



David Harker

Founder & CEO
Harker LLC

How has Harker been navigating today's environment?

Despite supply chain challenges our projects are still fast moving, and most of the time we can still deliver. Supply chain items that impact that delivery include doors, mechanical and electrical gear. We start each project with a conceptual budget which carries contingencies to cover assumptions and inflation. Once the budget gets hard bid with our trade partners more often than not, we see added price escalation. Now our client must swallow a different looking financial pill and we have to get great creative with value engineering. Once we get over that hurdle, it then becomes a supply chain issue. All parties then have to deal with a high-level of anxiety and frustration navigating impacts to budget and schedule.

We try to clearly set expectations up front, and we try to communicate openly with the issues with which we are dealing. Critical electrical and mechanical components cause significant delays to projects, and our team has to come up with creative solutions to make it work. Adaptive reuse projects usually require new mechanical and electrical infrastructure and those projects have been significantly impacted by supply chain issues and are extremely challenging to complete on time. It is a hard pill for those project teams to swallow. We haven't seen the same challenges in projects involving traditional office buildings as much of the mechanical and electrical already exists.

How is Harker capitalizing on the growth in Charlotte?

We are close with the major brokerage and construction management firms, and they serve as our business developers. We will continue to take great care of them and our mutual clients.

What are the most pressing challenges?

Supply chain is causing significant delays and this needs to change. Uncertainty in the economy and interest rates are certainly affecting decisions, which is resulting in vacancies and a slowdown in opportunities.

Charlotte is one of the hottest cities in the nation. My hope is that the city of Charlotte will be the light that will continue to draw outside opportunities in for all of us. ■



Charlotte's housing market remains steady thanks to robust demand, although longer market times and limited inventory pose challenges.

(...) On average, homes in Charlotte sell after 42 days on the market versus 26 days in 2022. Meanwhile, hot homes can sell 1% above asking price and go pending in 18 days, as per Redfin. Indeed, homes linger on the market longer in 2023, but it's unlikely that Charlotte will record a major price drop considering that inventory remains tight. Rocket Home's data shows that there were 3,702 homes for sale in March 2023, up from 3,371 in February 2023. This represents a 9.8% growth. As for the median sale price per square foot in Charlotte, this has reached to \$225, while the median sold home price was \$396,900.

■ Residential investment

Evidently, the strong job market and the presence of prestigious universities and 12 Fortune 1000 headquarters have transformed Charlotte into a magnet for young professionals. The Charlotte Regional Business Alliance's data shows that there were 1,401 jobs and over \$2.2 billion in capital investment announced in the fourth quarter of 2022. Naturally, job seekers will always pursue relocations to cities that experience robust job markets. Meanwhile, investors will look for safe, low-risk assets in a context of slower economic growth. In other words, both groups will find Charlotte's residential real estate market appealing. Redfin data highlights that investors purchased 32.1% of the