

CHARLESTON OFFICE MARKET REPORT

HOME
TELECOM

concept

Q3 MARKET SNAPSHOT



14,236,829 SF ↑
Inventory



11.1% ↑
Vacancy



\$27.09 FS ↓
Asking Rents



481,525 SF ↓
Construction

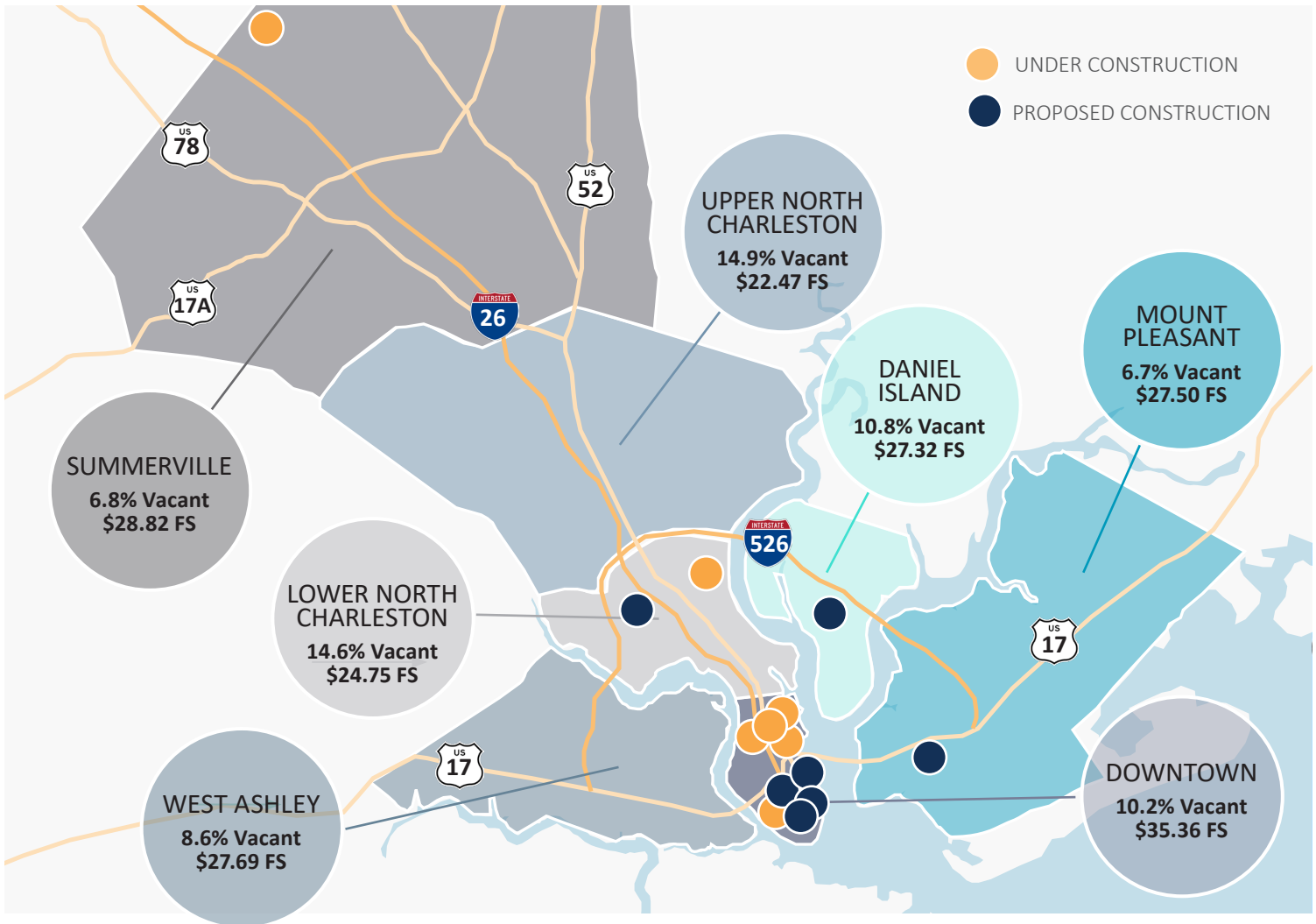


518,369 SF ↑
YTD Deliveries

Q3 HIGHLIGHTS & TRENDS

- POISED FOR FUTURE GROWTH: CHARLESTON'S OFFICE MARKET ENDS Q3 WITH INCREASED TENANT ACTIVITY AND NEW CONSTRUCTION.
- DEMAND FOR OFFICE SPACE INCREASED IN Q3 WITH CONTINUED POPULATION GROWTH AND CORPORATE RELOCATIONS FROM MORE URBAN PARTS OF THE COUNTRY.
- IN RESPONSE TO COVID-19, THE MAJORITY OF COMPANIES HAVE IMPLEMENTED A HYBRID WORK ENVIRONMENT THAT INVOLVES A REDUCED NUMBER OF EMPLOYEES WORKING IN THE OFFICE.
- SOME LARGE OFFICE USERS ARE EXPECTED TO REDUCE FOOTPRINTS THROUGH SUBLEASING AND RESTRUCTURING THEIR REAL ESTATE.

