

# CHARLESTON OFFICE MARKET REPORT



**ATELIER**  
DOWNTOWN NEXTON

## Q4 MARKET SNAPSHOT



**15,095,570 SF** ↑  
Inventory



**11.6%** ↔  
Vacancy



**\$28.50 SF** ↑  
Asking Rents



**354,473 SF** ↑  
Construction



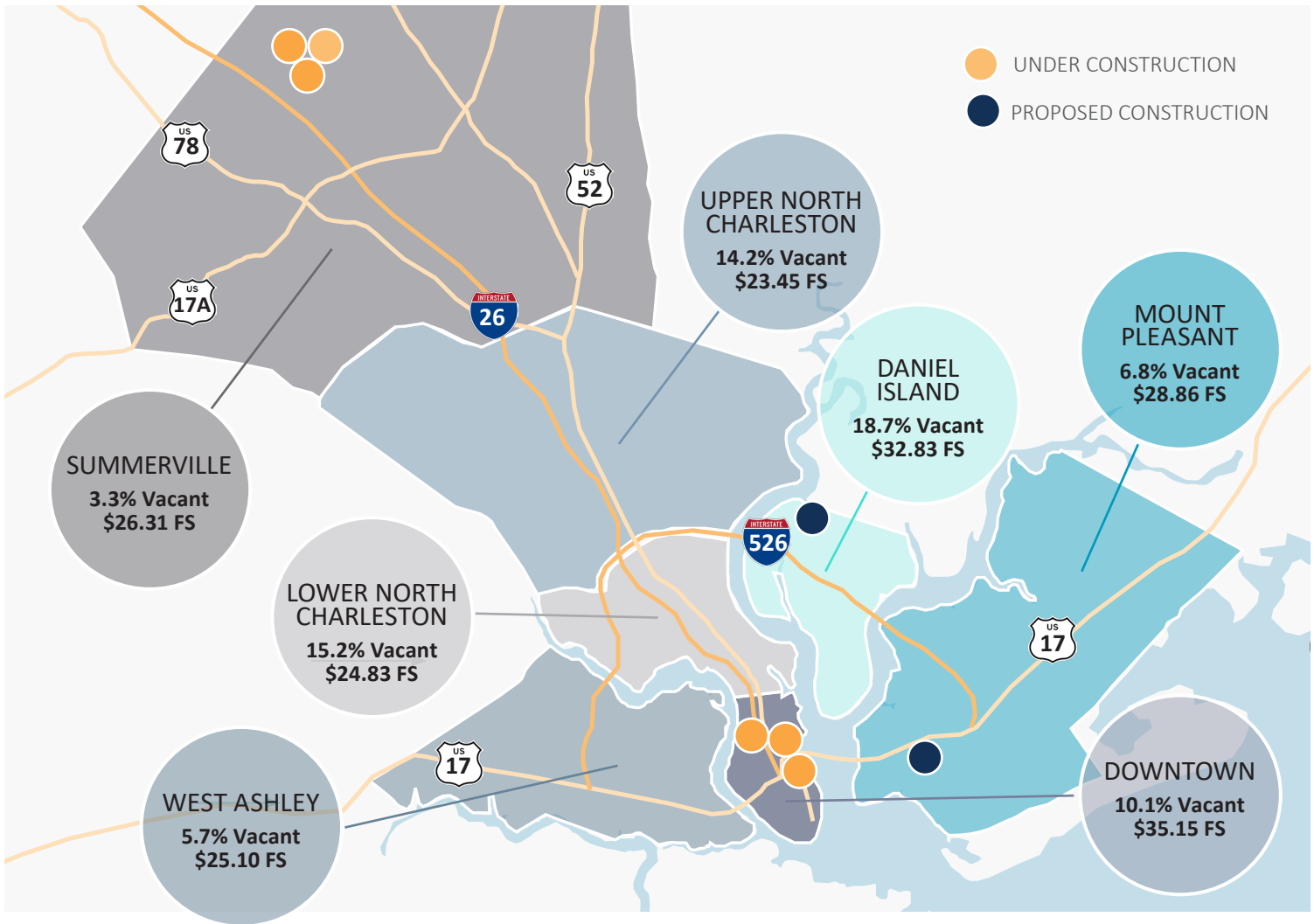
**295,673 SF** ↑  
YTD Deliveries

## Q4 HIGHLIGHTS & TRENDS

- THE OFFICE MARKET HAS STABILIZED TO NORMAL OR PRE-COVID LEVELS.
- 2022 SAW A CONSIDERABLE AMOUNT OF NEW LEASES SIGNED FROM LOGISTICS, FINANCE, LAW AND TECHNOLOGY COMPANIES.
- OVERALL ABSORPTION AND VACANCY RATES CONTINUE TO MOVE IN THE RIGHT DIRECTION.
- NEW SPECULATIVE OFFICE DELIVERIES IN DOWNTOWN CHARLESTON ARE PERFORMING WELL.
- CHARLESTON'S OFFICE MARKET PLANS FOR THE NEXT WAVE OF OFFICE DEVELOPMENT.



