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Market Report CLT

Charlotte's New Healthcare Frontier

Why Charlotte's fastest-growing medical opportunities are emerging beyond the urban core.

By Jack Gitlin, Vice President, Healthcare Real Estate Services
& Lou Tonon, Vice President, Healthcare Market Lead

Mid-Year 2026

KEY TAKEAWAYS

1. **Area of opportunity: sub-markets surrounding Charlotte Metro show strong demographics and national players are taking notice**

   Submarkets like Harrisburg, Monroe, Denver and Waxhaw are attracting serious provider attention. Over the past 12 months, reputable national tenants including AFC Urgent Care, Amedisys, DaVita, and Ivy Rehab have all opened locations in these corridors - a clear signal that providers are following population growth and positive demographic trends into communities that have historically been underserved. For healthcare providers looking to grow, these underserved communities offer an accessible patient base, limited competition, and a rare window to establish a presence before the market matures. Tight vacancy rates in these secondary/tertiary markets will drive rental rates and potential new speculative developments/Build-to-Suit opportunities.

2. **Development activity dominated by larger health systems: will development geared towards private practice follow?**

   Development activity in Charlotte's medical office market over the past year has been defined more by institutional expansion than speculative new supply. This keeps the market from suffering the oversupply problems affecting other commercial property types. The most active development story is playing out through health system capital expenditures rather than third-party MOB construction. Beyond The Pearl, new speculative MOB development has remained restrained, with Steele Creek Medical Office - at 33,500 SF - among the most notable conventional MOB completions in the market. As larger health systems continue absorbing space and anchoring new campuses around the Charlotte Metro area, will private developers follow with speculative and build-to-suit product in the surrounding corridors?

MARKET SNAPSHOT

Existing Inventory (SF)
13.4M

Availability Rate (%)
4.5

Avg. Asking Rents ($/SF)
36.00

Under Construction (SF)
376K

3 The Pearl opens: brings talent and jobs to the region

The $1.5 billion Pearl Innovation District opened in mid-2025, bringing Charlotte's first four-year medical school via Wake Forest University School of Medicine, IRCAD North America surgical training, and a 393,000 SF academic building with an adjacent 330,000 SF research facility. Expected to generate over 5,500 on-site jobs.

Something to note - Regulatory Shift: South Carolina CON Repeal vs. North Carolina

South Carolina repealed its Certificate of Need (CON) law, removing the state approval requirement for new healthcare facility development.

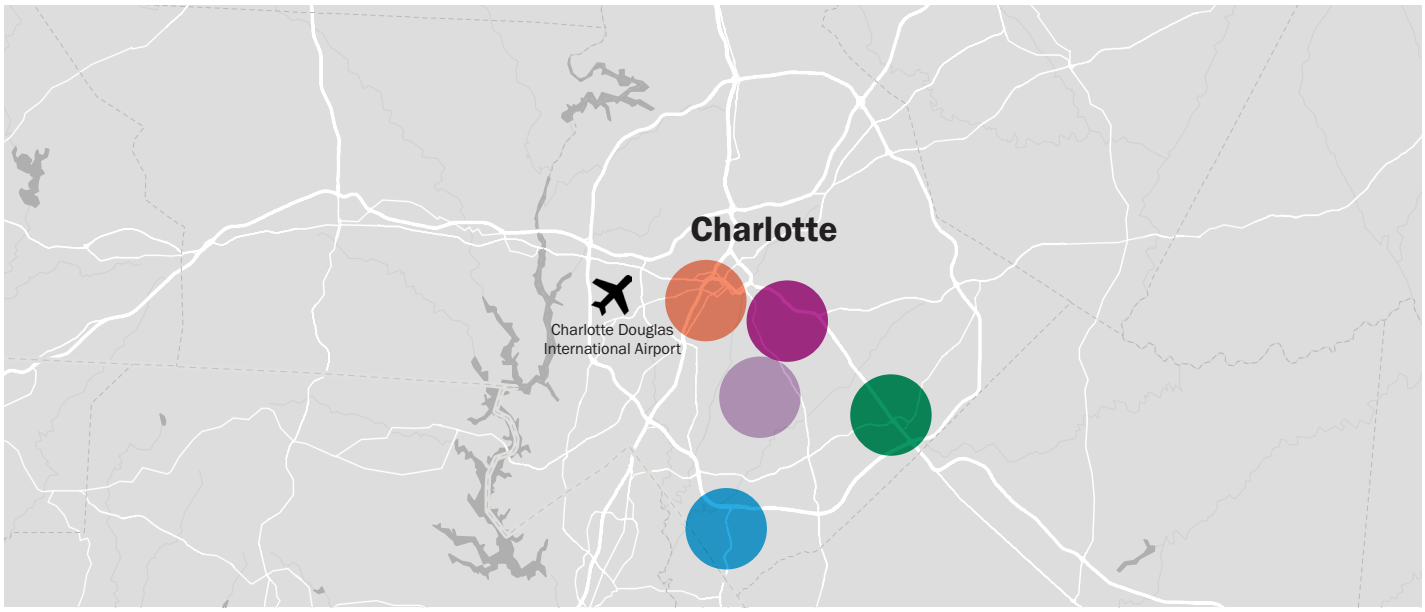
The repeal has accelerated outpatient and MOB growth in Charlotte-adjacent SC markets, including Fort Mill and Indian Land.

