

MARKETBEAT COLUMBIA, SC

Office Q3 2021



CUSHMAN &
WAKEFIELD

10.5%

Vacancy Rate

YoY
Chg



12-Mo.
Forecast



-191K

Net Absorption, SF



\$19.43

Asking Rent, PSF



(Overall, All Property Classes)

ECONOMIC INDICATORS Q3 2021

390.8K

Columbia Employment

YoY
Chg



12-Mo.
Forecast



4.0%

Columbia
Unemployment Rate



5.2%

U.S.
Unemployment Rate



Source: BLS

ECONOMY: Employment Continues to Rise

After several months of a widespread return to office, the Columbia economy continued to boast improvements. The unemployment rate continued to decrease toward pre-COVID-19 levels, falling to 4.0%--substantially lower than the U.S. average rate. Over the past year, employment rose by 5,900, driving the total workforce to 390,800 jobs.

SUPPLY AND DEMAND: Vacancy Rises as Leasing Diminishes

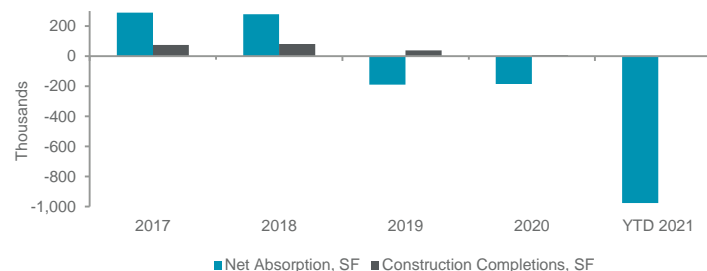
Vacancy rose slightly this quarter, climbing 50 basis points (bps) during Q3 to 10.5%. While the suburbs remained largely stable, an influx of vacancies within the Central Business District (CBD) drove this submarket's Class A vacancy rate to 15.0%, a 370-bps rise quarter-over-quarter. At 1441 Main Street, nearly 88,000 square feet (sf) of space came to market. New supply across Columbia outpaced demand for the third consecutive quarter, driving net absorption into the red with more than 975,000 sf of net losses in 2021 year-to-date (YTD). Despite the tempered performance in Q3, several large tenants are actively touring the market which could lead to stronger absorption through the final months of the year and into 2022.

Leasing activity slowed during Q3 with 96,265 sf of new transactions signed. This marks the first quarter since 2018 in which Columbia demand did not approach 200,000 sf. The largest leases of the quarter each occurred within the St. Andrews submarket; most significantly, Palmetto Infusions Services signed for 22,229 sf at 2000 Center Point Rd. Since the start of the year, 617,875 sf of new and renewal lease transactions have been signed across Metro Columbia. Columbia CBD and St. Andrews each recorded more than 200,000 sf of leasing activity in 2021 YTD.

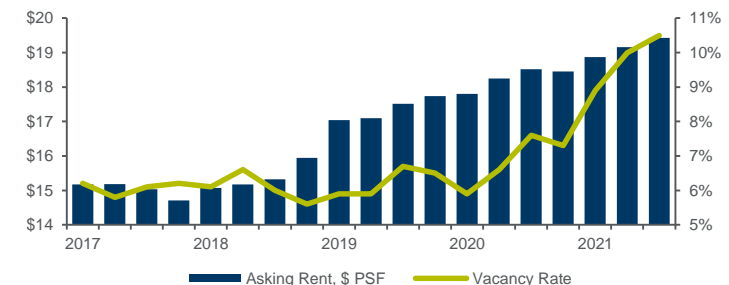
PRICING: Asking Rents Uptick Continues

Despite the rise in vacancy, the average asking rent continued to climb, rising to a historical high of \$19.43 per square foot (psf). After recording an uptick for three quarters in a row, the average rent is currently up 4.9% from one year ago. Landlords are still holding firm with limited concessions in order to hold asking rents steady and continue to provide aggressive tenant improvement allowances.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



COLUMBIA, SC

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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)*
Columbia CBD	9,046,309	94,334	819,141	10.1%	-121,074	-322,754	223,679	0	\$22.48	\$23.13
Cayce & West Columbia	2,614,714	2,158	151,323	5.9%	11,084	25,860	37,621	78,500	\$20.26	\$20.55
Dutch Forks & Irmo	1,058,279	1,200	11,150	1.2%	3,750	8,809	0	11,215	\$27.50	N/A
Forest Acres	1,875,719	2,287	285,709	15.4%	-3,786	60	34,140	0	\$15.73	N/A
Lexington	1,116,071	0	24,569	2.2%	-967	23,032	0	0	N/A	N/A
Northeast Columbia	6,222,913	21,295	1,145,675	18.8%	-19,447	-710,752	78,309	170,492	\$17.99	\$19.55
Southeast Columbia	1,723,000	0	36,624	2.1%	-10,852	11,154	36,283	0	\$15.81	N/A
St. Andrews	4,645,264	28,349	344,433	8.0%	-49,832	-10,855	203,628	0	\$18.06	\$20.60
TOTAL MARKET	28,302,269	149,623	2,818,624	10.5%	-191,124	-975,455	617,875	260,207	\$19.43	\$22.00

*Rental rates reflect full service asking

**Not reflective of U.S. Office MarketBeat Tables

KEY LEASE TRANSACTIONS Q3 2021

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
2000 Center Point Rd.	St. Andrews	Palmetto Infusions Services	22,229	New Lease
250 Berryhill Rd.	St. Andrews	ECPI University	20,000	Renewal
107 Westpark Blvd.	St. Andrews	Helena Agri-Enterprises	16,002	New Lease
140 Stoneridge Dr.	St. Andrews	Parrish & Partners	12,875	Renewal
201 Executive Center Dr.	St. Andrews	Navitas Credit Corp.	11,337	Renewal

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q3 2021

PROPERTY	SUBMARKET	SELLER BUYER	SF	PRICE \$ PSF
700 Huger Street	Columbia CBD	Huger Street Assoc. Smoky Properties	55,366	\$1.9M \$187
1219 Assembly Street	Columbia CBD	GH Bell Family Limited Partnership Boring Building LLC	11,973	\$2.5M \$209
124 Sunset Court	Cayce & West Columbia	J&L MOB LLC Mark Medical Search LLC	10,644	\$2.8M \$265
7920 Trenholm Road	Northeast	CRC Properties LLC Bethel Holdings LLC	6,300	\$2.1M \$334
4574 Sunset Boulevard	Cayce & West Columbia	Ligon Inc Sungold Company LLC	5,600	\$1.3M \$237

BRIAN J. YOUNG, CCIM, SIOR

Senior Director, Managing Broker

+1 864 370 8087 / brian.j.young@cushwake.com

CHRISTA DILALO

Director of Research, Southeast

+1 404 853 5231 / christa.dilalo@cushwake.comcushmanwakefield.com

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