## 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	1,992,167	223,399	5,767	229,166	\$37.77	11.5%	276,472	29,985
<b>TOTAL DOWNTOWN</b>	<b>3,278,221</b>	<b>325,329</b>	<b>5,767</b>	<b>331,096</b>	<b>\$35.15</b>	<b>10.1%</b>	<b>276,472</b>	<b>29,985</b>
Daniel Island	1,878,736	229,975	122,178	352,153	\$32.83	18.7%	-	190,000
Lower North Charleston	3,098,108	397,668	72,631	470,299	\$24.83	15.2%	-	39,288
Upper North Charleston	2,466,018	329,095	21,259	350,354	\$23.45	14.2%	-	-
Mount Pleasant	2,235,676	118,188	33,108	151,296	\$28.86	6.8%	-	36,400
Summerville	979,027	29,933	2,375	32,308	\$26.31	3.3%	78,000	-
West Ashley	1,159,784	621,345	4,295	65,640	\$25.10	5.7%	-	-
<b>TOTAL SUBURBAN</b>	<b>11,817,349</b>	<b>1,166,204</b>	<b>255,846</b>	<b>1,422,050</b>	<b>\$26.52</b>	<b>12.0%</b>	<b>78,000</b>	<b>75,688</b>
<b>TOTAL MARKET</b>	<b>15,095,570</b>	<b>1,491,533</b>	<b>261,613</b>	<b>1,753,146</b>	<b>\$28.50</b>	<b>11.6%</b>	<b>354,472</b>	<b>295,673</b>

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

## CHARLESTON'S OFFICE MARKET EXPERIENCES GROWTH IN 2022

### 2022 RECAP

- Charleston's vacancy rates trended downward throughout 2022. The office market has seen a considerable need for office space considering the "remote" work trend in addition to Charleston's growth as a logistics hub.
- The average size of lease transactions has increased since Covid with many companies securing space in the 10,000 - 30,000 SF range.
- Overall absorption has been positive in 2022 giving developers relief and confidence in the Charleston market.
- Speculative development in downtown Charleston is getting leased. Demand coupled with the low cost of construction financing gave suitable time to find tenants.
- Charleston anticipates the next wave of new development in 2025-2026. Factors that developers need to take in consideration to be successful include rising construction costs, increased finance costs and longer entitlement processes and future tax increases.
- New office projects coming to Nexton include Atelier Downtown Nexton and Dayfield Park, adding 175,000 SF and 115,000 SF, respectively.
- An additional 350,000 SF of office space is expected to deliver over the next few months with approximately more than half pre-leased.

### 2022 NOTABLE LEASE TRANSACTIONS

TENANT	PROPERTY	SF
TQL	2000 Daniel Island Drive	41,000
Industrious	677 King Street	34,000
Amazon	1940 Algonquin Road	33,000
Jear Logistics	100 Benefitfocus Way	32,500
Hudson Auto	2000 Daniel Island Drive	25,000
Refuel	4105 Faber Place Drive	18,561
Thrive OC	174 Meeting Street	14,500
180 Place	3875 Faber Place Drive	10,849
Maxim Staffing	65 Fairchild Street	10,654
Stanley Martin Homes	774 S. Shelmore Boulevard	9,537

## ANTICIPATED 2023 DELIVERIES SEE PRE-LEASING SUCCESS



**MORRISON YARD**  
Q1 2023 DELIVERY

•Photo courtesy of The Keith Corporation



**THE HUB @ NEXTON BUILDING 2**  
Q4 2023 DELIVERY



**651 MEETING STREET**  
Q1 2023 DELIVERY

•Photo courtesy of Cushman & Wakefield



**THE ICEHOUSE**  
2023 DELIVERY

## OFFICE OPPORTUNITIES



**THE HUB @NEXTON BUILDING 2**  
Summerville  
50,000 SF Available



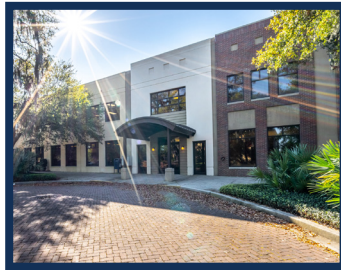
**ATELIER**  
Summerville  
36,000 SF Available (Phase I)



**FABER CROSSING**  
North Charleston  
10,000 SF Available



**FABER POINTE**  
North Charleston  
24,988 SF Available



**OAKS AT CENTRE POINTE**  
North Charleston  
6,960 SF Available



**DAYFIELD PARK @ NEXTON**  
Summerville  
34,000 SF Available (Phase I)



**4360 CORPORATE ROAD**  
North Charleston  
38,834 SF Available



**134 MEETING STREET**  
Downtown  
4,500 SF Available

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Bridge Commercial uses only internal research within its Charleston office for its market data.

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