North Carolina's CON law remains largely in place, governing most healthcare facility development, though inpatient rehabilitation services were exempted effective October 1, 2026

Positive outcomes in South Carolina could accelerate reform discussions in North Carolina.

NC CON reform has surfaced in past legislative sessions; South Carolina's experience may renew that conversation.

PRIMARY SUBURBAN SUBMARKET SNAPSHOTS



Ballantyne

- Inventory: 590k SF
- Vacancy Rate: 4%
- Average Asking Rent: $41/ SF
- Anchor: Novant Health Ballantyne

Note: Less than 2% annual rent growth over the past 5 years

Matthews

- Inventory: 635k SF
- Vacancy Rate: 3.5%
- Average Asking Rent: $36/ SF
- Anchor: Novant Health Matthews
- Notable Development: 1640 Matthews Township Pky
  - 50k SF MOB
  - Est Delivery Date of September 2026 – 100% Preleased

Note: 45% asking rent growth over the past 5 years

Midtown - Randolph

- Inventory SF: 1.9M
- Vacancy Rate: 6.1%
- Average Asking Rent: $36/ SF
- Anchor: Atrium Health Mercy & Novant Health Presbyterian Medical Center

Note: Midtown – Randolph's is nearly 6% - higher than the citywide average, while direct rents have only increased by roughly 2% annually over the last 5 years.

Midtown - South End

- Inventory SF: 1.4M
- Vacancy Rate: >1%
- Average Asking Rent: $42/ SF
- Anchor: Atrium Health Levine's Children Hospital