SUBMARKET SUMMARY



SUBMARKET	TOTAL INVENTORY SF	DIRECT VACANT SF	SUBLEASE VACANT SF	TOTAL VACANT SF	WEIGHTED ASKING RENT	VACANCY RATE	UNDER CONSTRUCTION SF	YTD DELIVERIES SF
Downtown/Class A	1,318,228	125,538	46,753	172,291	\$37.45	13.1%	390,479	155,358
TOTAL DOWNTOWN	2,850,337	242,567	51,438	291,950	\$35.36	10.2%	390,479	155,358
Daniel Island	1,693,853	134,158	48,512	182,670	\$27.32	10.8%	-	-
Lower North Charleston	3,019,645	380,104	59,668	439,772	\$24.75	14.6%	45,000	195,000
Mount Pleasant	2,115,930	108,689	32,384	141,073	\$27.50	6.7%	46,046	-
Summerville	975,921	36,604	30,000	66,604	\$28.82	6.8%	-	135,000
Upper North Charleston	2,443,796	350,484	13,065	363,549	\$22.54	14.9%	-	-
West Ashley	1,137,347	96,099	2,237	98,336	\$27.69	8.6%	-	33,011
TOTAL SUBURBAN	11,386,492	1,106,138	185,866	1,292,004	\$24.45	11.35%	91,046	363,011
TOTAL MARKET	14,236,829	1,348,705	237,304	1,583,954	\$27.09	11.1%	481,525	518,369

Bridge tracks buildings 10,000 SF and greater, excluding medical office and user-owned buildings. Bridge uses only internal research within it's Charleston office for it's market research.

Source: Bridge Commercial

NEXTON CONTINUES TO ATTRACT OFFICE TENANTS

NEXTON'S MIX OF AMENITIES CATER TO BUSINESS

- The award-winning, master planned community of Nexton will feature approximately 8,500 residences, 6 million square feet of commercial space, three schools, 2,000 acres of parks and 50 miles of walking trails.
- Located between two interchanges on I-26 at Highway 17A and Nexton Parkway, Nexton is emerging as an office destination. Nexton's wide variety of amenities include restaurants, coffee, daycare, medical services, retail boutiques, and hotels.
- Nexton Square is open and includes a mix of restaurants including Hall's, Taco Boy, Fuji Sushi, Page's Okra Grill, Viscious Biscuit, Dal's, Tropical Smoothie Cafe, Wok n Roll and Bad Daddy's Burgers.
- Additionally, Nexton's well-thought landscaping provides companies and employees a place to collaborate outdoors.

NEXTON PROVIDES A VARIETY OF OFFICE PRODUCT TO SUIT USERS

- Nexton is quickly becoming home to many businesses in Charleston including SCRA, Newland, Laser and Dermatology Center of Charleston, API, Primelending, Edward Jones, River Landing Dentistry, Coastal Fertility Specialists & more.
- Home Telecom Technology Center delivered in Q3 adding 20,000 SF of Class A inventory. Traditional and co-working space available.
- Workplace I and Workplace II @ Nexton, featuring single-story office suites and co-working space is fully leased and sold. Developed by SL Shaw & Associates and totaling more than 38,000 SF.
- Traditional Class A office including Nexton Office Building I and SCRA Headquarters are 95% and 100% leased, respectively.

AMENITIES NOW OPEN AND COMING SOON TO NEXTON

- New amenities recently opened in Nexton include Refuel, Sigma Drive Self Storage, Cambria and Hilton Garden Inn.
- Baker Automotive is under construction delivering in 2021.
- MUSC plans to build a 128-bed hospital and 200,000 SF of medical office opening 2023.
- A couple multifamily projects are underway including Park Village, which is planned and will feature 676 units, and Spectrum, developing a 345 units adjacent to Home Telecom.

NEXTON DELIVERS, BREAKS GROUND ON NEW OFFICE PROJECTS



WORKPLACE I @NEXTON

- 25,000 SF between 6 stand-alone buildings
- Fully leased and sold
- Mix of medical tenants and general office users
- Developed by SL Shaw & Associates, Inc.



WORKPLACE II @NEXTON

- Single building consisting of 13,748 SF
- Fully pre-leased
- Two medical tenants
- Developed by SL Shaw & Associates, Inc.



HOME TELECOM TECHNOLOGY CENTER

- 20,000 SF Class A office building
- Delivered Q3 2020
- Entire 2nd floor offers furnished co-working space available November 2020
- Ground floor office suites available for build-to-suit

NEXTON'S FRONT STREET DISTRICT



OPEN

- RESIDENCE INN
- STARBUCKS
- CAROLINA ALE HOUSE
- HILTON GARDEN INN
- CAMBRIA HOTEL
- SIGMA DRIVE SELF STORAGE
- NEXTON SQUARE
- CPM FEDERAL CREDIT UNION
- COASTAL FERTILITY SPECIALISTS
- PALMETTO PRIMARY CARE PHYSICIANS
- PAGE'S OKRA GRILL
- REFUEL GAS
- EDWARD JONES
- PRIMELENDING

COMING SOON

- SPECTRUM MULTIFAMILY DEVELOPMENT
- BAKER AUTOMOTIVE
- HYATT HOTEL
- MUSC HOSPITAL
- RAISING THE BAR
- ABOVE IT ALL
- RIVER LANDING DENTISTRY

NEXTON SQUARE TENANTS



AZALEA SQUARE TENANTS



OFFICE OPPORTUNITIES



THE LANDING
Daniel Island
35,601 SF Available

- Recently renovated Class A office building
- 6.5/1,000 SF parking ratio
- Outdoor collaborative work-spaces
- Delivering spec suites on the 3rd floor in Q4 2020



NEXTON
Summerville
17,170 SF Available

- Two first floor suites available
- Amenity-rich location
- Abundant parking
- Easy access to I-26



ALBEMARLE POINT CENTER
West Ashley
14,651 SF Available

- Superior location
- Quick access to downtown Charleston
- Free on-site parking



25 CALHOUN
Downtown
3,328 SF Available

- Class A office building
- On-site parking
- On-site parking
- Views of Charleston harbor

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