

CHARLESTON OFFICE MARKET REPORT

Q3 MARKET SNAPSHOT



14,735,655 SF ↑
Inventory



13.4% ↓
Vacancy



\$27.12 FS ↑
Asking Rents



562,645 SF ↓
Construction

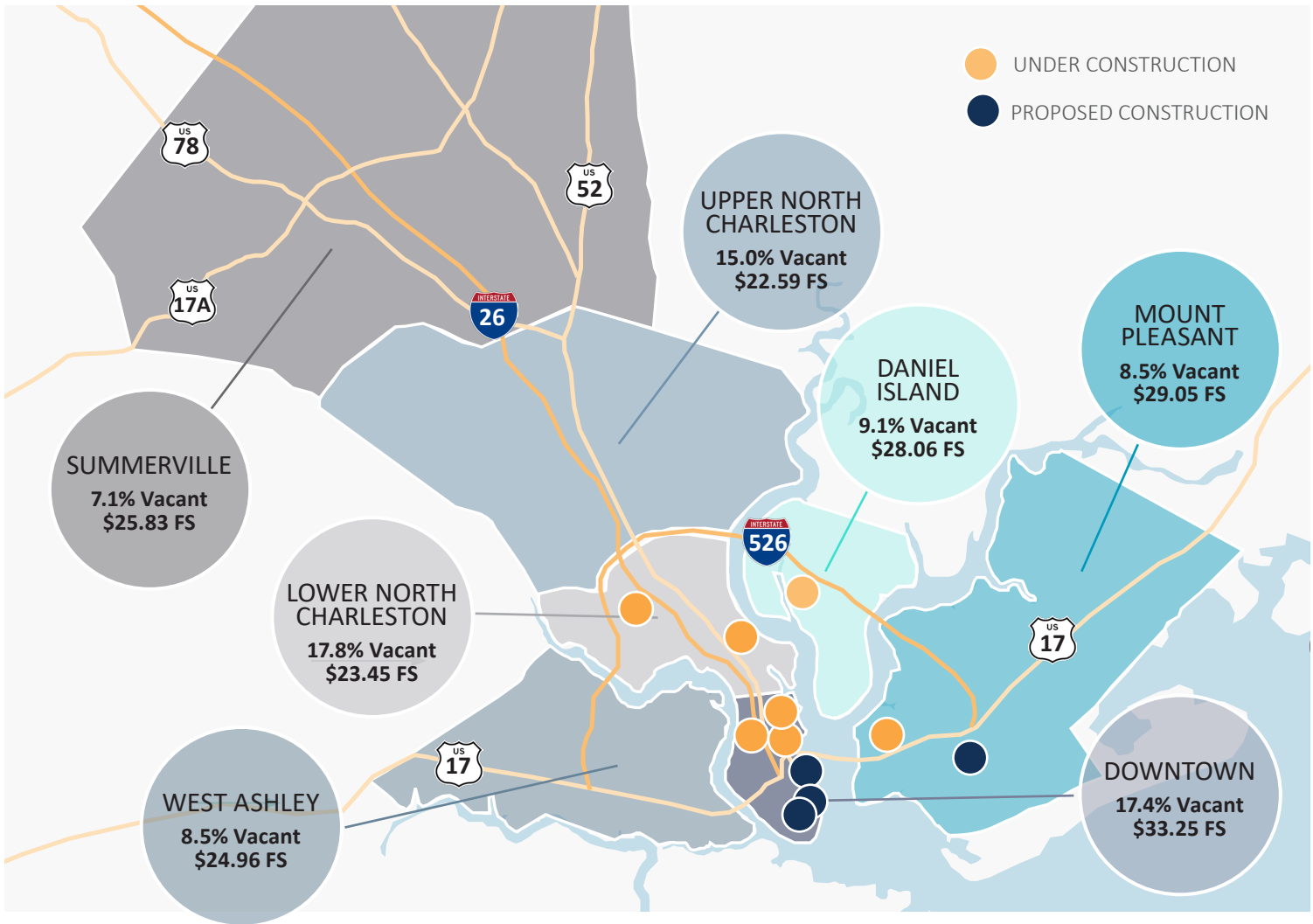


375,729 SF ↓
YTD Deliveries

Q3 HIGHLIGHTS & TRENDS

- THE CHARLESTON REGION CONTINUES ON A RESILIENT PATH WITH LOW UNEMPLOYMENT AS CORPORATE AMERICA RETURNS TO THE OFFICE.
- OFFICE LEASING AND SALES ACTIVITY HAVE BEEN CONSISTENT ALL YEAR; Q3 PROVED TO BE THE BUSIEST QUARTER TO DATE WITH POSITIVE ABSORPTION AND STRONG ACTIVITY.
- CHARLESTON WILL CONTINUE TO ATTRACT COMPANIES AND TALENT TO THE REGION GIVEN IT'S HIGH QUALITY OF LIFE, LOW COST OF LIVING, FAVORABLE BUSINESS ENVIRONMENT, AND LOWER RENTS.
- EXCITING NEW OFFICE PROJECTS IN DOWNTOWN AND SUMMERVILLE ARE BEING INTRODUCED TO THE MARKET.

