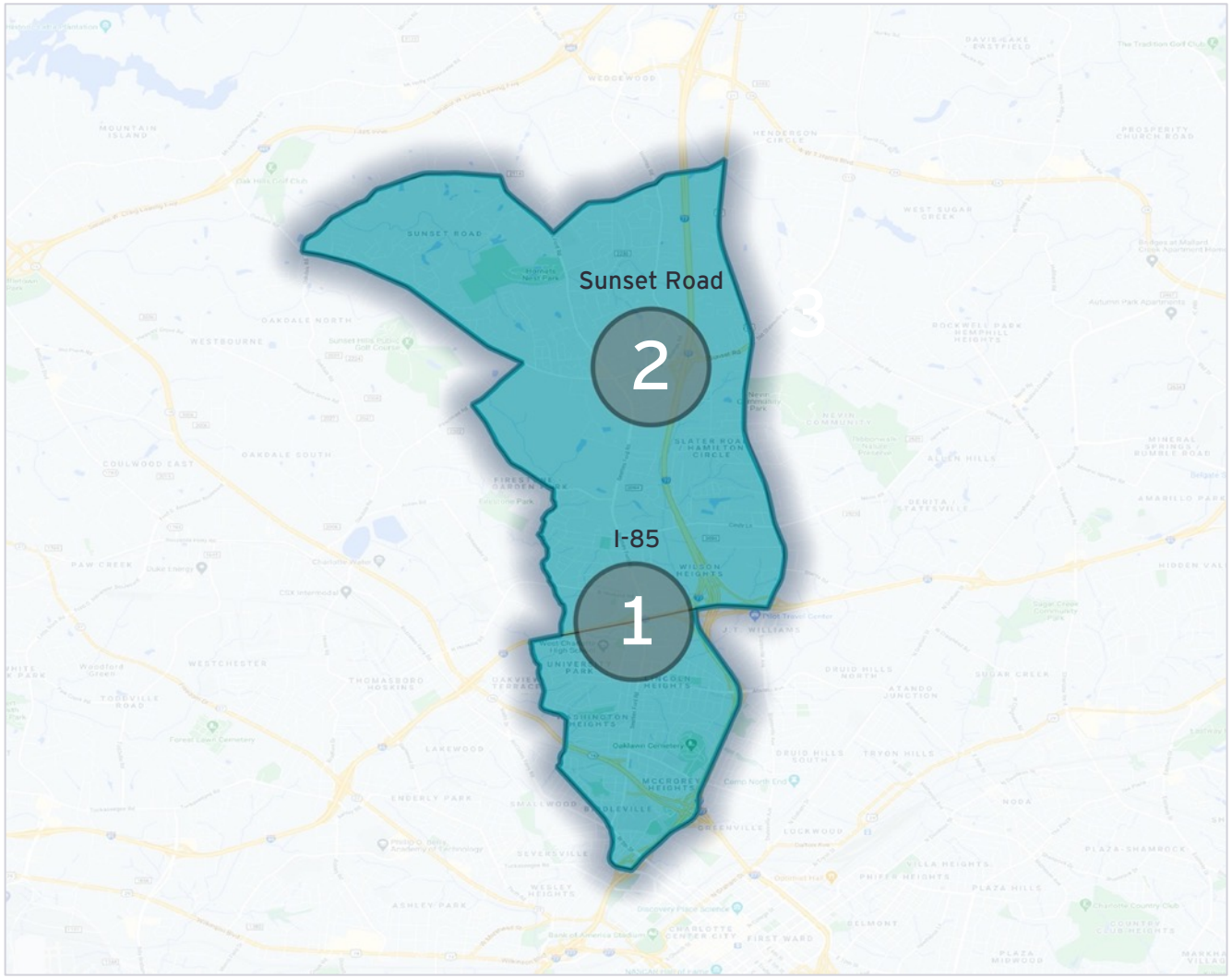
4

Beatties Ford - Focus Areas



Focus Areas

Two focus areas were identified within the Beatties Ford corridor. While the boundaries of each focus area are defined below, they should be considered loosely as potential development opportunities may exist outside of these boundaries.



1

I-85

The I-85 focus area is loosely defined as the area between Brookshire Boulevard and Statesville Road. The southern boundary is Lasalle Street and the northern boundary is N Hoskins Road (to the west of I-77) and Cindy Lane (to the east of I-77).

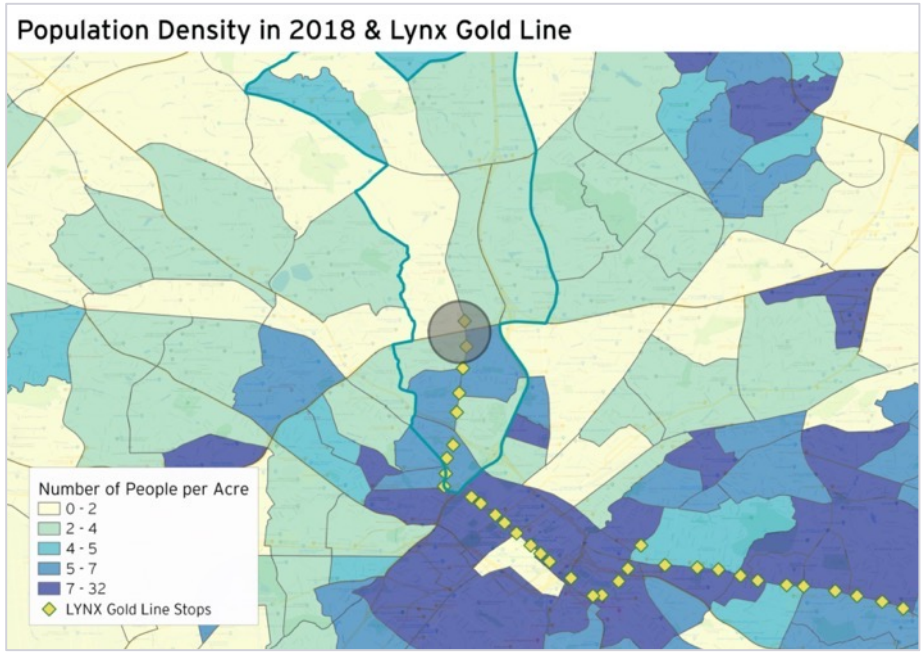
2

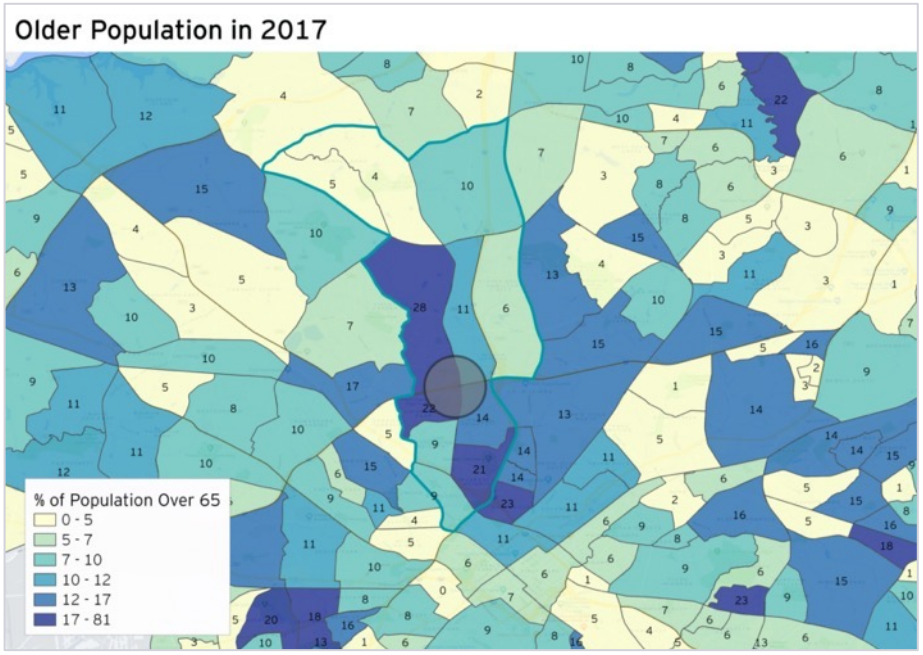
Sunset Road

The Sunset Road focus area is loosely defined as the area between Beatties Ford Road and Statesville Road (west to east) and Sunset Road and Lakeview Road (south to north).

Focus Area: I-85 – Character

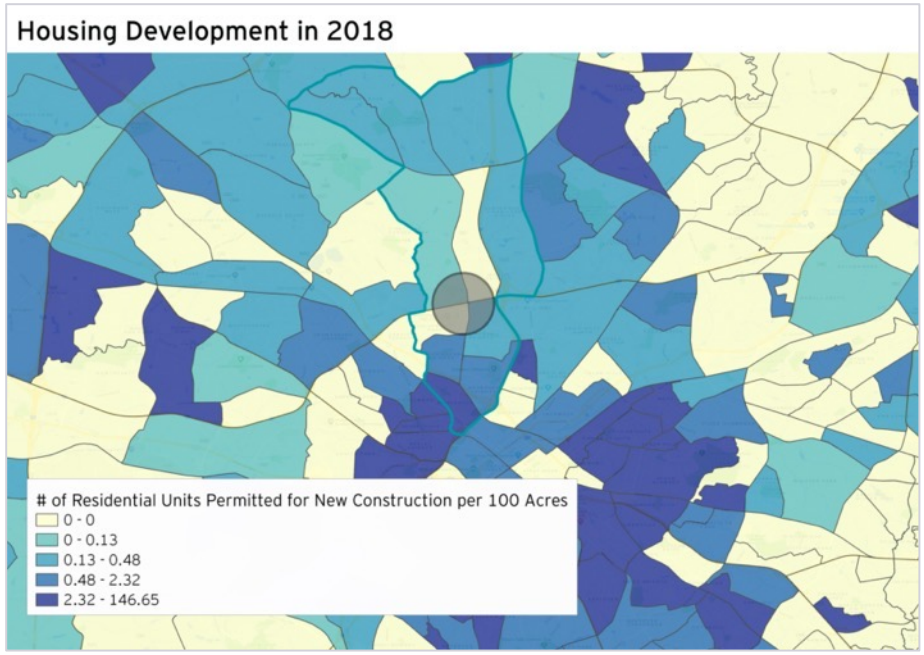
- ***Distinct and diverse neighborhoods.*** Beatties Ford is a historic Black neighborhood with strong communities deeply-invested in the area's growth. The intersection of I-85 and Beatties Ford Road brings together four quadrants with distinct land uses and a variety of neighborhoods, each with differing character. While important across all corridors, development in this area should honor these communities and their differing needs and wants.
- ***Low but increasing connectivity.*** While the I-85 area, especially the area north of I-85, has historically had low street connectivity and a long average travel time to work, the expansion of the LYNX Gold Line, which is expected to end just above I-85, is anticipated to help connect the northern areas of the corridor to Uptown and also encourage development further north along the corridor.
- ***Low density.*** Although density varies by quadrant, development in the area should fit the overall low-density environment. I-85 is a transition point between the southern area of Beatties Ford, which has higher population and housing density, and northern Beatties Ford, which has lower population and housing density.
- ***Older population.*** Compared to the other corridors as well as other parts of Beatties Ford, the areas surrounding I-85, especially west of Beatties Ford Road, have an older median resident age and a higher percentage of residents over 65. Development plans should consider potential services for these groups.

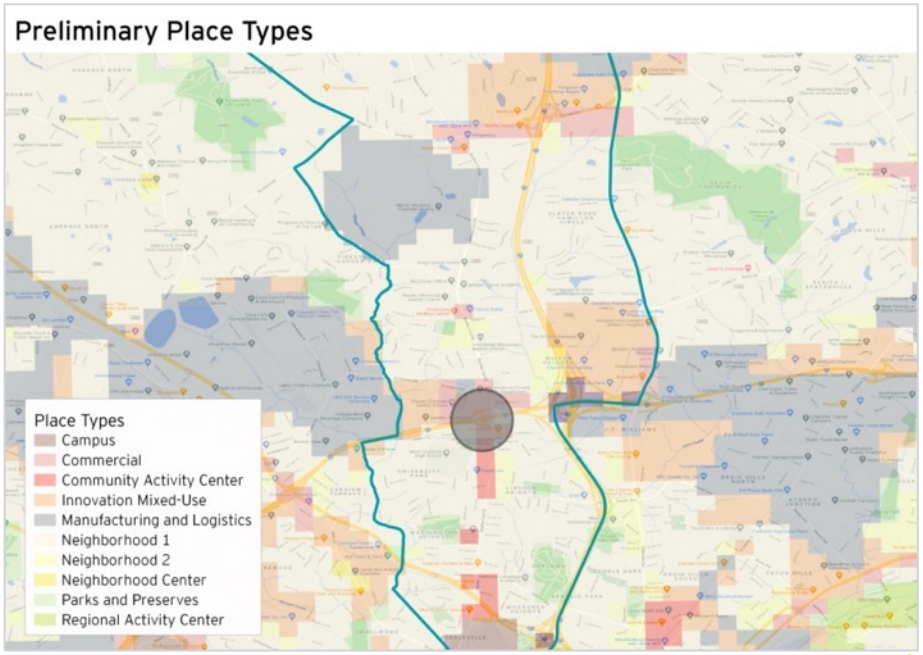




Focus Area: I-85 – Character

- ***Surrounding development pressure.*** The southern portion of Beatties Ford, especially Biddleville, has observed growing public and private investment, especially for residential development. This activity has spread northward, with small-scale commercial and office development around Lasalle Street. Development activity could continue to spread north and impact the areas north of I-85 in coming years. One early example is the conversion of an old mill on Hoskins to apartments. As further residential and commercial development is driven by the market, public intervention to reduce the risk of displacement may be essential.
- ***Community-driven development.*** The community has played a strong role in the development of neighborhoods and commercial strips surrounding I-85. Churches in the community own significant amounts of property and are involved in real estate development and providing community services. Churches and community groups may be strong partners for ongoing and future development.
- ***Challenged by scale.*** Due to the low-density nature of the focus area and the challenge of acquiring the assemblage for larger projects, existing and potential projects in I-85 are challenged by scale. The area around N Hoskins Road is more suitable for larger projects and potential industrial uses compared to the rest of the corridor.
- ***Diverse land use.*** The areas surrounding I-85 have diverse existing and proposed land uses, which include residential, commercial, and industrial, indicating that certain areas may be appropriate for mixed-use development. Development should consider uses that cause limited disruption to residential communities and are more cohesive in nature.





