

**9.5%**

Vacancy Rate

YoY
Chg12-Mo.
Forecast**-280.3 K**

Net Abs. YTD, SF

**\$19.08**

Asking Rent, PSF



(Overall, All Property Classes)

**ECONOMIC INDICATORS
Q2 2022****399.2 K**Columbia
EmploymentYoY
Chg12-Mo.
Forecast**3.1%**Columbia
Unemployment Rate**3.6%**U.S.
Unemployment Rate

Source: BLS

ECONOMY

The Columbia office market felt little impact during the COVID-19 pandemic. Columbia's total employment continued to grow with the largest nonfarm labor force employment gains in Financial Activities, increasing 7.7% year-over-year (YOY) and Information Services, increasing 6.0% YOY. Unemployment has dropped to 3.1%, a 70 basis point (bp) change YOY and 50 bps lower than the national average. Since the beginning of the pandemic in Q2 of 2020, the average hourly earnings for all employees in private industry in the Columbia MSA has risen to \$26.59, a 7.0% increase.

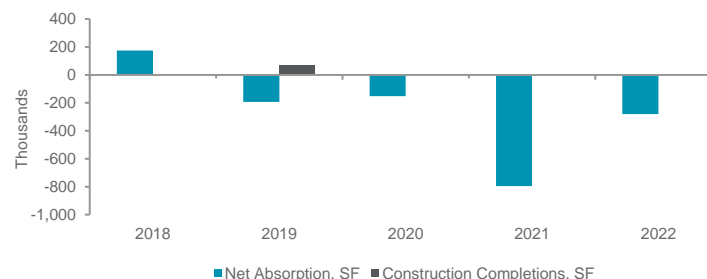
SUPPLY and DEMAND

Columbia's vacancies peaked in Q4 of 2021 at 11.2% overall and has stayed steady in 2022. Direct vacancy reported as 8.1%, with major contiguous availabilities of 146,483 square feet (sf) at 565 Spears Creek Church Rd in the Northeast submarket and 102,608 sf at 400 Otarre Pky in the Cayce/West Columbia submarket. Similar to national trends, the market is seeing an uptick in sublease vacancy rates, with the Columbia CBD being the largest submarket of sublet space with 224,077 sf. This offers potential tenants the opportunity for Class A office space in the Columbia CBD while current tenants can look to reevaluate their options for space. New Class A space is expected to deliver soon at 2250 Bull St in the Columbia CBD. The 91k sf mixed use building will be in the BullStreet District, an 180-acre urban city-center development.

Columbia leasing steadily rose quarter-over-quarter (QOQ), with total new leasing of 159,171 sf year-to-date (YTD). The Columbia CBD dominates new leasing with a 59.6% market share. Renewals represent a smaller percent of the market with only 38,818 sf of activity. As tenants start to move into their leased spaces, expect positive absorption to close out the year.

PRICING

Asking rents remain steady at \$19.08 per square feet (psf) for both the direct and overall rate. The highest rates in the Columbia market remain in the CBD where direct rates for Class A office space are \$22.11 psf. Columbia's suburban markets continue to lag with their direct asking rate reporting in at \$17.93 psf. If sublease vacancy persists, rents could continue to stay steady as those rates drag on the overall rental rates.

SPACE DEMAND / DELIVERIES**OVERALL VACANCY & ASKING RENT**

Columbia, SC

Office Q2 2022



CUSHMAN & WAKEFIELD

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CONSTRUCTION (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Columbia CBD	8,083,595	224,077	547,983	9.6%	-13,091	-163,183	94,456	91,492	\$21.27	\$22.07
Cayce/West Columbia	1,949,648	0	116,575	6.0%	-3,830	-1,760	4,140	0	\$20.66	-
Chapin/Irmo	437,419	0	4,971	1.1%	0	5,895	5,895	0	N/A	-
Forest Acres	1,265,956	0	144,898	11.5%	-3,086	-5,763	18,152	0	\$16.19	-
Lexington	670,827	0	11,289	1.7%	0	-220	602	0	\$30.87	-
Northeast Columbia	4,632,142	48,236	646,980	15.0%	4,044	-62,513	14,719	0	\$17.24	\$20.12
South Columbia	1,298,342	0	16,467	1.3%	-168	-168	0	0	\$19.57	-
St. Andrews	4,030,877	31,344	323,813	8.8%	-11,145	-52,600	21,207	0	\$18.74	\$20.65
MARKET TOTALS**	22,368,806	303,657	1,812,976	9.5%	-27,276	-280,312	159,171	91,492	\$19.08	\$21.53

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS YTD 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
Capitol Center	Columbia CBD	GMK Associates	23,203	Renewal
Vista Business Center	Columbia CBD	Undisclosed	16,125	New Lease
1501 Main St	Columbia CBD	Undisclosed	14,634	New Lease
1303 Blanding St	Columbia CBD	Whetstone Law Firm	11,910	New Lease
7464 Woodrow St	Chapin/Irmo	McGuinn Homes	5,895	New Lease

KEY PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	OWNER/DEVELOPER	SF	TYPE
2250 Bull St	Columbia CBD	Hughes Development	91,492	Speculative

KEY METRIC YOY COMPARISON

QUARTER	INVENTORY (SF)	OVERALL VACANCY RATE	OVERALL ASKING RENTS (ALL CLASSES)*	OVERALL NET ABSORPTION (SF)	TOTAL LEASING ACTIVITY (SF)	COMPLETIONS (SF)	UNDER CONSTRUCTION (SF)
Q2 2021	22,426,594	9.7%	\$19.07	-226,308	279,191	0	170,492
Q2 2022	22,368,806	9.5%	\$19.08	-280,312	159,171	0	91,492

Columbia, SC

Office Q2 2022

**CUSHMAN &
WAKEFIELD****OFFICE SUBMARKETS****JP Price**

Senior Research Analyst

+1 704 335 4433 / jp.price@cushwake.com**Drew Walters**

Research Analyst

+1 864 704 1345 / andrew.walters@cushwake.com**cushmanwakefield.com****A CUSHMAN & WAKEFIELD
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