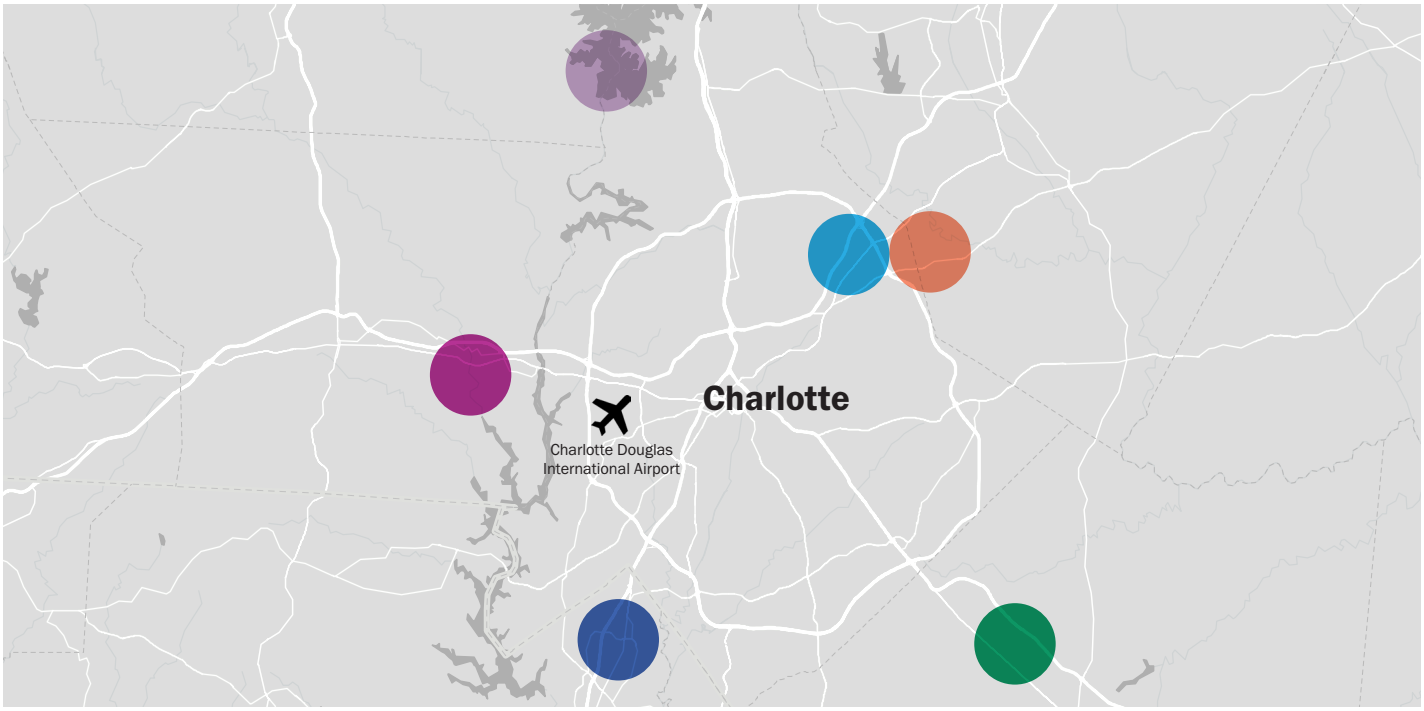
Note: South End's population has increased by 65%-70% over the last 5 years and is up 125%-140% over the past 10 years. The average age for South End residents is also 20% younger than the Charlotte average.

SouthPark

- Inventory SF: 674k
- Vacancy Rate: 4.0%
- Average Asking Rent: $40/ SF
- Anchor: Atrium Health SouthPark & One Southpark Center

Note: Less than 2% average annual rent growth over the last 5 years and no new supply since 2017.

SECONDARY/ TERTIARY SUBURBAN SUBMARKET SNAPSHOTS



University City

- Inventory SF: 790k
- Vacancy Rate: 4.0%
- Average Asking Rent: $33/ SF
- Anchor: University Hospital Atrium

Note: University City is Charlotte's second-largest employment hub after uptown, with more than 75,000 people working within its boundaries.

Union County

- Inventory: 910k SF
- Vacancy Rate: 1.0%
- Average Asking Rent: $33/ SF
- Anchor: Atrium Health Union & Union West

Note: Union County is growing rapidly, especially among residents 65 and older, increasing the need for safe, high-quality medical care.

Gaston County

- Inventory SF: 1.3M
- Vacancy Rate: 4.3%
- Average Asking Rent: $32/ SF
- Anchor: CaroMont Regional Medical Center

Note: Strong historical vacancy; direct vacancy rate has not eclipsed 5% in over 5 years.

Harrisburg

- Inventory SF: 264k SF
- Vacancy Rate: 2.3%
- Average Asking Rent: $29/ SF
- Anchor: Novant Health Harrisburg & Atrium Health Harrisburg Emergency Department

Note: Less than 10,000 SF of medical office space is available for lease in Harrisburg, and no vacant medical office buildings are currently for sale.