Focus Area: I-85 – Development Concepts

Potential development concept

Mid-sized flex space with workforce training. In order to generate jobs without disrupting the neighboring residential communities, a light industrial or flex space potentially used for e-commerce or distribution could be a viable development option in the area surrounding I-85. Larger industrial facilities with heavier uses might be more appropriate in the area east of I-77, while lighter uses in smaller flex spaces might be more appropriate near N Hoskins Road. Given community development initiatives and the strong presence of churches offering services to the community, a training center (focusing on culinary, mechanics and automotive, healthcare, or manufacturing training) in partnership with local churches or other organizations might also be considered as part of any use.

Case study



Brownsville Community Culinary Center. The Brownsville Community Culinary Center is a culinary vocational training center, catering company, restaurant, and community center located in Brownsville, Brooklyn, New York. It was converted from a 10,000 SF dollar store into the non-profit culinary school and eatery with classrooms, kitchens, offices, and a restaurant. It was started by a restauranteur as a non-profit and was located in Brownsville due to the existing social services infrastructure.

Example available sites

Target site: Mid-sized industrial or flex building



A small- to mid-size industrial facility such as the 56,046 SF warehouse on Montana Drive could be renovated into a logistics or flex space and could also be appropriate for a training center.



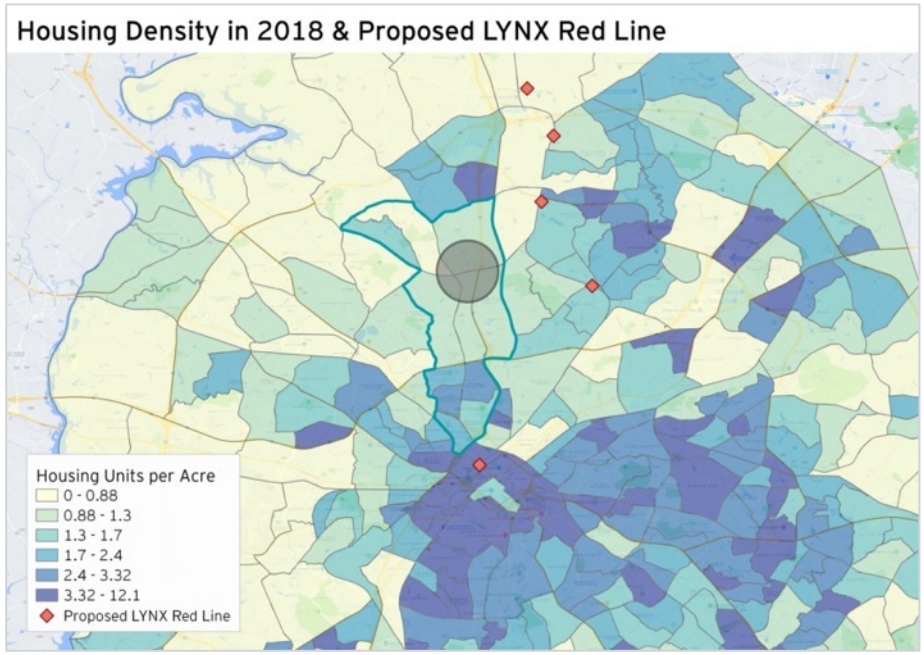
A few mid-sized flex spaces are available for lease near N Hoskins Road including a 35,000 SF property located at 2908 Steward Creek Blvd and could be used for local offices, light industrial uses, or a training center.

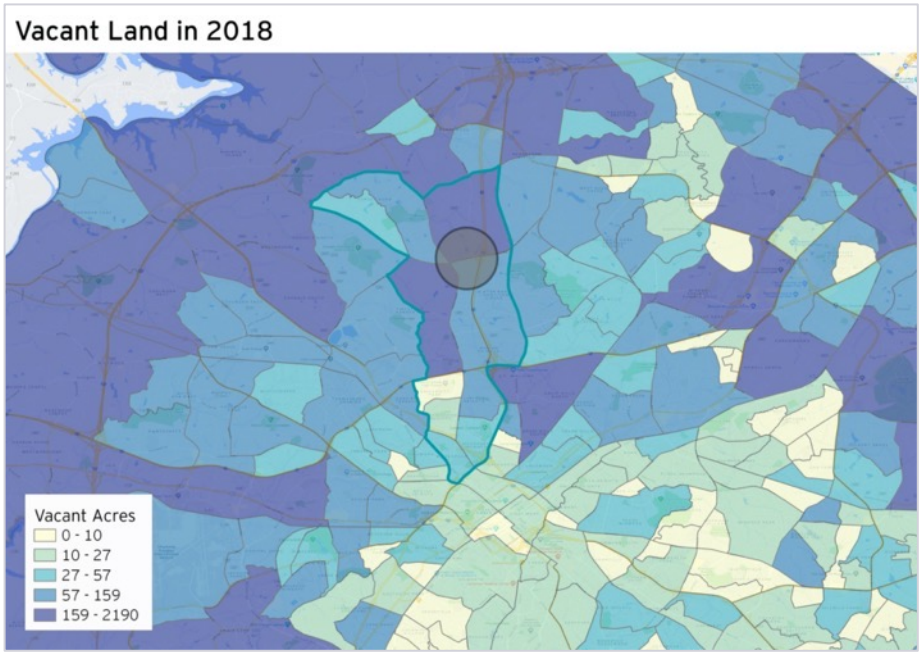


There are some larger and newer spaces available for lease east of I-77, which could be used as flex space for manufacturing, packaging, distribution, or logistics. These spaces are separated from residential communities and could have heavier industrial uses.

Focus Area: Sunset Road – Character

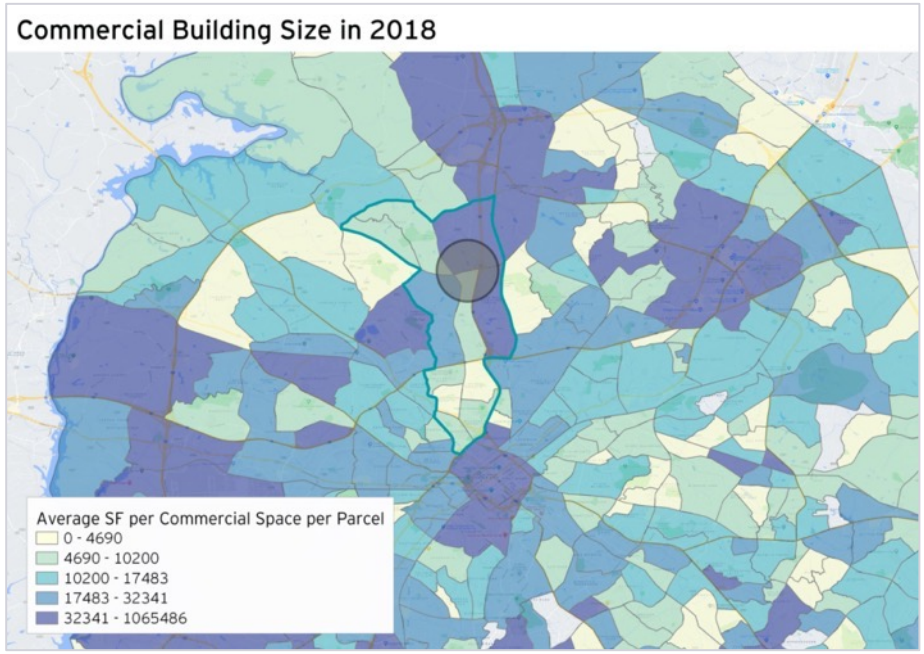
- ***Isolated.*** While many of the corridors and focus areas have lower connectivity, the area around Sunset Road is especially isolated from commercial and business centers and is generally more rural, demonstrated by low street connectivity and longer commute times. However, the proposed LYNX Red Line, which is intended to serve commuters, would increase connectivity.
- ***Low population density.*** Consistent with the rural character, the Sunset Road area has low population and housing density. However, there are a significant number of residential development permits issued, especially north of Sunset Road, which may impact residential density.
- ***Vacant land available.*** Also consistent with the low density of commercial and residential buildings, the Sunset Road area has numerous vacant land parcels and larger parcels of land compared to the other corridors and focus areas. These parcels could be suited for larger developments.
- ***Industrial hub.*** The area north of Sunset Road on both sides of I-77 is an industrial hub with logistics, light manufacturing, and distribution uses concentrated in a series of Northpark Business Parks. The parks were developed by Childress Klein in the 1980-90s and have two million SF of leasable space. Large tenants include ACO Medical Supply, Bonded Logistics, US Foods, and XPO Logistics.

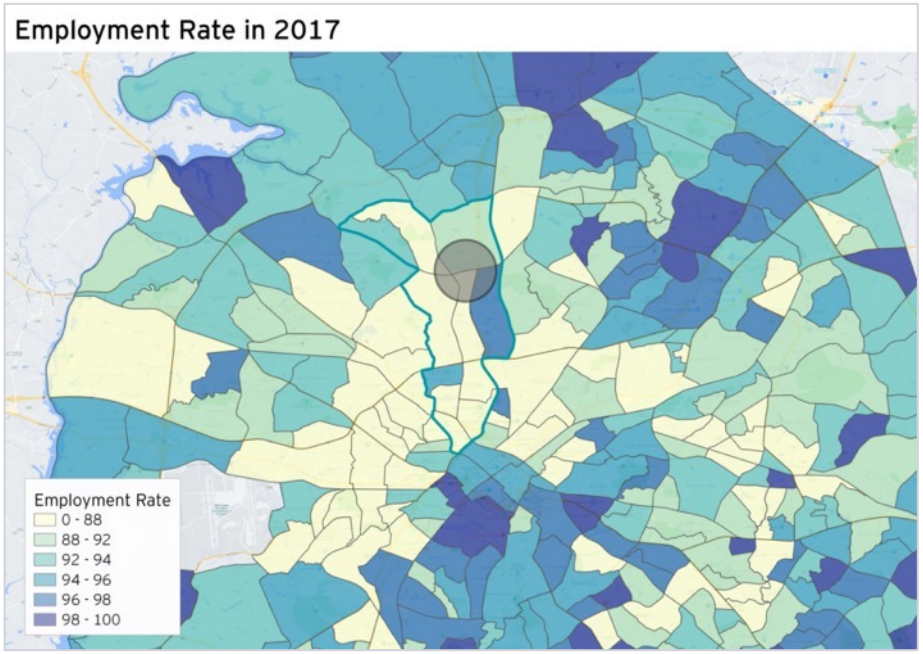




Focus Area: Sunset Road – Character

- *Increasing development and investment.* Clarion Partners, a New York-based real estate company, recently purchased eight industrial buildings with 1.86 million SF of space around Statesville Road for $201 million, one of the highest prices for commercial sales in Charlotte in 2020, indicating interest in the area and potential for industrial growth.
- *Larger scale.* Given that the industrial parks were more recently built compared to the industrial supply in other corridors, the buildings are generally larger (often over 100,000 SF), indicating that a project with a larger, higher-quality tenant might be possible in this focus area.
- *Higher quality.* In addition, many of the properties are higher quality (around 50% Class B and an average of a 2.7 star rating) when compared to the industrial supply in the other corridors, also indicating potential to attract a larger and higher-credit quality tenant.
- *High job density, low employment.* Despite the industrial parks and surrounding commercial uses creating high job density, unemployment rates are high, indicating a disconnect between employers and the local workforce. While adding another industrial tenant might bring jobs (albeit at a lower density than retail or office use), ensuring that the local population is employed in those jobs requires a holistic solution and intentional sourcing of tenants interested in partnering with the community.





Focus Area: Sunset Road – Development Concepts

Potential development concept

Logistics, light industrial, or distribution center. Compared to other focus areas and corridors, Sunset Road is uniquely positioned to attract a national or larger regional industrial company given the newer and larger stock of industrial properties and the lower-density location that enables industrial uses to be less disruptive. Based on a deficit in jobs in transportation and material moving, production, and office and administrative support, as well as a workforce more likely to work in transportation and material moving, these may be target industries. However, given the disconnect between existing employers and the workforce, consideration may also be given to potential workforce programs, partnerships with local churches or organizations, and thoughtful sourcing of tenants.

Case study



FITT USA Mooresville headquarters. FITT USA, a pipe, hose, and conduit manufacturer, announced a $25.6 million 120,000 SF industrial facility located in Mooresville Business Park East in Mooresville, North Carolina. The space will serve as the company's US headquarters and will employ 144 full-time staff. The facility will focus on the production of FITT Flow and FITT Force, two hose products. FITT USA was granted a Discretionary Economic Incentive Grant from the Town of Mooresville for up to $551,000.

Example available sites

Target site: Medium to large industrial property



Newer industrial facilities such as 6510 Northpark Blvd (built in 1990), which has 50,700 rentable SF, could house larger industrial tenants and require less investment in order to be move-in ready, which market participants note is important to tenants.



While there are few industrial properties listed for sale in the Northpark Business Parks, there are a few spaces for lease with both single and multiple tenants and large footprints (40,000-100,000 SF).



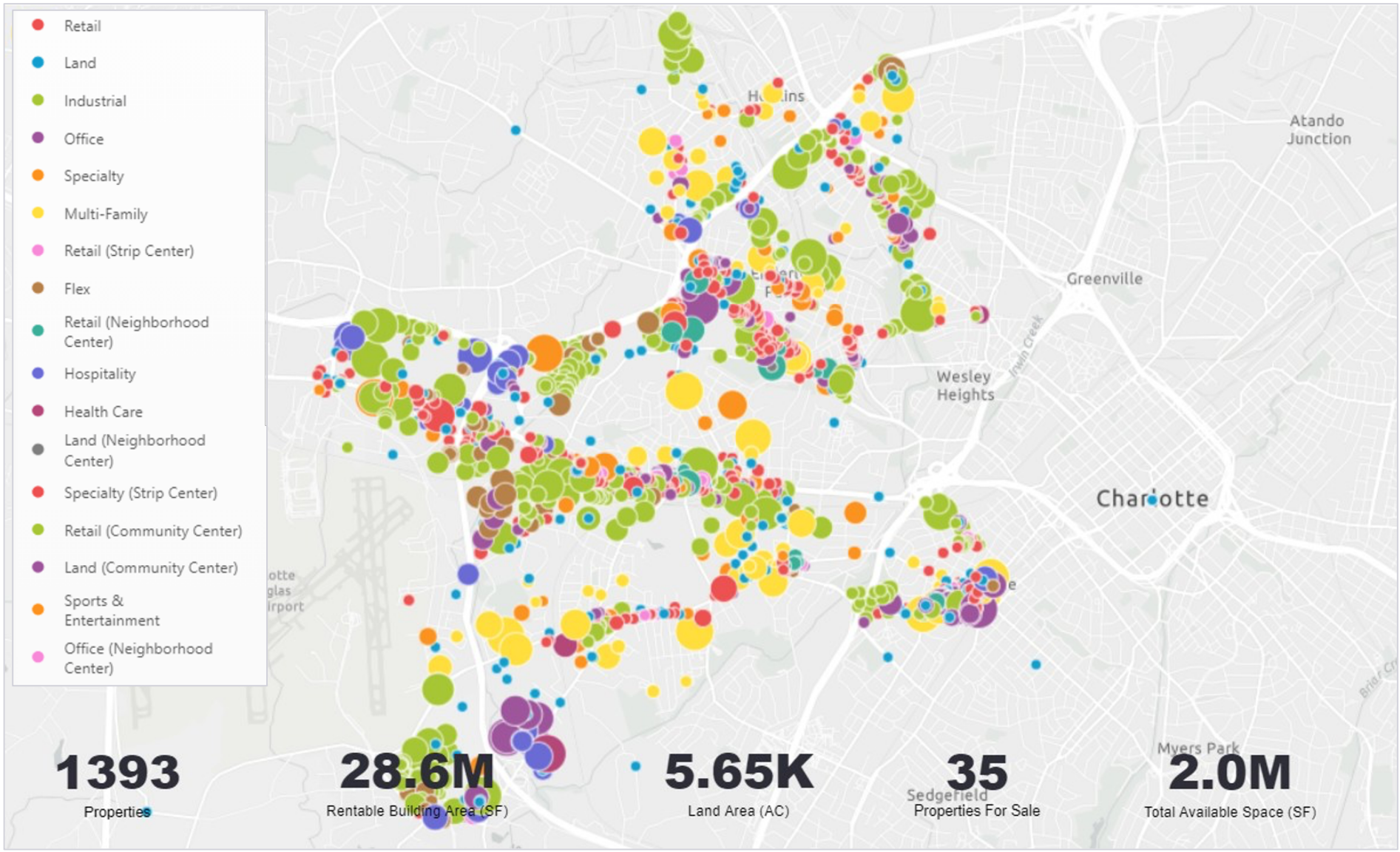
Land parcels listed for sale on CoStar are small and commercially-zoned. However, there may be off-market land available given the amount of vacant land in the focus area. Ground-up development may be challenging due to higher rents required for returns.



