

Charlotte, North Carolina: Industrial Market Keeps On

By Dan Marcec

3D SYSTEMS CORPORATION'S HEADQUARTERS CONTINUES TO ATTRACT BUSINESS TO ROCK HILL

When 3D System Corporation relocated its headquarters to Rock Hill, South Carolina, the city knew it would benefit from the new jobs the company would bring to the area with its move. More than a year later, 3D System Corporation is still helping the city's economy by drawing new companies to the area as well.

"When corporations look at areas to consider moving, they tend to look where other successful companies are located, and as a leading provider of solid imaging solutions, 3D Systems has the clout to attract other major corporations to this area," says Brian Hoffman, managing principal for Matrix Real Estate Services, the company in charge of the program management services, design and construction for 3D System's headquarters project.

Situated directly adjacent to the Waterford Golf Club at 333 Three D Systems Circle, 3D Systems Corporation's 80,000-square-foot, \$8.5 million headquarters office was completed in November 2006, but the property is expandable from the current 80,000-square-foot structure if needed. Amenities on the property include various high-tech research and development laboratories, and the 18,000-square-foot Rapid Manufacturing Center (RMC), which houses the company's comprehensive Rapid Prototyping, Rapid Manufacturing and 3-D Modeling portfolio of systems solutions.

Other companies involved in its construction and design included Koll Development, Choate Construction, and Merriman Schmitt Architects.

"By building their headquarters in Rock Hill, 3D Systems has created hundreds of jobs, benefiting the local and state economy and enticing more business and jobs," Hoffman says.



Views of the exterior (top) and interior (bottom) of 3D Systems Corporation's headquarters in Rock Hill, South Carolina.

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Carolinas Commercial Properties recently interviewed Charlotte industrial experts A. Scott Hensley, partner at Piedmont Properties/CORFAC International, and Steve Lowe and Frank Larsen of CB Richard Ellis (CBRE), in order to gauge the state of the current market.

Currently, demand in the industrial market is high for single-tenant industrial buildings, evidenced by the propensity from locally owned companies to find value in owning their own facilities due to tax advantages, appreciation and ability to control future real estate costs. At the same time, second-generation facilities are limited while industrial properties between 10,000 square feet and 50,000 square feet are in popular demand, leading to the development of speculative industrial parks specifically attempting to attract users with these types of specifications.

The vacancy rate for Charlotte's MSA counties was approximately 11 percent at the end of the third quarter 2007, according to Costar. This number shows a slight improvement from the few quarters preceding it. Flex properties stand at a minimally higher vacancy rate of 12 percent, but that number represents a marked improvement over previous years. In fact, as recently as 18 months ago, the flex sector's vacancy was greater than 18 percent.

Lowe and Larsen report that total absorption in the Charlotte industrial market exceeded 2.4 million square feet by the end of the third quarter 2007, supporting the drop in vacancies, which CBRE quotes as 7 percent for Mecklenburg County. "As a result of the positive absorption development is very active," they comment. "There has been more than 1.45 million square feet of development this past