

MARKETBEAT COLUMBIA, SC

Office Q2 2021



YoY
Chg

12-Mo.
Forecast

10.1%

Vacancy Rate



-314.5K

Net Absorption, SF



\$19.19

Asking Rent, PSF



(Overall, All Property Classes)

ECONOMIC INDICATORS Q2 2021

YoY
Chg

12-Mo.
Forecast

389.5K

Columbia
Employment



4.5%

Columbia
Unemployment Rate



5.9%

U.S.
Unemployment Rate



Source: BLS, Moody's Analytics

ECONOMY: Normalcy on the Horizon

Much of Columbia has been back in the office for several months now with no major downturns or outbreaks. The locally owned companies, as well as State Government have proven that vaccines work and it is safe to return to the office. National companies are beginning to follow suit, and we expect all leased premises will be back to normal occupancy levels by the end of the Summer. Companies have also become more flexible in their policies related to time in the office as last year has proven that many employees are just as productive, yet much more happy in their job, when given the ability to work remotely. We are also seeing much more collaboration between employees when they are in the office and expect that the end product produced by these employees will be more creative, targeted, and thoughtful than in years past.

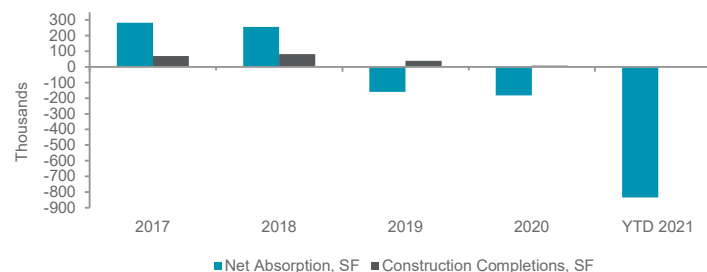
SUPPLY and DEMAND: More Vacancy, but Options Still Limited

While net absorption continues a negative trend, the options for tenants remain limited. Quality space is difficult to find, and the same vacancies are often seen on surveys for multiple tenant prospects. With some tenants giving back just a portion of their leased premises, it can still be a struggle to find the 5,000-7,000 rentable square footage (RSF) "sweet spot" that has been the bread and butter of the Columbia office market. Smaller Tenants have more options available from these downsizings, but the average sized tenant still struggles to find new space and, more often than not, ends up renewing in place.

PRICING: Rates Hold Firm

Columbia remains a landlord's market. New leases can rarely see terms less than 60 months, and those landlords that do agree to shorter terms are able to push their rates even higher. With the construction of WestLawn in the Bull Street District, the average asking rate will continue to rise, especially in the Central Business District. This will also allow existing product landlords to continue to push the envelope by slowly raising their advertised asking rates. Vacancy levels have not reached the point of causing landlords to compete and offer extra concessions in order to win prospective tenants.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Cayce & West Columbia	2,614,714	2,158	159,818	6.2%	5,920	10,731	31,571	0	\$20.25	\$20.63
Columbia CBD	9,043,446	59,580	758,718	9.0%	-54,771	-218,195	88,452	0	\$22.36	\$22.94
Dutch Fork & Irmo	1,056,263	0	16,100	1.5%	3,550	5,059	0	0	\$20.00	N/A
Forest Acres	1,868,774	2,287	288,015	15.5%	-663	6,493	19,257	0	\$15.95	N/A
Lexington	1,131,471	0	23,602	2.1%	8,558	23,990	4,215	0	\$14.40	N/A
Northeast Columbia	6,271,835	35,035	1,112,790	18.3%	-311,029	-694,160	34,174	91,492	\$17.78	\$18.96
Southeast Columbia	1,715,000	0	22,754	1.3%	43,116	21,696	24,328	0	\$16.58	N/A
St Andrews	4,644,795	6,498	365,442	8.0%	-9,212	9,986	92,956	0	\$17.58	\$20.44
MARKET TOTALS	28,346,298	105,558	2,747,239	10.1%	-314,531	-834,400	294,953	91,492	\$19.19	\$21.16

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
636 Rosewood Drive	Southeast Columbia	Unknown	16,465	New Lease
2250 Bull Street	Northeast (North) Columbia	Robinson Gray Stepp Laffitte	11,646	New Lease
300 Arbor Lake Drive	Northeast Columbia	SC DHHS	11,270	New Lease
1441 Main Street	Columbia CBD	Core Logic	9,955	Sublease
1600 Williams Street	Columbia CBD	TMC Transportation	8,471	New Lease

KEY SALES TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
7732 Garners Ferry Road	Southeast Columbia	Dominion Energy / ST6C 0709, LLC	16,088	\$1M / \$62.16
3250 Harden Street Ext	Northeast (North) Columbia	Kocher Eye Center / Tarvi LLC	9,314	\$2M/ \$214.73
1130 Atlas Road	Southeast Columbia	Columbia Presbyterian Church / ECHB, LLC	5,000	\$960K / \$138.00

KEY METRICS YOY COMPARISON

QUARTER	INVENTORY	OVERALL VACANCY	FULL SERVICE ASKING RENTS	OVERALL NET ABSORPTION	NEW LEASING ACTIVITY (SF)	COMPLETIONS	UNDER CONSTRUCTION
Q2 2020	28,346,298	6.6%	\$18.26	-178,285	221,947	0	78,500
Q2 2021	28,346,298	10.1%	\$19.16	-314,531	103,936	0	91,492

BRIAN YOUNG, CCIM SIOR

Senior Vice President, Managing Broker

+1 864 370 8087 / brian.young@thalhimer.comwww.thalhimer.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 50,000 employees in 400 offices and 60 countries. In 2020, the firm had revenue of \$7.8 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.

©2021 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.