5

Freedom, Wilkinson, and West – Real Estate Composition

Real Estate Composition – Existing Properties



**Bubble size represents rentable building area*

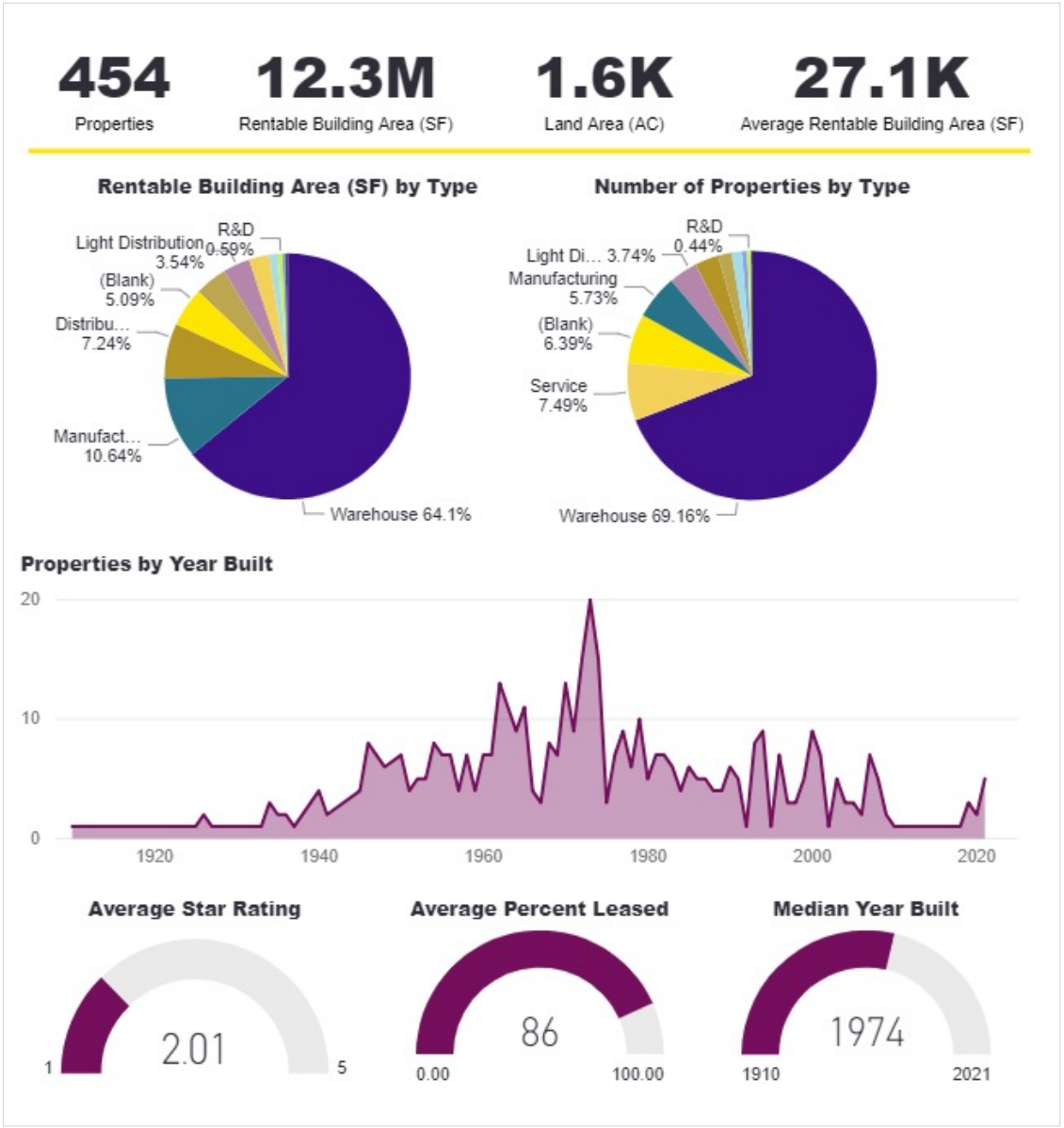
Real Estate Composition – Industrial & Flex Properties

The Freedom, Wilkinson, and West corridors have 454 industrial and flex properties, with clusters of larger properties near the airport, especially at the west ends of West and Wilkinson, and many smaller properties located along the boulevards closer to the city center. As in the other corridors, the majority of properties are warehouses, which generate few jobs and require large spaces. However, there is a larger percentage of other industrial uses including service properties, manufacturing, light distribution, and distribution.

Similarly to as in Sugar Creek, many of the properties are small – 62% are less than 20K SF and 42% are less than 10K SF.

The median year built is 1974, indicative of significant construction activity in the 60s and 70s. Generally, the properties are newer than in Sugar Creek but older than in Beatties Ford. Few properties have been built since 2010.

The quality of the real estate is also between what is observed in Sugar Creek (lower quality) and Beatties Ford (higher quality). The average star rating is 2.0 of 5.0. Seventy-one percent of properties are Class C and 25% are Class B. Only 3% are Class A. Despite slightly higher quality, industrial vacancy in Freedom, Wilkinson, and West is higher than observed in the two other corridors, with properties, on average, 86% leased.



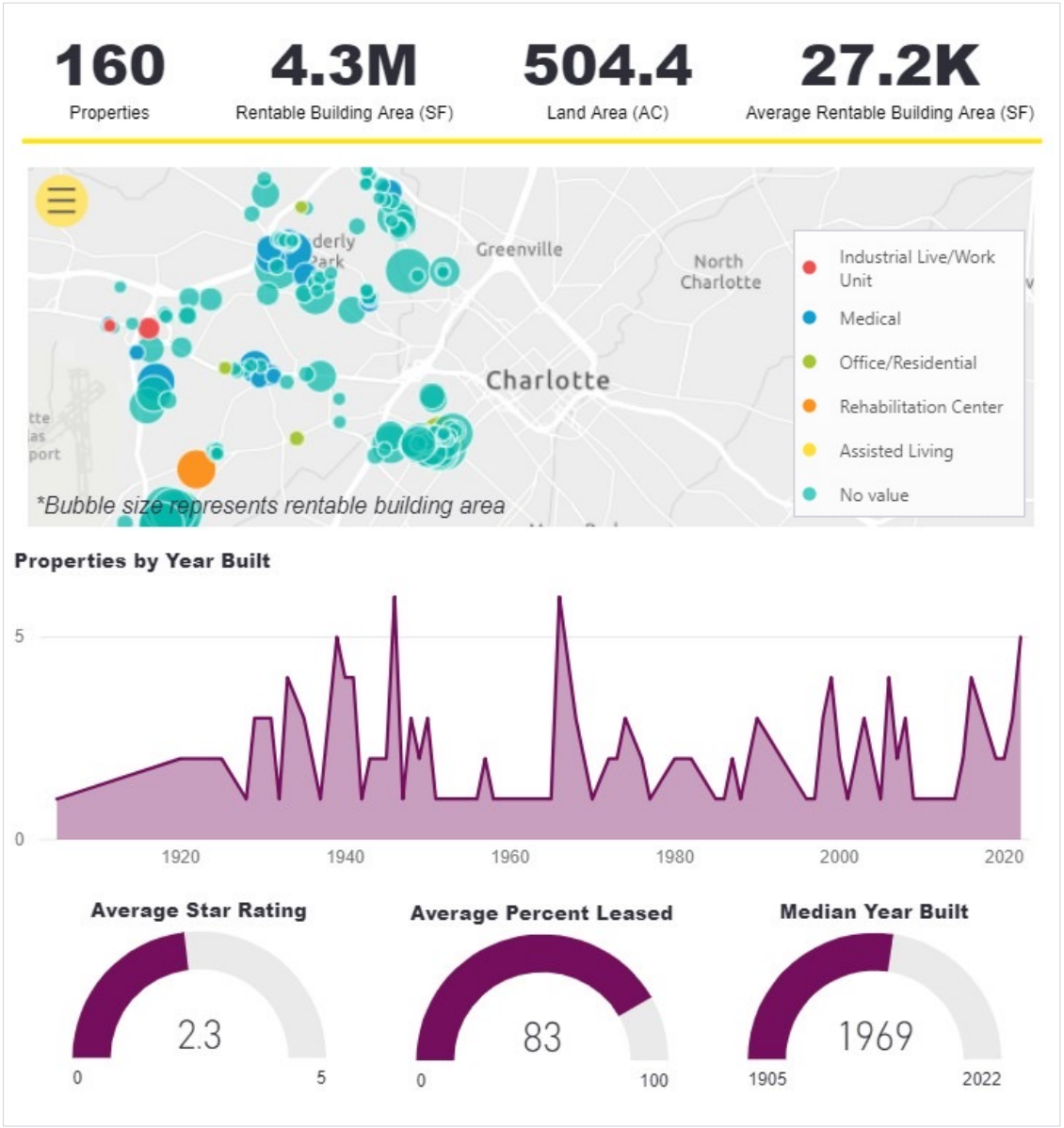
Real Estate Composition – Office & Healthcare Properties

FREEDOM, WILKINSON, AND WEST

Compared to Sugar Creek and Beatties Ford, Freedom, Wilkinson, and West have a greater and more diverse offering of office space, with 160 properties accounting for 4.3M SF scattered throughout the corridor. Of the 160 properties, 18 are medical offices, five are lofts/creative spaces, five are office/residential properties, and four are office live/work units, demonstrating more creative space use than observed in the other corridors.

The properties are also larger than in the other two corridors at an average size of 27.2K SF. However, the majority (118) of the properties are still below 20,000 SF and 47 are below 2,000 SF. The 24 properties over 50,000 SF are newer (median year built is 2001), higher quality (58% Class A) and located mainly near the city center in the Wilmore area or near the airport. In contrast, the smaller properties (less than 20,000 SF) tend to be Class C, single-tenant, and single-story.

The office properties are also higher quality when compared to the properties in the other corridors, although quality is still low. Sixty-four percent of the properties are Class C, but 10% are Class A. The Class A properties are mainly larger and located near the airport or Uptown. In addition, there are more multi-tenant properties (41%), which are also generally newer and larger. Despite having a newer and higher-quality stock of office properties, the corridor observes greater office vacancy than the other corridors.

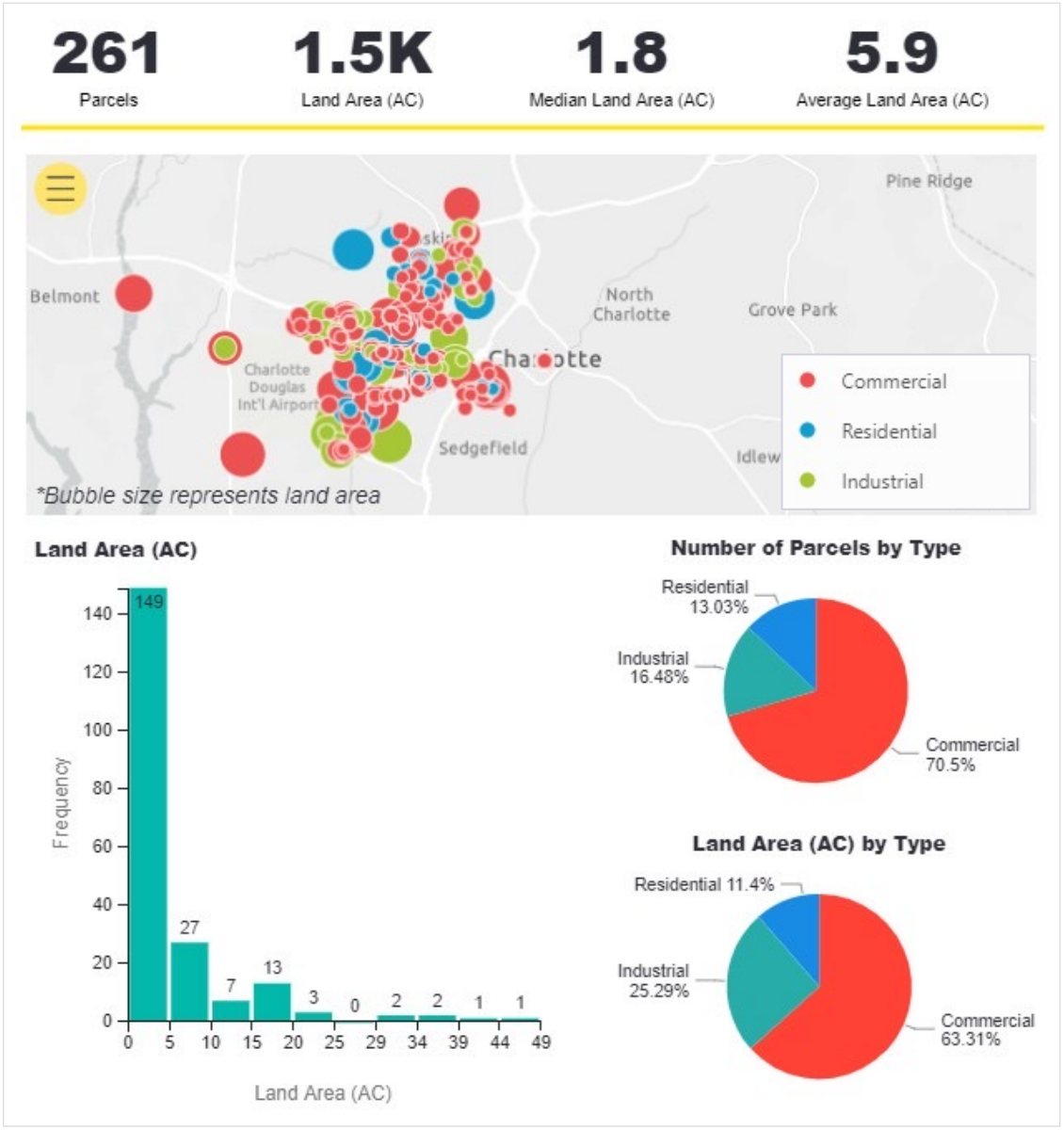


Real Estate Composition – Land Parcels

The Freedom, Wilkinson, and West corridor has more land parcels than the other two corridors and a greater portion of industrial parcels. There are 261 total parcels accounting for 1.5K acres of land. Sixty-three percent of the land is commercial compared to 25% industrial and 11% residential.