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	1,990,682	389,762	35,250	425,012	\$35.59	21.4%	306,457	242,899
TOTAL DOWNTOWN	3,248,236	530,121	35,250	565,371	\$33.25	17.4%	306,457	242,899
Daniel Island	1,647,942	101,326	48,047	149,373	\$28.06	9.1%	184,000	19,840
Lower North Charleston	3,058,820	482,771	61,263	544,034	\$23.45	17.8%	35,788	45,000
Upper North Charleston	2,443,796	353,090	14,519	367,609	\$22.59	15.0%	-	-
Mount Pleasant	2,199,276	157,768	28,675	186,443	\$29.05	8.5%	36,400	67,990
Summerville	990,238	45,504	25,000	70,504	\$25.83	7.1%	-	-
West Ashley	1,147,347	95,458	1,600	97,058	\$24.96	8.5%	-	-
TOTAL SUBURBAN	11,487,419	1,235,917	179,104	1,415,021	\$24.32	12.3%	256,188	112,990
TOTAL MARKET	14,735,655	1,766,038	214,354	1,980,392	\$27.12	13.4%	562,645	375,729

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

Source: Bridge Commercial

POSITIVE ACTIVITY ACROSS ALL SUBMARKETS IN CHARLESTON

Q3 RECAP

- Companies are migrating with investors and employees to the Charleston region.
- Investors during the pandemic have trended toward investing in smaller markets in effort to achieve greater returns.
- Overall vacancy has decreased from 15.4% in Q2 to 13.4% at the end of Q3 and overall rents have increased across all the submarkets.
- Sublease vacancy has significantly decreased the past two quarters by large corporations reoccupying space.
- Demand is accelerating in Charleston with several new developments proposed and under construction in multiple submarkets.
- There is approximately 562,645 SF of office product currently under construction; 306,457 SF downtown and 256,188 SF in suburban markets.

SUBURBAN ACTIVITY ON THE RISE

- Albemarle Point Center in West Ashley and The Landing on Daniel Island are now 90% leased with 7,000 SF and 14,000 SF remaining, respectively.
- The Landing has had five new leases signed in Q3. There is approximately 14,841 SF remaining for lease.
- Near Park Circle, the construction of the Ice House is anticipated to be complete Q1 2022 and has three tenants committed. The project is to refurbish an old ice distribution building into office and retail use. The first phase consists of 22,000 SF.
- 302 Wingo Way in Mount Pleasant is expected to deliver Q4 2021. The 36,400 SF Class A building offers several amenities.
- TELUS International announced plans to establish operations in Charleston County and leased approximately 80,000 SF at the former Comcast Center in North Charleston. The \$3.4 million investment will create 1,200 jobs by 2022.
- Serendipity Labs broke ground on their 28,000 SF building in Nexton and is expected to be completed in summer 2022.

THE HUB AT NEXTON

- The newest large office project in Summerville, The Hub at Nexton, offers office, retail and medical space.
- Four tenants have preleased space totaling approximately 35,000 SF.
- Construction is underway and consists of five 1-story and 2-story standalone buildings totaling 88,000 SF.
- Nexton's successful growth positions the development as the region's third major job center.



THE LANDING

The Landing, a 88,860 SF office building is approximately 90% occupied.



ALBEMARLE POINT CENTER

The Landing, a 88,860 SF office building is approximately 90% occupied.



THE HUB AT NEXTON

The Landing, a 88,860 SF office building is approximately 90% occupied.



TELUS

Telus leases 80,000 SF of space at 3450 Ingleside Boulevard in Ladson.

**Photo courtesy of SC Biz News*

OFFICE OPPORTUNITIES



OPPORTUNITY CENTER
North Charleston
9,410 SF Available



HUB@NEXTON
Summerville
30,000 SF Available



THE LANDING
Daniel Island
14,841 SF Available



ALBEMARLE POINT CENTER
West Ashley
7,067 SF Available



FABER POINTE
North Charleston
34,816 SF Available



2284 CLEMENTS FERRY RD
Mount Pleasant
14,000 SF Available



2011 BROADBANK COURT
Ridgeville
25,345 SF Available



1671 BELLE ISLE AVENUE
Mount Pleasant
8,582 SF Available

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