Denver

- Inventory SF: 203k SF
- Vacancy Rate: 4.3%
- Average Asking Rent: $33/ SF
- Anchor: Atrium Health Lincoln

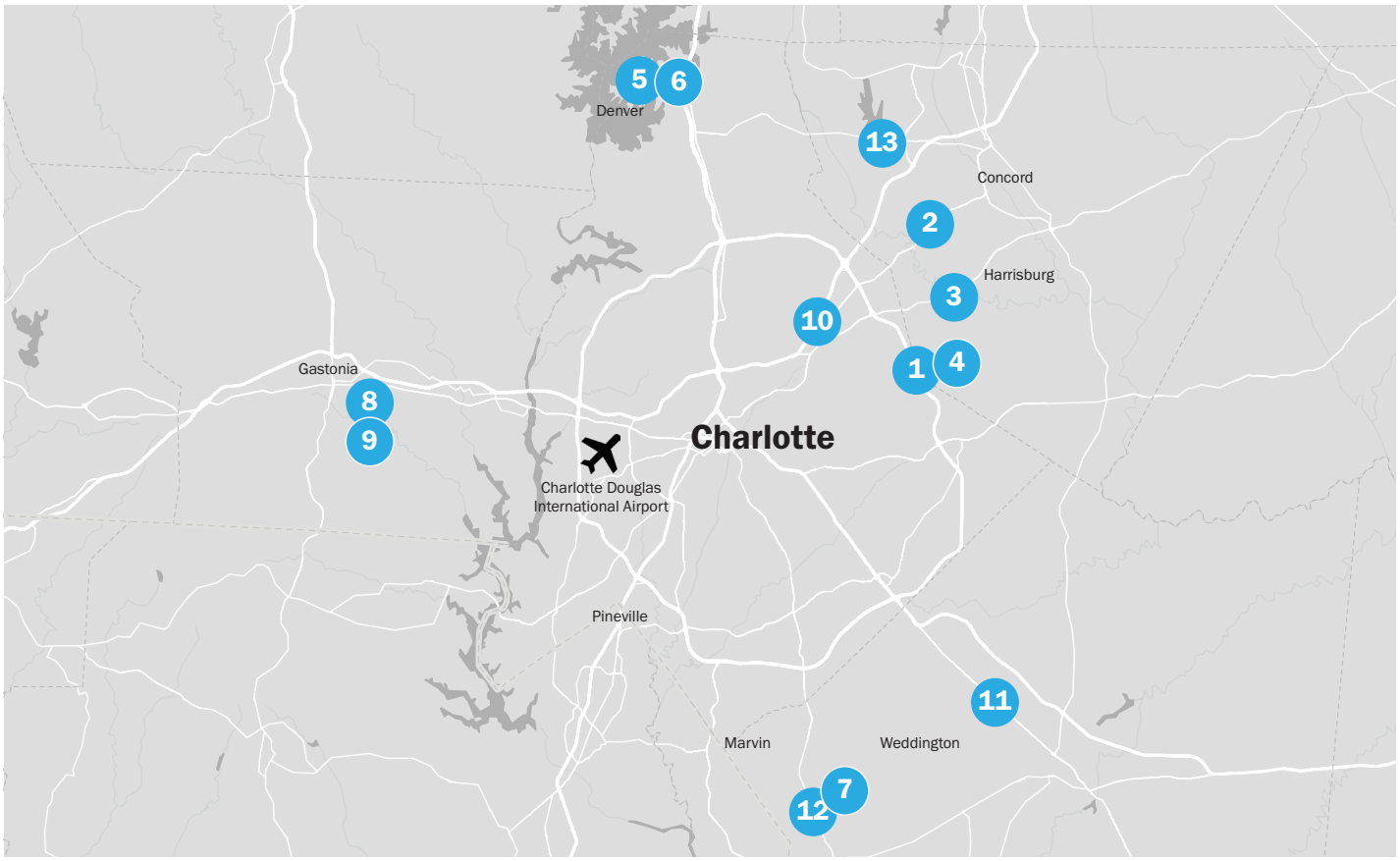
Note: The closest major health system facility is the Atrium Health in Lincolnton.