The parcels are generally small, although larger than in Sugar Creek, with an average size of 5.9 acres. Two hundred of 261 properties are less than five acres. The industrial parcels are the largest (average of 9.1 acres), with 11 of 43 industrial parcels over ten acres.

The parcels are generally evenly distributed throughout the corridor. However, there are clusters of larger parcels near the airport, while the parcels that line the boulevards are generally smaller.

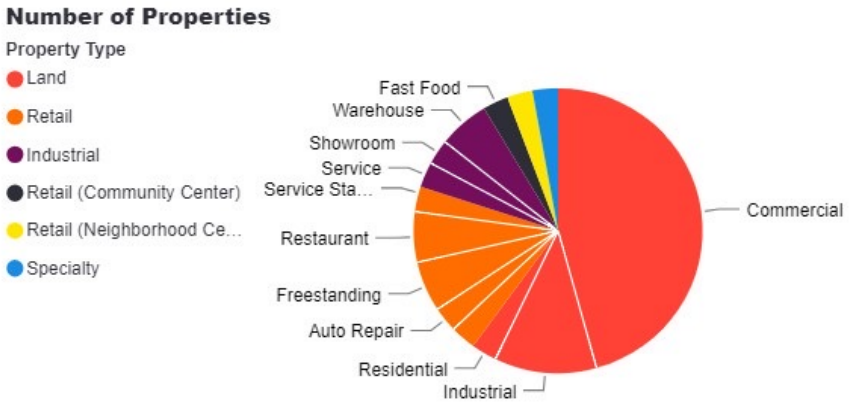


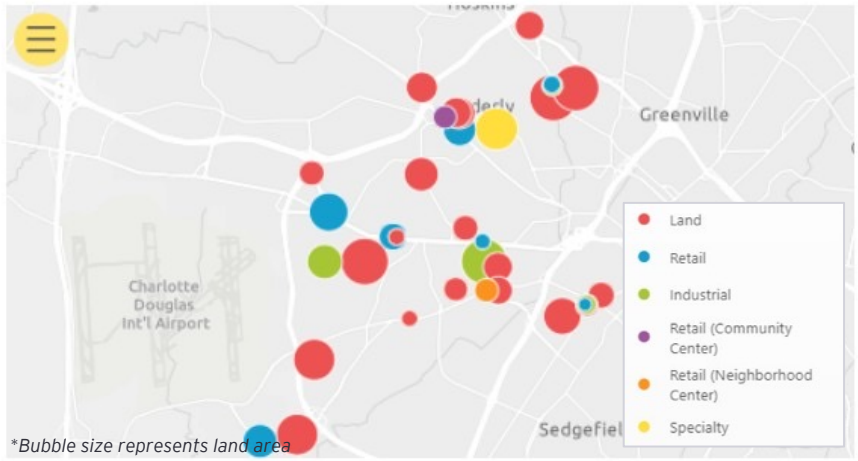
Real Estate Composition – Properties For Sale

The Freedom, Wilkinson, and West corridor has 35 properties for sale, accounting for 80,999 SF of rentable building area and 82.7 acres of land. Of the 35 properties, 21 are land parcels ranging in size from 0.2 acres to 16.3 acres. Compared to the scattered commercial parcels, the industrial parcels are larger (average of 8.1 acres) and are mainly located off of Wilkinson, with one located near Rozzelles Ferry Road.

The four industrial properties available for sale include two small warehouses (6,100 to 7,360 SF), one small service property (1,000 SF), and one small showroom (2,240 SF). The corridor also has nine retail properties listed, located mainly along the three main roads. The properties range in size from 1,059 SF to 7,166 SF and include a service station, fast food outlets, two restaurants, two freestanding retail locations, and a uncategorized building. Last, a three-star 1937 religious building with 36,719 SF of rentable area is for sale along Tuckaseegee Road.

Property Type	# of Properties	Rentable Building Area (SF)	Average of Rentable Building Area (SF)	Land Area (AC)	Average of Land Area (AC)
Industrial	**4**	**16,700**	**4,175**	**9.28**	**2.32**
Service	1	1,000	1,000	0.38	0.38
Showroom	1	2,240	2,240	1.66	1.66
Warehouse	2	13,460	6,730	7.24	3.62
Land	**21**	**0**	**0**	**61.12**	**2.91**
Commercial	16	0	0	27.97	1.75
Industrial	4	0	0	32.37	8.09
Residential	1	0	0	0.78	0.78
Retail	**7**	**23,747**	**3,392**	**6.36**	**0.91**
	1	1,843	1,843	0.00	0.00
Auto Repair	1	1,400	1,400	0.94	0.94
Freestanding	2	5,859	2,930	0.37	0.19
Restaurant	2	11,839	5,920	3.00	1.50
Service Station	1	2,806	2,806	2.05	2.05
Retail (Community Center)	**1**	**1,557**	**1,557**	**0.59**	**0.59**
Fast Food	1	1,557	1,557	0.59	0.59
Retail (Neighborhood Center)	**1**	**2,276**	**2,276**	**0.63**	**0.63**
Fast Food	1	2,276	2,276	0.63	0.63
Specialty	**1**	**36,719**	**36,719**	**4.70**	**4.70**
Religious Facility	1	36,719	36,719	4.70	4.70
Total	**35**	**80,999**	**2,314**	**82.68**	**2.36**

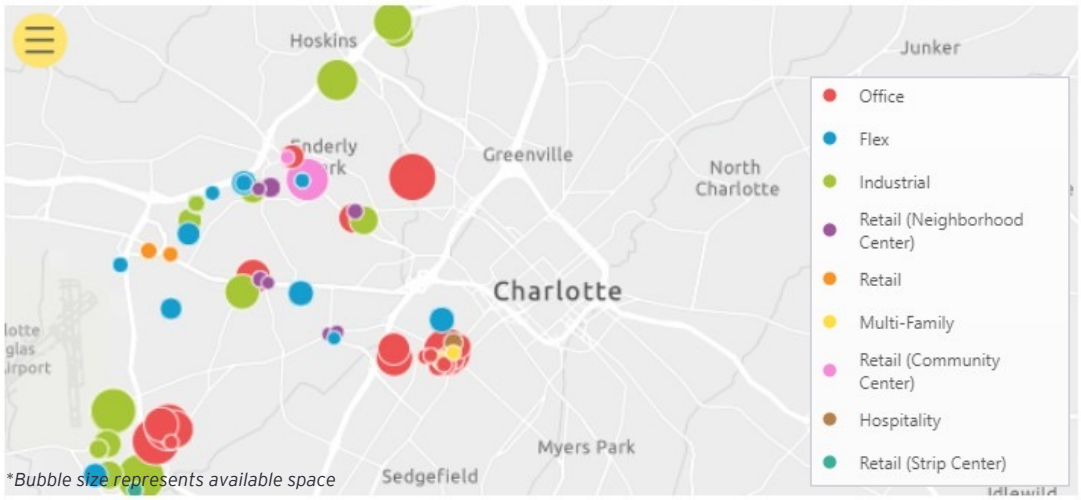


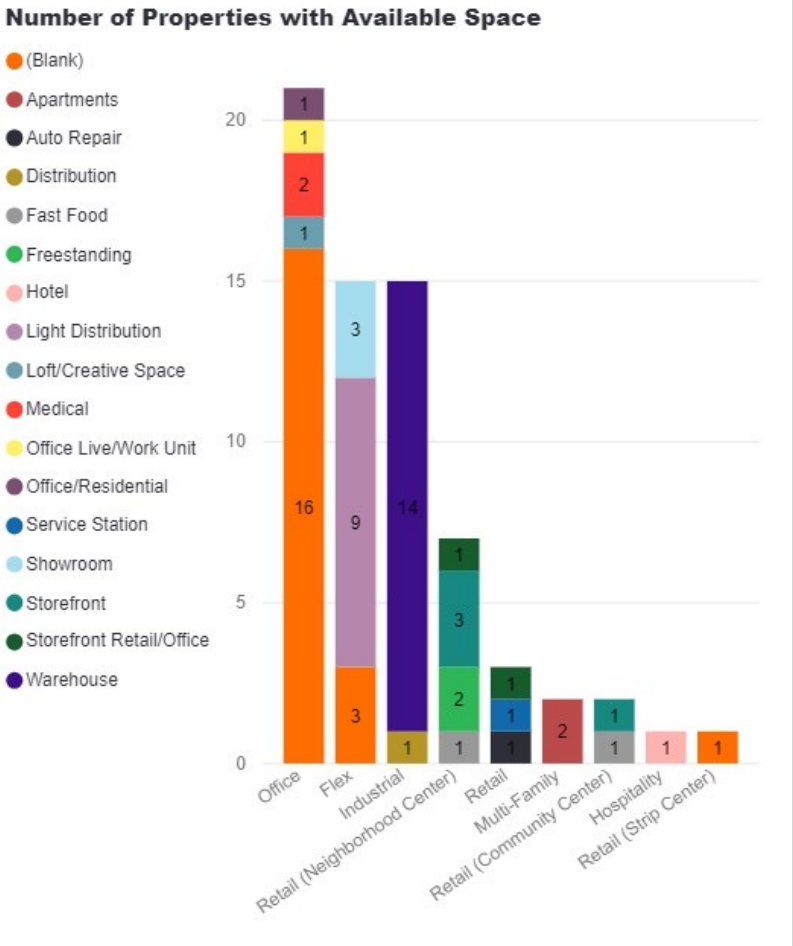


Real Estate Composition – Properties For Lease

The Freedom, Wilkinson, and West corridor has two million SF of space for lease listed on CoStar across 67 properties, with an average of 30K SF for lease per property. Fifteen industrial properties mainly located along Billy Graham Parkway and I-85 are for lease, including seven fully-vacant properties with an average of 117,899 SF for lease. Another 15 flex properties have space for lease with an average of 6,569 SF available. Ten flex properties have less than a quarter of their space available. There are 21 office properties with space for lease, with a cluster in the West corridor near the airport and another cluster in Wilmore/South End. Five of these, mainly new office properties, are fully-vacant and have an average 86,738 SF for lease. The other 16 have an average of 23,547 SF available. There are two medical offices among the 21 office properties – one fully-vacant space with 32,875 SF along Wilkinson and another 65,743 SF building near Tuckaseegee with 10,000 SF for lease.

Property Type	# of Properties	Total Available Space (SF)	Average Total Available Space (SF)	Average Percent Available	Average Rentable Building Area (SF)	Average Land Area (AC)
Flex	15	98,542	6,569	34.5%	34,586	3.13
Hospitality	1	4,700	4,700	6.7%	70,000	0.87
Industrial	15	995,211	66,347	64.2%	88,627	7.32
Multi-Family	2	5,828	2,914	3.2%	106,900	1.93
Office	21	805,436	38,354	44.9%	95,525	4.96
Retail	3	10,762	3,587	51.6%	10,902	1.38
Retail (Community Center)	2	68,073	34,037	84.4%	49,110	10.75
Retail (Neighborhood Center)	7	18,472	2,639	34.1%	39,284	5.75
Retail (Strip Center)	1	2,648	2,648	11.1%	23,848	1.00
Total	**67**	**2,009,672**	**29,995**	**44.9%**	**68,176**	**4.96**





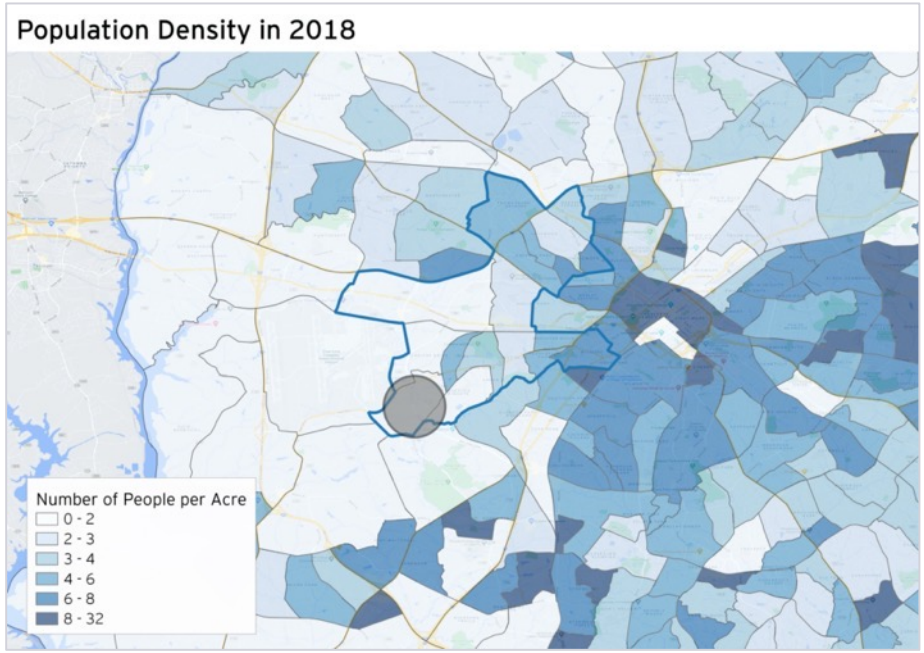
6

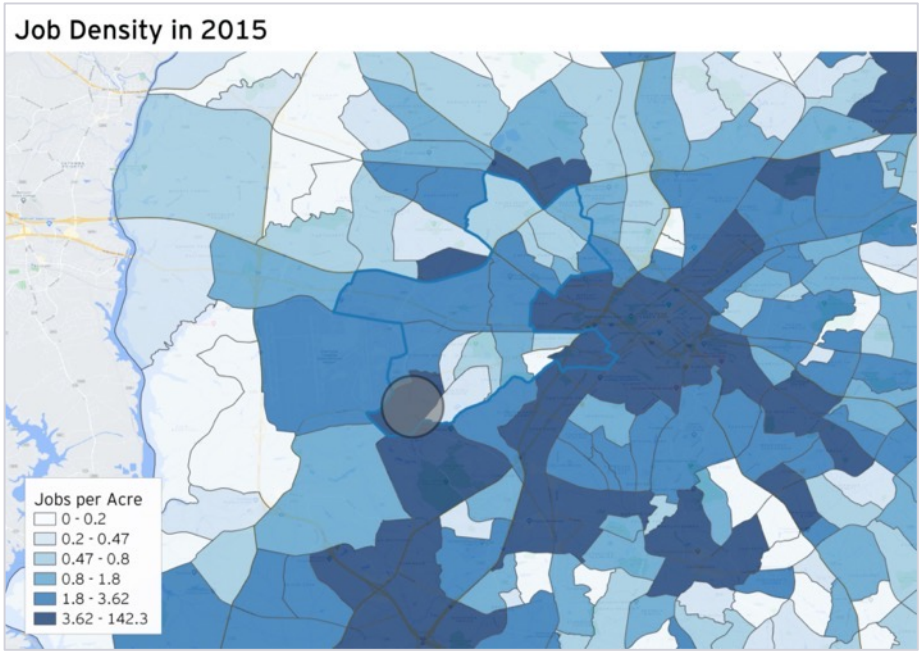
Freedom, Wilkinson, and West – Focus Areas



Focus Area: West – Character

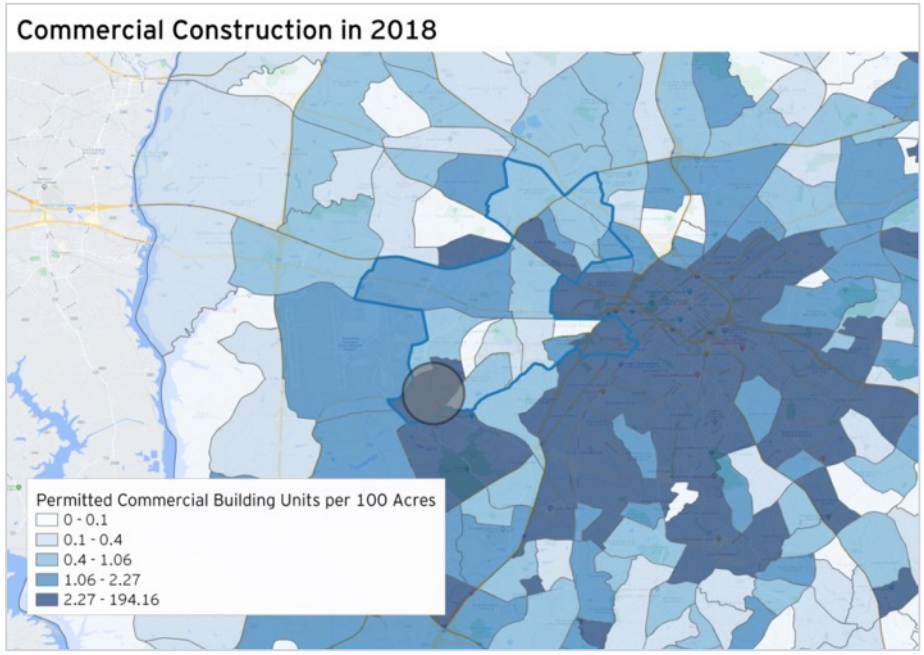
- ***Airport proximity.*** The West focus area is defined by its location next to the Charlotte Douglas International Airport, which has historically been a main driver of growth in Charlotte, and by its location along Billy Graham Parkway (Charlotte Route 4), a major transportation route and hub of activity.
- ***Non-residential.*** Given the location next to the airport and existing industrial and office land uses, the West focus area is mainly non-residential and has low population density. The nearest population hubs are closer to Uptown along West Boulevard or further south (around Eagle Lake).
- ***High job density.*** However, given the airport and the industrial and office activity that has grown around it, job density is high both in the focus area and to the area south in Eagle Lake, a higher-income neighboring community.
- ***Long commute.*** Given the dynamics of a small population but high job density, commute times are long. The proposed LYNX Silver Line, which is expected to run along Wilkinson Boulevard, will be critical for enabling transportation to the concentration of jobs surrounding the airport and is already catalyzing development activity along all three corridors.

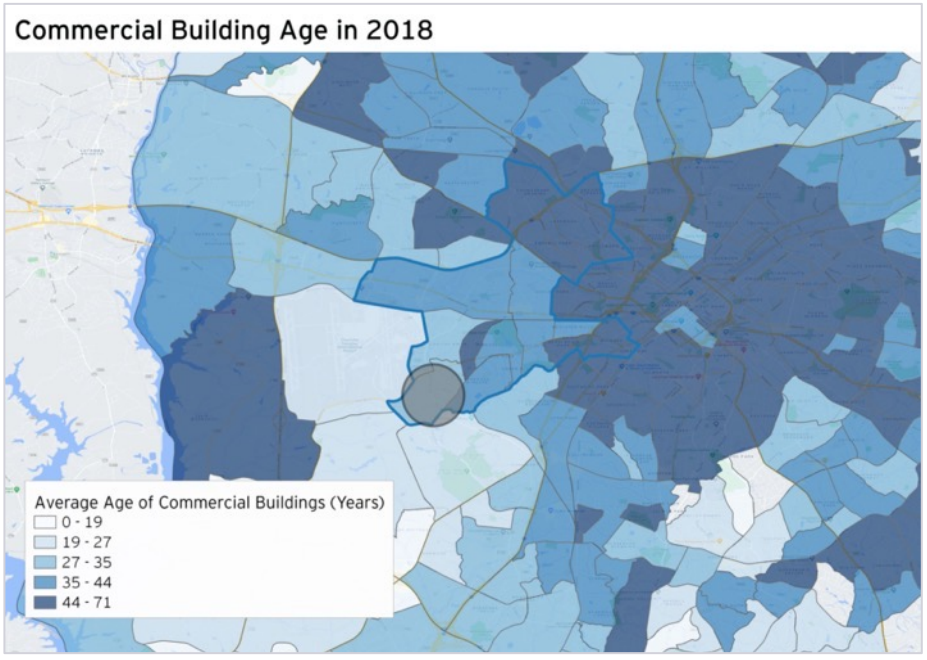




Focus Area: West – Character

- ***Office and industrial mix.*** The area (closest to the airport) has a mix of industrial and office uses and is well-suited for the Innovation Mixed-Use place type. The middle of the West corridor between the airport and city center is more likely to observe housing and retail development, while the ends (near the airport and Uptown) are better suited for industrial and office growth.
- ***Later-stage development.*** Compared to other corridors, Freedom, Wilkinson, and West are further along in the development cycle, having already observed commercial real estate development and private investment. The West focus area has newer buildings (many built in the 1980s-2000s) , more Class A buildings, and higher star ratings. The development activity in the focus area is ongoing and regional office tenants continue to move into the area.
- ***Larger scale.*** Due to the more recent development in the focus area, the buildings are generally larger in addition to higher quality. The average rentable square footage is around 50K SF and many properties are over 100K SF. A national or larger regional tenant could consider locating in the West focus area.
- ***High-quality space available.*** Although there are few properties listed for sale, there are some larger spaces for lease that are newly-built and high-quality. There are also larger land parcels on the market for sale, which could be suitable for ground-up office development.





Focus Area: West – Development Concepts

Potential development concept

Mid- to large-scale back office. The West focus area is unique in its ability to support higher-quality tenants, newer and larger buildings, and ground-up development, as demonstrated by large-scale ongoing office and industrial development projects. Therefore, a larger-scale (above 50K SF) office development, whether ground-up, adaptive reuse, or in an existing space, would be appropriate. Market participants note that office tenants want move-in ready spaces and generally look to move in within short time frames. The newer office and industrial building stock in West, therefore, provides a competitive advantage. While an industrial use could also be appropriate, industrial properties generate fewer jobs per SF compared to office properties and are therefore more limited in their potential economic impact.

Case study



Arrowood South, Charlotte. Arrowood South is a new 114,469 SF creative office space located in the Montclaire South neighborhood of Charlotte off of a LYNX station. The property was converted from a vacant Walmart and will be used as a customer service center. The space can accommodate 849 employees at 795 workstations and 54 offices and has 7.1 parking spaces per 1,000 SF.

Example available sites

Target site: Medium to large office or industrial building



For Lease: 2425 Cascade Pointe Blvd

The West focus area has newly-built office buildings with space for lease that could be move-in ready for a high-quality tenant. 2424 Cascade Pointe Blvd currently houses Sealed Air, a manufacturing company, and has space available for additional tenants.



For Lease: 6021 Airport Drive

The focus area also has newly-built industrial properties, which could be suitable for an industrial tenant and require limited renovation. Parts of these buildings may be suitable for office or flex space.

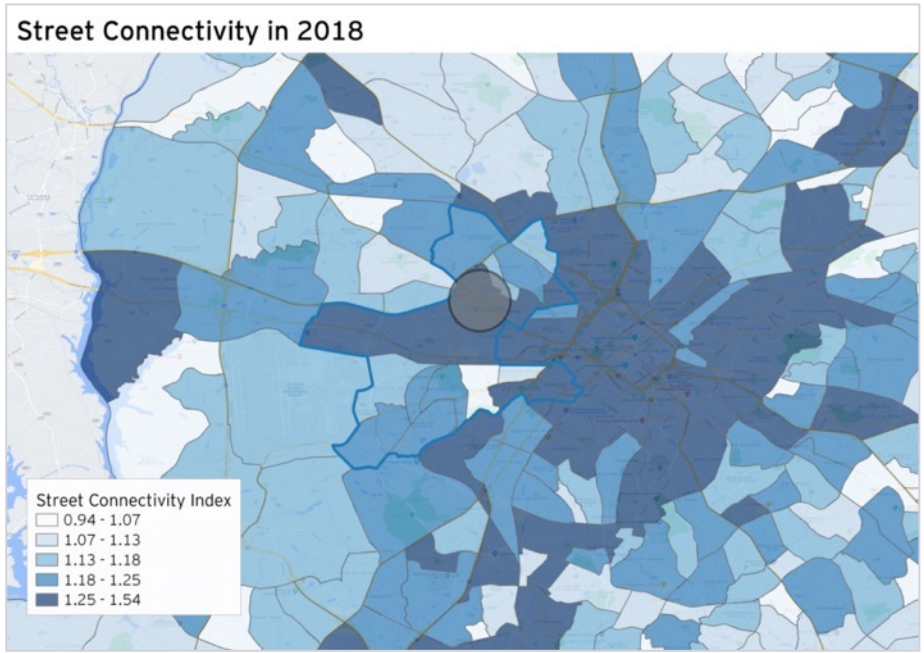


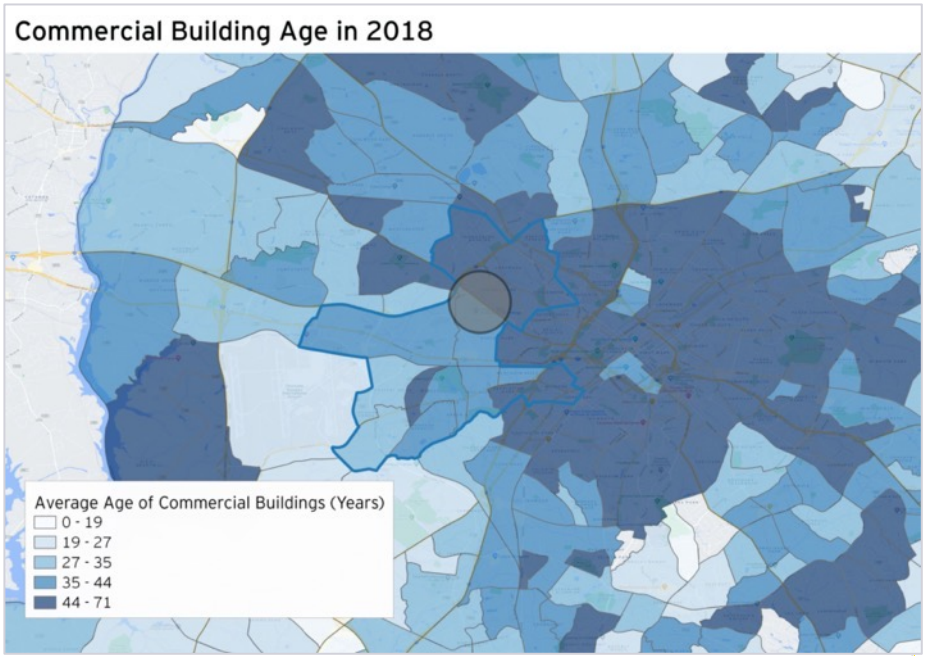
For Sale: 00 Meadow Oak Drive

Based on development activity in the area and the ability to command higher rents compared to other corridors, ground-up office development might be feasible. In addition, this focus area is unique in having parcels large enough for scalable office development.

Focus Area: Freedom – Character

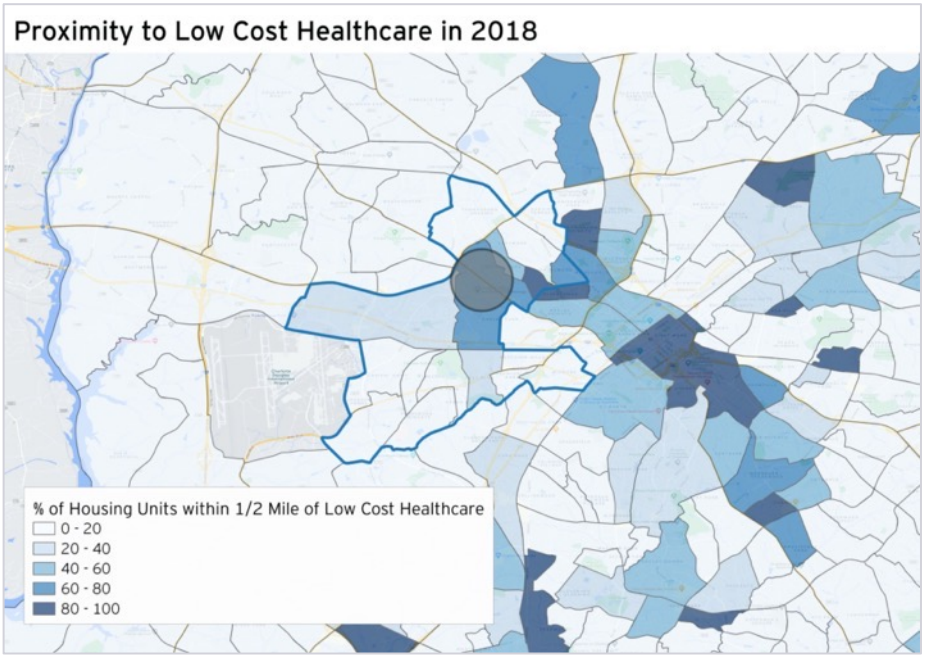
- ***Strong connectivity.*** Situated near Uptown and in the direction of the Charlotte Douglas International Airport, the Freedom focus area has strong connectivity to major demand generators and rates well on the street connectivity index. The development of the LYNX Silver Line on Wilkinson is expected to improve connectivity via public transportation.
- ***Low population density.*** Similarly to as in West, population density and total population is low, with somewhat greater population density both north of I-85 and along the section of Freedom Road closer to Uptown. However, Freedom Drive has neighboring residential uses, with low-density communities of single-family homes on both sides, which should be factored into development decisions.
- ***Increasing development activity.*** Given its proximity to Uptown, the southern portion of the Freedom corridor has observed increasing development, especially adaptive reuse of industrial space into office around Thrift and Berryhill Roads. The northwestern portion of the corridor has also observed development activity. This activity will likely continue to encroach on the center of the corridor.
- ***Older buildings.*** The east of the corridor is characterized by older industrial buildings now being redeveloped, while the center is characterized by older strip centers and larger commercial buildings, many of which are now vacant. Efforts are underway to convert these older commercial buildings into offices or medical facilities. For example, a former retail center anchored by a Kmart was recently turned into a charter school.