York

- Inventory: 1.3m SF
- Vacancy Rate: 6.5%
- Average Asking Rent/ SF: $33/ SF
- Anchor: Fort Mill Hospital - Piedmont Medical Network, Rock Hill Hospital - Piedmont Medical Network

Note: Asking rents have increased by an average of over 8% annually over the past decade

TENANTS ON THE MOVE



HARRISBURG

1

Action Behavior Centers

13470 Plaza Rd

2

Davita

Address: TBD

3

Select Physical Therapy

3826 State Hwy 49

4

Atrium

9592 Rocky River Rd

WAXHAW

5

Ivy Rehab

3404 S Providence Rd

6

Pacific Dental

3404 S Providence Rd

7

AFC Urgent Care

8133 Kensington Dr

GASTONIA

8

Amedisys

609 S New Hope Rd

9

Atrium

3715 Union Rd

UNIVERSITY CITY

10

Aspen Dental

8619 JW Clay Blvd

MONROE

11

The Joint Chiropractic

5136 Wesley Chapel Stouts Rd

CORNELIUS

12

Ivy Rehab

19722-19732 One Norman Blvd

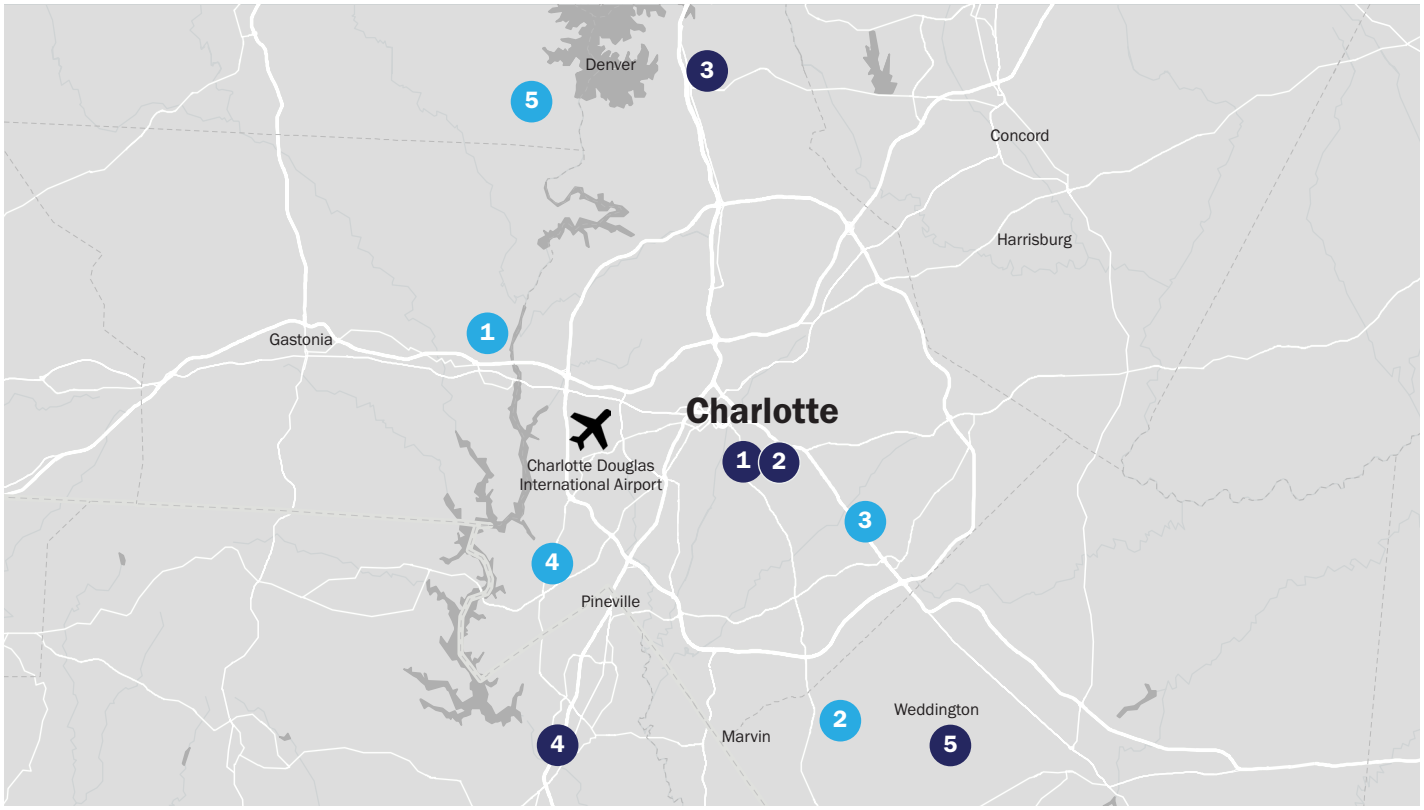
DENVER

13

Ivy Rehab

7505 NC-73

NOTABLE DEVELOPMENTS



HEALTH SYSTEMS

1 **Atrium Health CMC**
Status: Under construction, scheduled to open Spring 2027
SF: 1,160,000 SF
Cost: $900+ million

2 **The Pearl Innovation District**
Status: Delivered — officially opened June 2025
SF: 723,000 SF total (393,000 SF academic building + 330,000 SF research facility)
Cost: Part of the $1.5B overall Pearl development

3 **Atrium Health Lake Norman - Hospital + MOB**
Status: Delivered — hospital opened July 1, 2025; medical office building completed August 15, 2025
SF: 237,291 SF total (170,601 SF hospital + 66,690 SF MOB)
Cost: $255 million

4 **Atrium Health Fort Mill - Hospital + MOB**
Status: Under construction — site preparation beginning 2026, expected completion mid-2029
SF: 273,000 SF total (200,000 SF hospital + 73,000 SF MOB)
Cost: $450 million

5 **Novant Health Wesley Chapel Hospital - Union County**
Status: Conditionally approved March 2026 — permitting and design underway
SF: Not yet disclosed
Cost: $346 million

MEDICAL OFFICE

1 **246 Beatty Dr, Belmont, NC**