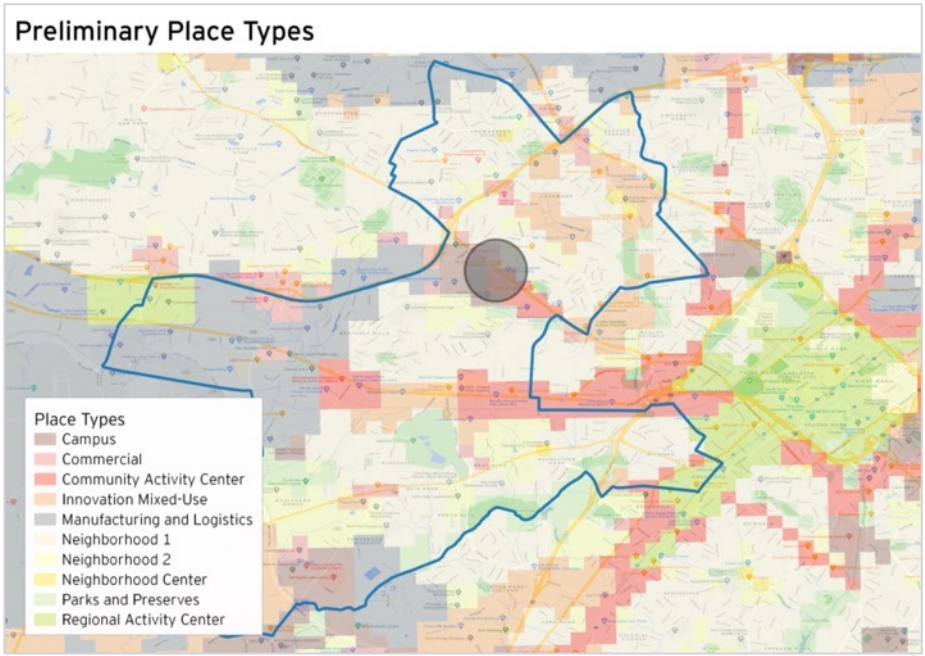




Focus Area: Freedom – Character

- ***Community services development.*** The relocation of Mecklenburg County offices to a campus off of Freedom Drive kickstarted a growth of community services along the corridor. The area is becoming a hub of medical offices and clinics in addition to having some small offices, commercial spaces, larger county offices, and other services (e.g. schools).
- ***Retail and office development.*** While many of the big box retail stores in the center of the corridor have closed, the eastern portion has seen a wave of office and retail adaptive reuse projects with new breweries, coffee shops, and creative office spaces. For example, Wrayward, a local advertising agency, moved into a space on Thrift Road, and Stationwest, a mixed-use adaptive reuse project with expected tenants including coffee roasters, catering companies, and an improv school, is under development along Berryhill Road.
- ***Diverse land use.*** The uses along Freedom vary, with commercial uses along the corridor, single-family residences further off Freedom Road, mixed-residential uses between Freedom and Wilkinson, industrial uses to the west, and office uses to the east. The diverse land use allows for creative development and a wide variety of opportunities.
- ***Assemblage available.*** Unlike in some of the other corridors, market feedback notes that the Freedom focus area may have available assemblage of vacant land or commercial spaces for a larger commercial or office project. They note that an adaptive reuse project could take advantage of the big box retail stores sitting vacant or the industrial properties. However, few land parcels are listed for sale.





Focus Area: Freedom – Development Concepts

Potential development concept

Office adaptive reuse. Given the growth of medical, community service, and creative offices along Freedom as well as the low-density but high-accessibility of the corridor, a mid-sized office property could be an appropriate use. Target tenants might include medical, government, services (e.g. non-profit, education, etc.), or creative organizations given the existing surrounding uses. An adaptive reuse project that takes advantage of old commercial or industrial properties along the corridor could help bring revitalization. Further west, if possible to assemble sufficient land, a ground-up office development might also be considered given similar development projects in the area. For example, 3200 Freedom Drive is a 65,743 SF medical office property under development by Metrolina Nephrology Associates.

Case study



Burnside Rocket, Portland. Burnside Rocket in Portland, Oregon is a small urban infill development with a ground floor pub, two floors of shared office space, a restaurant, and a rooftop garden developed on 3,800 SF of land. It is a Platinum LEED certified building with 5,880 SF of shared office space with tenants including architects, writers, engineers, and designers. The project demonstrates how small urban spaces can be developed creatively for office and commercial uses.

Example available sites

Target site: Retail or industrial properties



For Sale: 3201 Tuckaseegee Road

There are very few commercial properties listed for sale in the focus area, with one of the few including a 36,719 SF church, which could be converted to another use. Given the limit of for sale properties, off-market options might need to be considered.



Unlisted: Nation of Christ Ministries

Vacant properties, such as the Nation of Christ Ministries property located across from the Mecklenburg County offices, might be appropriate for other government offices or community services.

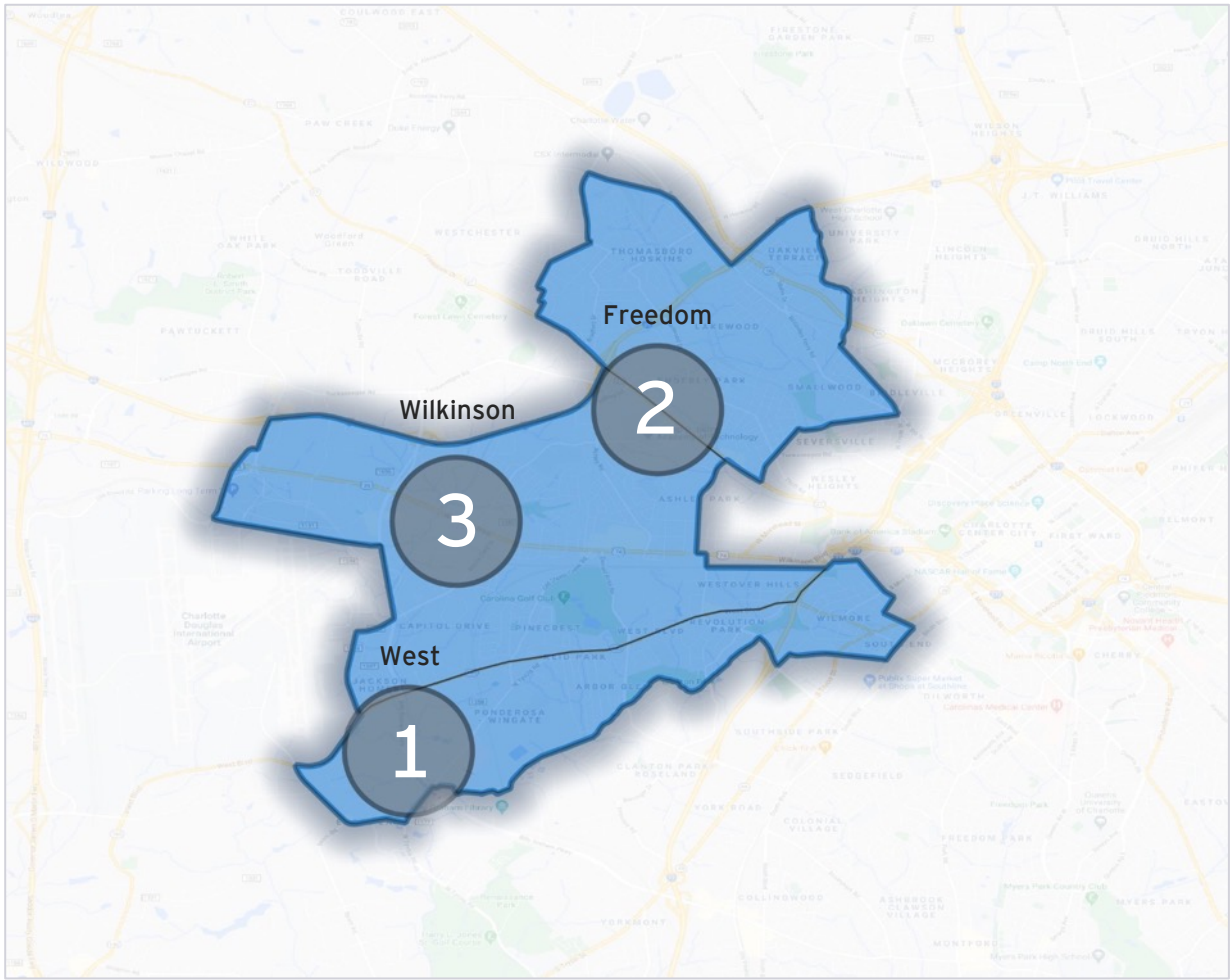


For Sale: 925 Tuckaseegee Road

A variety of office and retail centers are under development on the eastern portion of the corridor (e.g. SwitchYard), which may be appropriate and move-in ready for small businesses. However, these spaces are less likely to generate a large quantity of jobs for local residents.

Focus Areas

Three focus areas were identified within the Freedom, Wilkinson, and West corridors, each aligned with one corridor. While each focus area targets a portion of the corridor, opportunities along the length of the corridors are discussed in this section.



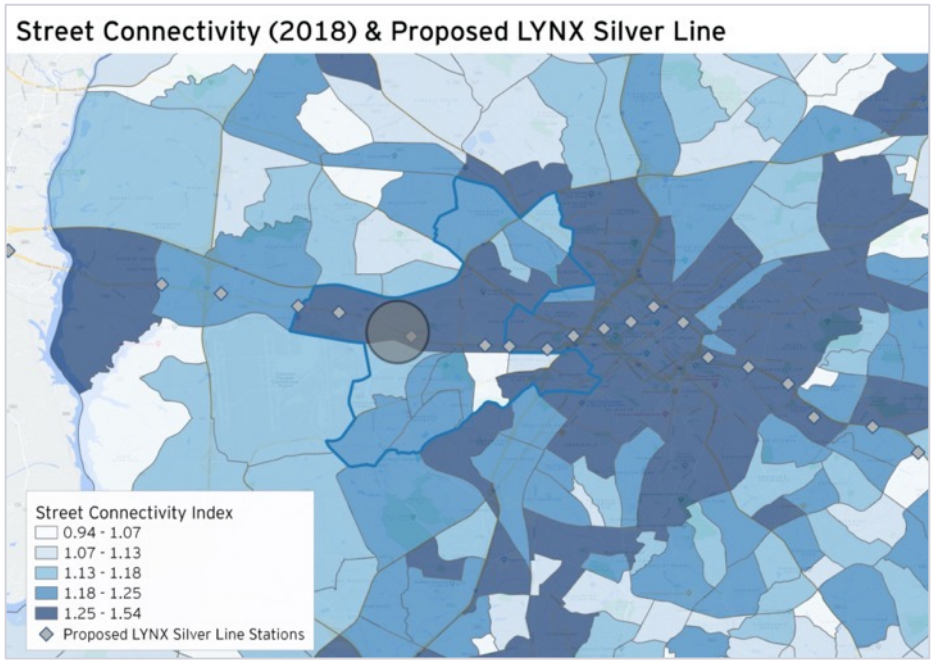
1 *West*
The West focus area concentrates on the area south of West Boulevard, north of Irwin Creek, east of Yorkmont Road, and west of W Tyvola Road.

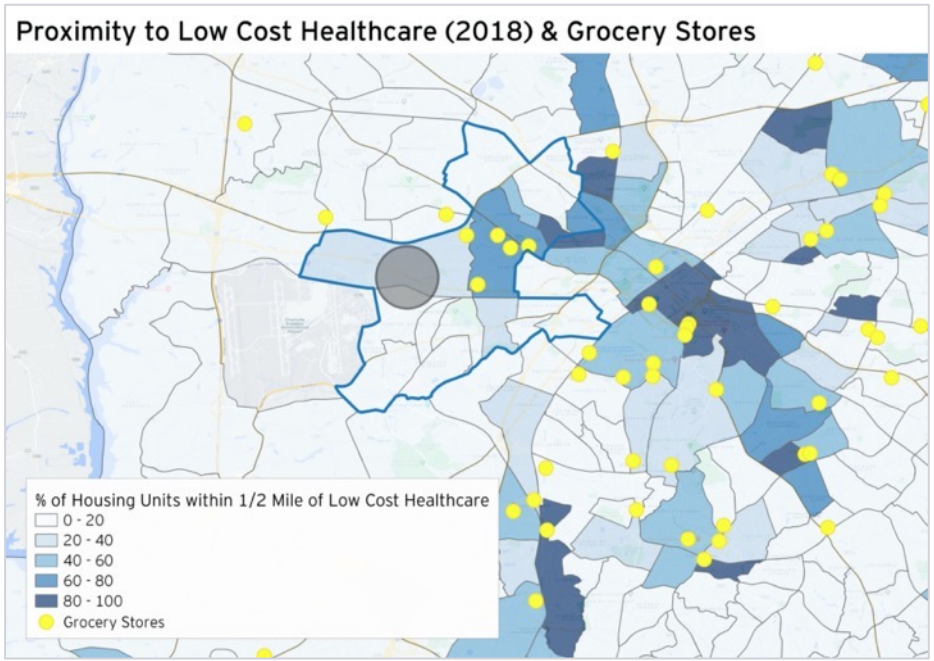
2 *Freedom*
The Freedom focus area concentrates on the area along Freedom Road from Berryhill Road to I-85 as well as the area along Berryhill road until Rozzelles Ferry Road.

3 *Wilkinson*
The Wilkinson focus area includes both sides of Wilkinson Boulevard and concentrates on the area west of Donald Ross Road and east of the airport.

Focus Area: Wilkinson – Character

- ***Entryway to the city.*** Wilkinson Boulevard connects Charlotte Douglas International Airport to Uptown Charlotte, serving as the main entryway into the city and, is therefore, a natural center of activity. Market participants note that in order to continue revitalizing the Wilkinson area, attention should be given to closing the gaps in development along the corridor and promoting the area's cultural identity through developments with character.
- ***Ongoing development activity.*** Whereas most of the other corridors have historically lacked development and private investment, Wilkinson has observed ongoing development, especially at each end of the corridor. Nevertheless, many of the buildings are older and reflective of a development boom in the 60s-70s.
- ***Strong and increasing connectivity.*** As the main corridor connecting the airport to Uptown, Wilkinson has strong connectivity via roadways. The proposed LYNX Silver Line will help increase connectivity via public transport and is expected to change the character of Wilkinson as well as Freedom and West. Development has already begun surrounding the proposed stations.
- ***Limited community services.*** Although the corridor is a commercial hub with anchor tenants such as Walmart, it lacks some basic services. For example, there is limited access to low-cost healthcare and few grocery stores (excluding Walmart), especially to the south of Wilkinson. As residential development continues on both sides of Wilkinson, encouraged by the Silver Line, Wilkinson may be well situated to house more community services.

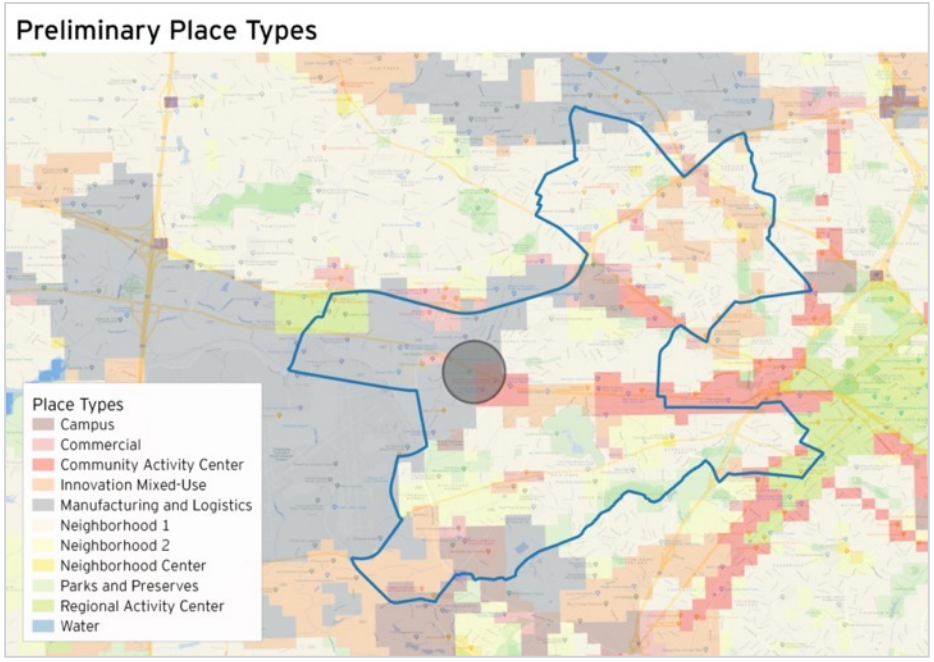




Focus Area: Wilkinson – Character

- *Vacant land.* Despite ongoing development activity, there remains a large amount of vacant land, especially on the west side of Wilkinson near the airport, which is a lower-density area. There may be opportunities for larger-scale ground-up development in this region.
- *Diverse land uses.* Similarly to Freedom, Wilkinson has a variety of different land uses, including industrial, commercial, single-family residential, multi-family residential, and institutional. The diverse land uses create opportunities for different types of development but also create challenges in terms of defining and communicating the character of the area.
- *High growth potential.* Based on its ongoing growth, vacant land, increasing connectivity, and mixed uses, Wilkinson has high potential for a large variety of industrial, retail, and office uses that is already being tapped into through market-led development and investment. A key challenge in Wilkinson is therefore, identifying how to connect residents and neighbors with jobs created by the market.
- *Limited space available.* Despite development activity and vacant land, there are few opportunities listed for sale or lease in the area on CoStar. Properties that are listed are generally older and poor-quality. Off-market opportunities may have greater potential.





Focus Area: Wilkinson – Development Concepts

Potential development concept

Large-scale mixed-use commercial development. Given the variety of existing uses along Wilkinson Boulevard, thought should be given to the future character of the neighborhood, especially for ground-up development. For example, while industrial development might fit in well with the existing landscape, it could limit the future density, activity, and commercial development of the corridor while creating fewer jobs. In contrast, office, retail, or mixed-use development may result in more jobs and help activate the corridor. While development in this corridor may require less incentivization, the public sector may work with developers to create opportunities for the community and to help shape the neighborhood's trajectory.

Case study



East Liberty, Pittsburgh. East Liberty is a neighborhood in Pittsburgh that borders a higher- income and lower-income community. After years of abandonment, it was redeveloped into a thriving residential and commercial community over 20+ years through urban planning and incentives. One of the first developments that catalyzed growth was the conversion of a vacant Sears building, into a Home Depot, which created 250 jobs. Later, a Whole Foods opened in an abandoned warehouse, catalyzing further growth.

Example available sites

Target site: Medium to large land parcel or commercial space



For Sale: 3600 Primrose Ave

Larger land parcels near the airport (such as the 16 acre parcel at 3600 Primrose Avenue) could be suited for light industrial development for distribution or light manufacturing. However, there are few land parcels listed for sale.


For Lease: 5245 Old Dowd Road

There are also few retail or office spaces listed for lease. Those that are available are older and lower-quality. However, there are some newer, light distribution spaces for lease near the airport, which could be close to move-in ready.


For Lease: 3015 Wilkinson Boulevard

While few properties may be available for lease or sale, 3015 Wilkinson Boulevard, a flex showroom space under development, demonstrates potential uses for ground-up development that align with the existing character but also help activate the corridor.

7 Appendix

Appendix - Charlotte Real Estate Trends

The City of Charlotte and Mecklenburg County have benefited from strong economic tailwinds over the past decade. With an employment growth rate more than double the national rate, strong population growth, and increasing wages, the city and county continue to advance at a fast pace. The strong economic and population growth has been reflected in the city's commercial real estate industry, with the office and industrial segments leading.

- The office segment has posted some of the highest rent growth nationwide over the last several years, a trend which was only somewhat slowed by the pandemic; annual rent growth for office was 2.9% in 2020, fueled by demand from financial tenants and other major firms – including Arrival, JLL and Truist Financials – signing leases in the first half of the year. Even with office construction levels near all-time highs and the impact of the pandemic, the current vacancy rate of 9.3% remains below the national average and represents only minimal increases year-over-year.
- Charlotte's industrial segment has also observed strong growth, with relatively affordable leases compared to other metro areas, and firms such as Amazon, Staples, FedEx and UPS entering the market. Since 2010, industrial property prices per square foot have more than doubled. The twelve month rent growth rate of 4.1% is above the national average, and the vacancy rate of 7.3% is below Charlotte's historical average.
- The residential market has also benefited from the city's economic growth. The average sales price of a home in Mecklenburg County increased by 44% over the past 5 years, from $253.8K in 2014 to $372.2K in December 2020, according to a report issued by Mecklenburg County's economist. As of November 2020, the average sales price of a home had increased by 13% year-over-year, reaching $391.8K.

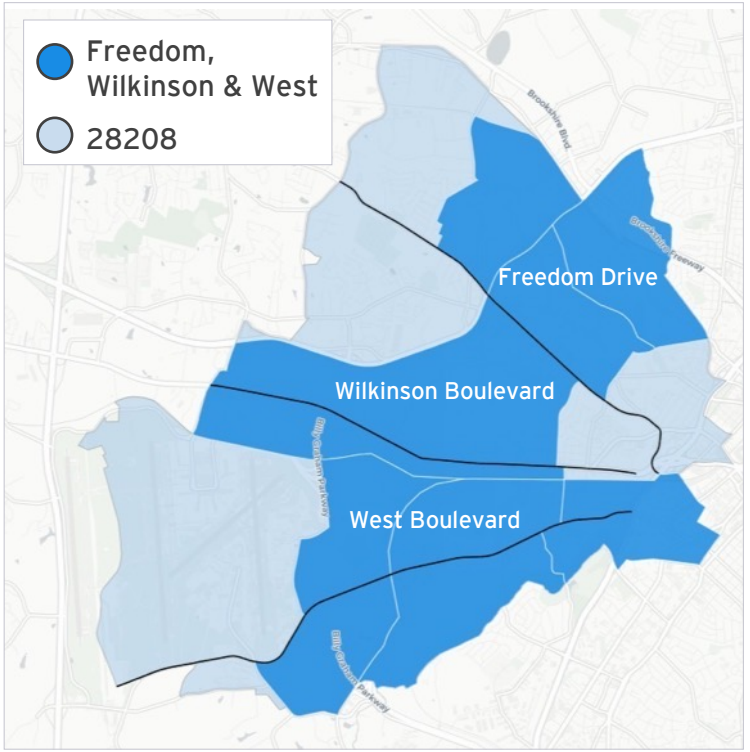


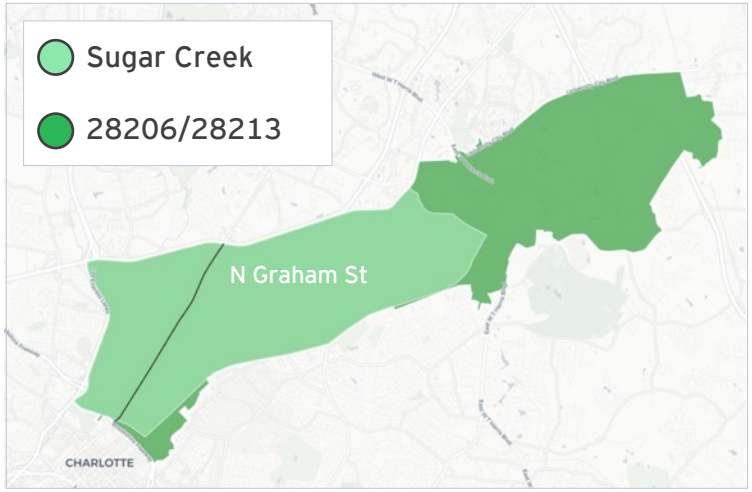


Appendix - Charlotte Real Estate Trends

The following summarizes major real estate trends that apply to the city of Charlotte and, more specifically, to the development of the three corridors. These trends were identified throughout research and conversations with market participants, which included brokers, city officials, and urban planners.

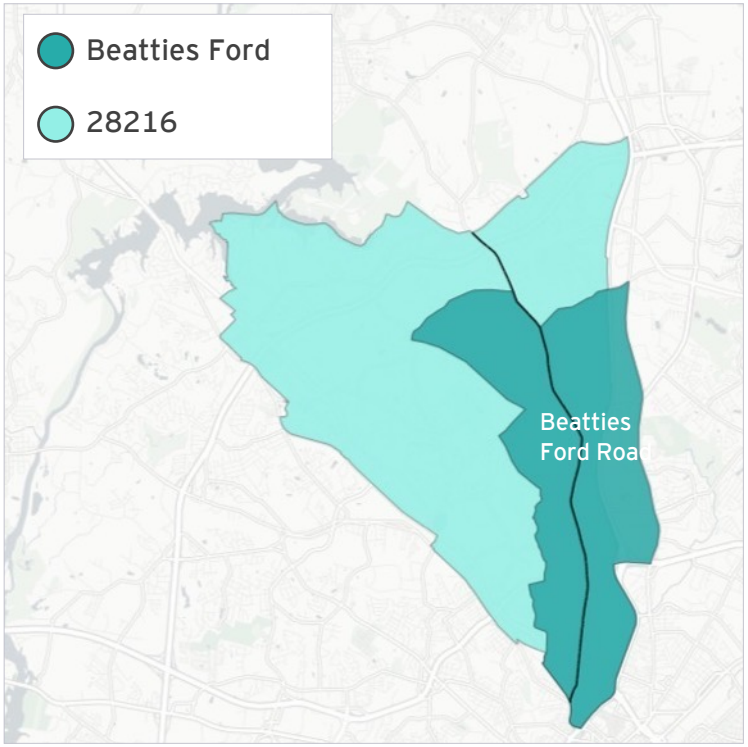
- *A strong and growing real estate market* – Market participants reported that Charlotte's real estate market has seen remarkable growth over the past decade, with the city's pro-business environment attracting major employers, particularly in the financial and industrial/logistics sectors. The arrival of notable firms such as Amazon and Lowe's has led to increasing rents and prices for both the commercial and residential real estate markets in Charlotte.
- *Development spreading from three major demand drivers* – During discussions with market participants, three major development hubs in the city of Charlotte were identified: the Charlotte Douglas International Airport, Charlotte's Central Business District (i.e. Uptown), and UNC Charlotte. Development and economic activity tend to be concentrated in these areas and have spread from these main centers into other areas.
- *Construction following major transportation arterials* – Market participants reported construction levels near record-highs despite the effects of COVID-19, and noted that construction is following major transportation arterials, particularly along the LYNX Blue and Silver Lines. Market participants reported growth in residential and office product near the stations along the LYNX Blue Line, as well as rising early speculative development near the proposed Silver Line stations on Wilkinson Boulevard.





Appendix - Charlotte Real Estate Trends

- *Unequally distributed blocks of development* – As it relates to the corridors, market participants reported that development is spreading unequally, with concentration around LYNX stations, leaving gaps of limited development. As an example of this phenomenon, market participants noted that some sections of West boulevard are still economically stagnant despite their location between two major, prosperous demand drivers – the Charlotte Douglas International Airport and South End.
- *Increased displacement risk for some corridors' residents* – Market participants also noted that as development spreads from the three major demand drivers previously described, some communities in the corridors are increasingly at risk of the consequences of gentrification. Market participants noted that increasing prices and rents in some areas of the corridors located near Uptown are resulting in residents being priced-out, with some already displaced and a disparate impact on Black residents. Market participants provided examples of office tenants along North Tryon street who were forced to relocate when their building was purchased to be redeveloped.
- *High potential for adaptive reuse* – Market participants reported a relatively high amount of outdated supply with potential for adaptive reuse development in the corridors. This option can be an attractive investment opportunity for developers as it often requires lower rents compared to ground-up development. Certain areas within the Sugar Creek and Freedom, Wilkinson, and West corridors that are located within short distance to Uptown (e.g. NODA and Seversville) have observed significant adaptive reuse development.