Status: Completed 2025
Size: 10,358 SF

2 **6470 Weddington Road, Waxhaw, NC**
Status: Estimated Completion Date – September 2026
Size: 12,600 SF

3 **1640 Matthews Township Pky, Charlotte, NC**
Status: Est Delivery Date of September 2026 – 100% Preleased
Size: Roughly 50,000 SF

4 **13515 Steele Creek Rd, Charlotte, NC**
Status: Completed 2025
Size: 33,500 SF

5 **7521 Eastern Medical Dr, Denver, NC**
Status: Est Delivery Date of May 2026
Size: 8,700 SF
Currently available for lease for $32/ SF NNN

NOTABLE SALE TRANSACTIONS

6324 Fairview Rd, Charlotte, NC
Azalea Building
Sale Date: Mar-26
Sale Price: $59,500,000 ($391/ SF)
Size: 151,993 SF
Anchor Tenant: Novant Health – 110,000 SF (75% of RBA)
Clinical services at the site include imaging, family medicine, women's health, senior health, memory care, pediatrics, urogynecology, and rheumatology.
Buyer/ Seller: Anchor Health Properties/ The Harris Land Company

9720 S Tryon St, Charlotte, NC
Arrowwood Medical Center
Sale Date: Aug-25
Sale Price: $3,730,000 ($363/ SF)
Size: 10,272 SF
Cap Rate: 7.85%
Anchor Tenant: 100% Leased to ABS Kids and Sam Kleitches Dentistry with a WALT of 6.10 years.
Buyer/ Seller: Destiny Management Group/ Warren Norman Company

17220 Northcross Dr, Huntersville, NC
Presbyterian Medical Plaza
Sale Date: Aug-25
Sale Price: $7,256,000 ($278/ SF)
Size: 26,1100 SF
Anchor Tenant: Novant Health
Buyer/ Seller: Terravet Real Estate Solutions/ Flagship Healthcare Properties

810 Mitchell Ave, Salisbury, NC
Novant Health Orthopedics & Sports Medicine
Sale Date: Dec-25
Sale Price: $4,550,000 ($328/ SF)
Size: 13,864 SF
Cap Rate: 7.57%
Anchor Tenant: 100% Leased to Novant Health featuring 2.5% annual rent escalations and two 5-year renewal options
Buyer/ Seller: Chesapeake Containment Systems/ Romedical Care

The first half of 2026 reinforced a market driven by disciplined growth and long-term demand.

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