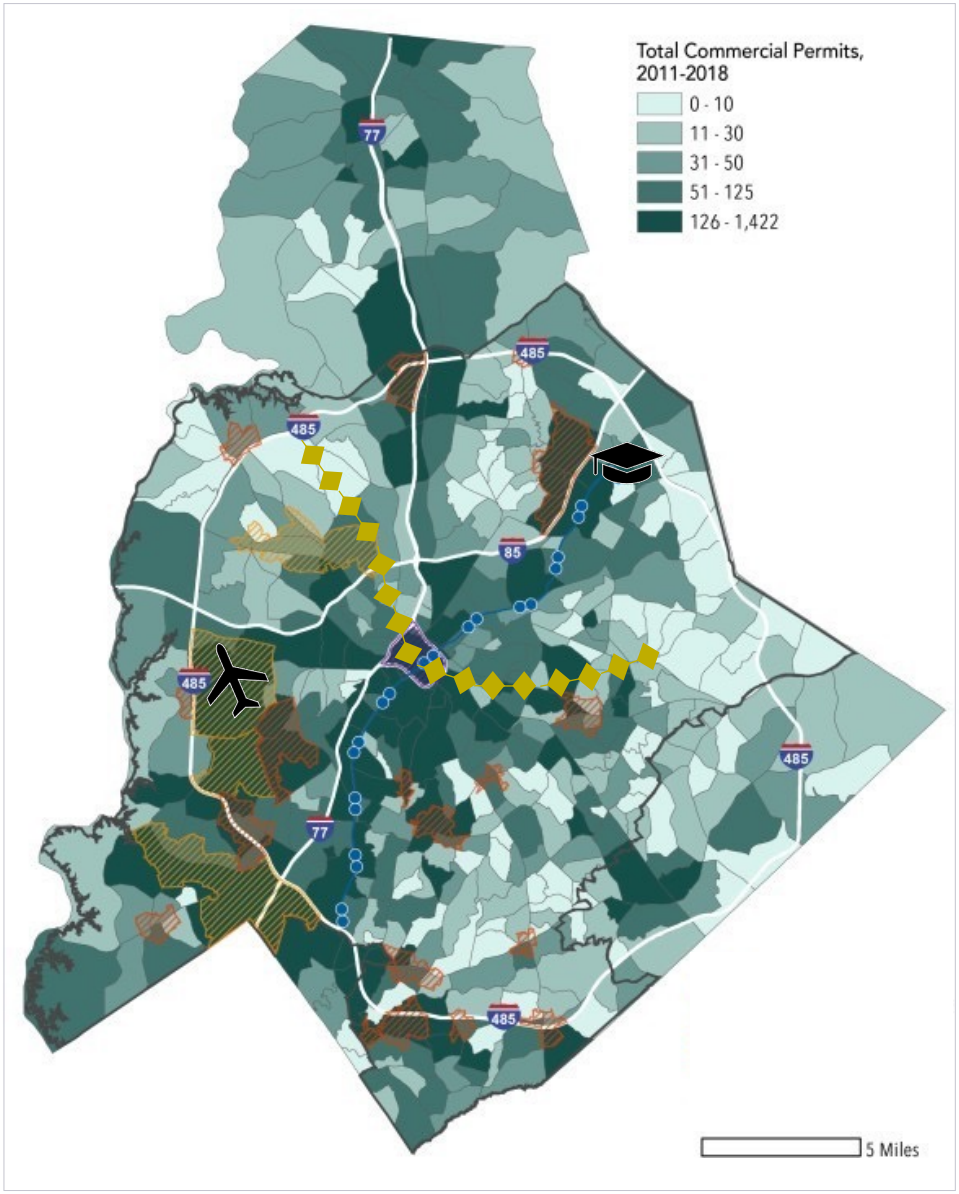


Source: EMSI

Appendix - Charlotte Transportation Arterials

- Charlotte Douglas International Airport
- University of North Carolina at Charlotte
- Center City Activity Center
- Industrial Activity Center
- Mixed Use Activity Center
- City of Charlotte
- LYNX Blue Line
- LYNX Gold Line

- The Charlotte Douglas International Airport is one of the three major demand drivers for real estate in Charlotte and is the main hub for the industrial/logistics sector in the city.
- The LYNX Blue Line – which was extended in 2018 to connect UNC to the rest of the city – has been crucial for economic growth in Charlotte, with developers considering every station as a possible strategic area for new construction or redevelopment.
- The LYNX Gold Line, currently in the last phase of trials and expected to start operating in early 2021, has also contributed to economic growth in the city and particularly in the Beatties Ford corridor; market participants noted rising developer interest in the areas along the line and noted upcoming real estate appreciation in those areas.



Source: Charlotte Future 2040 Comprehensive Plan

Appendix: For Sale Properties (Sugar Creek)

Property Address	Property Type	Secondary Type	Rentable Building Area (SF)	Total Available Space (SF)	Land Area (AC)	Year Built	Building Class	Zoning	Owner Name
2135 Tipton Dr	Industrial	Warehouse	144,000	0	7.90	1991	C	I-1 and R-22MF	Carolinas Auto Supply House
216 W 24th St	Industrial	Warehouse	15,750	7,300	0.70	1955	C	I-2	Stephen Hood
2301-2305 N Graham St	Industrial	Warehouse	17,000	17,000	0.65	1934	C	I2	Eye Dialogue Llc
235 W Liddell St	Industrial	Warehouse	22,266	22,266	2.30	1950	B	I2	Barringer & Barringer Inc.
2920 N Tryon St	Industrial	Warehouse	211,000	0	7.90	1957	C	I-2	Alwin LLC
321 W 32nd St	Industrial	Warehouse	22,610	0	1.74	1963	B	I-2	Syndicate Real Estate, Inc.
519 Armour Dr	Industrial	Warehouse	16,401	0	0.80	1956	C	I2	Graves
1046 W Sugar Creek Rd	Land	Commercial	0	0	1.70	0		R4	Barrett Joe Vernon Jr
132 Austin Dr	Land	Commercial	0	0	1.03	0		B2	
1425 N Tryon St	Land	Commercial	0	0	2.37	0			
1725 N Tryon St	Land	Commercial	0	0	1.41	0		I-2	Kevin Massey
1842 Starita Rd	Land	Commercial	0	0	0.23	0		I-2	
1901 N Tryon St	Land	Commercial	0	0	1.04	0		I-2	Browder Group Real Estate, LLC
2210-2230 N Tryon St	Land	Commercial	0	0	3.58	0		I-2	Paraskevi Tsoulos
3400 N Tryon St	Land	Residential	0	0	0.46	0		B-2	Dorton Helen P
3410 N Tryon St	Land	Residential	0	0	0.88	0		B-2	Dorton Helen P
3441 Statesville Ave	Land	Industrial	0	0	0.45	0		I1	Henok Mihtsentu
4000 Tryon St	Land	Commercial	0	0	0.83	0		B2	Webb Marie Leslie
5301 N Tryon St	Land	Commercial	0	0	1.39	0		B-2 (CD)	The NRP Group
5800 N Tryon St	Land	Commercial	0	0	2.02	0		I2	HKS2&3 Holdings, LLC
5801 N Tryon St	Land	Commercial	0	0	1.31	0		B2	Village Properties
6701 N Tryon St	Land	Commercial	0	0	2.60	0		BD/B2	
6797 N Tryon St	Land	Commercial	0	0	1.22	0		TOD-TD	Simmco Llc
215 E Sugar Creek Rd	Retail	Bar/Nightclub	3,500	0	0.60	1970	C	TOD-CC	Maria C Harrington
3416 N Tryon St	Retail	Freestanding	1,868	0	0.45	1969	C	B2	Hassan Radmanesh
3428 N Tryon St	Retail	Bar/Nightclub	4,000	0	0.49	1975	C	B2	Hassan Radmanesh
5030 N Tryon St	Retail	Freestanding	2,432	0	0.28	1965	C	I2	MegDil Real Estate
6442 N Tryon St	Retail	Day Care Center	4,296	0	0.94	1955	C	B2	Fairyland Learning Ctr
Total			**465,123**	**46,566**	**47.27**				

Appendix: For Sale Properties (Beatties Ford)

Property Address	Property Type	Secondary Type	Rentable Building Area (SF)	Total Available Space (SF)	Land Area (AC)	Year Built	Building Class	Zoning	Owner Name
1024 Montana Dr	Industrial	Warehouse	56,046	0	16.97	1962	B	I2 & R-5 (Single Family)	Royal Pacific Corp
6510 Northpark Blvd	Industrial	Warehouse	50,700	50,700	5.45	1990	B	I-1	ACO Medical Supply
2120 Beatties Ford Rd	Land	Commercial	0	0	0.74	0		B1	
2130 Slater Rd	Land	Commercial	0	0	7.90	0		R-8	
3201 Riley Ave	Land	Commercial	0	0	1.29	0		R4	Presbyterian Hospital Foundation
4305-4327 Statesville Rd	Land	Commercial	0	0	1.34	0			The Colonnade
5333 Sunset Rd	Land	Commercial	0	0	0.96	0	C	B1	Landmark Development Partners, LLC
Lot 2 Sunset Rd	Land	Commercial	0	0	1.36	0	C	commercial	B V Belk Properties Inc
Lot 3 Sunset Rd	Land	Commercial	0	0	1.11	0	C	commercial	B V Belk Properties Inc
Lot 4 Sunset Rd	Land	Commercial	0	0	1.04	0	C	commercial	B V Belk Properties Inc
W 6th St	Land	Residential	0	0	2.28	0		R-22MF and B-2	
2208 LaSalle St	Retail	Day Care Center	1,649	0	0.35	1933	C	O-2	Samie & Louisiana P Davis
2301 Beatties Ford Rd	Retail	Convenience Store	1,000	0	0.87	1965	C	B-1, Charlotte	The Pantry, Inc
6328 Banner Elk Dr	Retail	Fast Food	2,867	0	0.95	2001	B	B2	Yu C Dai
Total			**112,262**	**50,700**	**42.61**				

Appendix: For Sale Properties (Freedom, Wilkinson & West)

Property Address	Property Type	Secondary Type	Rentable Building Area (SF)	Total Available Space (SF)	Land Area (AC)	Year Built	Building Class	Zoning	Owner Name
1622 Parker Dr	Industrial	Warehouse	7,360	0	6.90	1982	C	I2, I1	Metro Real Estate Holdings Llc
2821 Rozzelles Ferry Rd	Industrial	Service	1,000	0	0.38	2009	C	B2	Gerald B Green
308 W Worthington Ave	Industrial	Warehouse	6,100	0	0.34	1979	C	B1	Son T. Kim
4314 Carlotta St	Industrial	Showroom	2,240	0	1.66	1996	B	I2CD	D.H. Patel
00 Meadow Oak Dr	Land	Commercial	0	0	4.02	0		I-1	Spratt Legacy Partners Llc
1250 Lucky Penny St	Land	Commercial	0	0	1.30	0		B2	Ta & S Enterprises Of Nc Inc
1423 Parker Dr	Land	Industrial	0	0	1.12	0		I-1	Venkata Reddy, LLC
1427 West Blvd	Land	Commercial	0	0	1.02	0			
1622 Parker Dr	Land	Industrial	0	0	6.90	0		I-1,I-2	RKB Real Estate Holdings, LLC
1830 S Tryon St	Land	Commercial	0	0	0.48	0		TOD-NC	
2141 Weyland Ave	Land	Residential	0	0	0.78	0		R-22MF	
224-236 W Kingston Ave	Land	Commercial	0	0	0.86	0			Brnell Holdings Llc
2301 West Blvd	Land	Commercial	0	0	0.18	0		B-1	
2600 W Trade St	Land	Commercial	0	0	7.40	0			
2701 Rozzelles Ferry Rd	Land	Industrial	0	0	8.15	0		Industrial	
3423 West Blvd	Land	Commercial	0	0	3.96	0		R22-MF	
3428 Brookshire Blvd	Land	Commercial	0	0	1.11	0			
3443 Axar Rd	Land	Commercial	0	0	0.74	0		I-1	ABC Investment & Management
3600 Primrose Ave	Land	Industrial	0	0	16.20	0	C	I2	SFF Holdings LLC
3628 Wilkinson Blvd	Land	Commercial	0	0	0.17	0		URC-CD	
3819 Tuckaseegee Rd	Land	Commercial	0	0	1.36	0		R22MF	Sandra H Dickinson
3833 Tuckaseegee Rd	Land	Commercial	0	0	1.22	0		R22MF	
510 W Tremont Ave	Land	Commercial	0	0	1.90	0		I-1	Westminster Park
Ashley Rd	Land	Commercial	0	0	1.60	0		B-2	Howell Billy Shaw Jr
WEST Blvd	Land	Commercial	0	0	0.65	0		B-1 / R-5	
1825 Wickford Pl	Retail		1,843	0	0.00	2020			Son T. Kim
2600 Wilkinson Blvd	Retail	Freestanding	4,800	0	0.14	1948	C	I1	Ace Electric
2831 Rozzelles Ferry Rd	Retail	Freestanding	1,059	0	0.23	1945	C	B2	Gerald B Green
3000 Yorkmont Rd	Retail	Restaurant	4,673	0	1.57	1994	B	I1	York Development Group
3030 Freedom Dr	Retail	Restaurant	7,166	0	1.43	1972	C	B2	Maria Labrakis
3700 Wilkinson Blvd	Retail	Auto Repair	1,400	0	0.94	1955	C	B2	Lloyd Whitfield
4642 Wilkinson Blvd	Retail	Service Station	2,806	2,806	2.05	1968	C	I1	Kisan Khandelwal
3232 Freedom Dr	Retail (Community Center)	Fast Food	1,557	1,557	0.59	1977	B	B1SCD	Bishop, Dulaney, Joyner & Abner
1600 West Blvd	Retail (Neighborhood Center)	Fast Food	2,276	2,100	0.63	2003	C	R5	Cornerstone Commercial Properties
3201 Tuckaseegee Rd	Specialty	Religious Facility	36,719	0	4.70	1937	B	R5	TPM Properties
Total			**80,999**	**6,463**	**82.68**				

Appendix: Terms and Abbreviations

AC	Acres
Ave	Avenue
Blvd	Boulevard
E	East
K	Thousands
M	Millions
N	North
Rd	Road
S	South
SF	Square feet
St	Street
W	West



Charlotte Corridors of Opportunity: Workforce Analysis

Disclaimer

Our Report may be relied upon by City of Charlotte for the purpose set out in the Scope section only pursuant to the terms of our engagement letter. We disclaim all responsibility to any other party for any loss or liability that the other party may suffer or incur arising from or relating to or in any way connected with the contents of our report, the provision of our report to the other party or the reliance upon our report by the other party. This report may only be shared in its entirety. Quotes and data from this report may only be shared with prior permission from EY.

EY

Building a better working world