



YoY
Chg

12-Mo.
Forecast

7.7%

Vacancy Rate



423.9K

Net Abs. YTD, SF



\$28.27

Asking Rent, PSF



(Overall, All Property Classes)

ECONOMIC INDICATORS Q3 2022

YoY
Chg

12-Mo.
Forecast

393.1K

Charleston Employment



2.7%

Charleston
Unemployment Rate

3.5%

U.S.
Unemployment Rate

Source: BLS

ECONOMY: Employment Growth

The Charleston economy continues to see positive economic growth based off key indicators. Total non-farm employment in the region has increased by 18,800 jobs year-over-year (YOY), a 5.0% increase over 2021. Major contributors to this growth came from the Professional and Business Services sector, which grew 11.4% YOY and the Information sector, which grew 8.2% YOY. The market's unemployment rate dropped again to 2.7%, representing an 80-basis point (bp) drop YOY. Local company MitoChem Therapeutics received a \$1.5 million investment from Ichor Life Sciences, a sign of growing interest for Life Sciences in the region as echoed by Charleston's mayor this quarter.

SUPPLY and DEMAND: Construction Delayed but Leasing and Occupancy Gains Continue

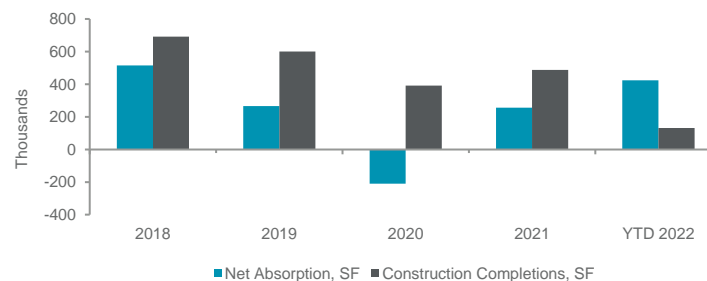
Supply in Charleston remained tight in Q3, dropping 10 bps quarter-over-quarter (QOQ) to 7.7% overall. Of the available space on the market, 68.6% lies within the North Charleston and Downtown Charleston submarkets. Construction delays pushed back the highly anticipated deliveries of Morrison Yard and The Morris as well as the renovation completions for Port 26 and Marshside at Nowell Creek Village. Of the 554,672 square feet (sf) scheduled to deliver later this year, 411,634 sf is available which will bring new Class A supply to the Charleston market.

New leasing activity during the third quarter nearly reached 150,000 sf, bringing the total year-to-date activity to 672,805 sf. Leasing activity was evenly distributed among Class A and B product and 67.8% of leases signed this quarter were in Charleston's suburban submarkets. Absorption remained positive in Q3, adding 29,111 sf of net move-ins, bringing the overall net figure to 423,995 year-to-date (YTD).

PRICING: Asking Rents Remains Stable

The average asking rent for the market remained relatively stable this quarter, decreasing slightly QOQ to \$28.27 per square foot (psf) overall. Class A rents in the Charleston market demand a premium of 16.4% compared to the overall market rate, a figure that will be expected to trend upwards as Class A product continues to deliver in the coming months, especially in the Downtown Charleston and North Charleston submarkets. Tenants seeking more affordable options do not have to look far from Downtown Charleston, with Daniel Island averaging \$28.55 psf, a 29.4% discount.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT





MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CONSTRUCTION (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Daniel Island	1,595,881	84,017	58,149	8.9%	-3,308	2,963	118,584	0	\$28.55	\$29.47
Dorchester County	1,036,912	14,907	0	1.4%	-4,269	-5,908	12,725	0	\$18.95	-
Downtown Charleston	5,475,143	400,822	24,913	7.8%	11,779	114,498	285,492	276,625	\$36.94	\$38.59
James Island/Johns Island	253,464	3,273	0	1.3%	0	5,000	1,000	0	-	-
Mt. Pleasant/East Charleston	3,003,811	186,334	71,541	8.6%	15,093	-62,670	71,720	8,379	\$28.32	\$30.41
North Charleston	6,667,491	612,198	57,384	10.0%	11,773	313,748	132,848	0	\$24.18	\$28.72
Outlying Berkeley	1,505,953	0	0	0.0%	1,492	13,787	1,492	88,000	-	-
West Ashley	1,311,561	77,276	5,941	6.3%	-3,449	42,577	48,944	0	\$27.02	\$30.25
MARKET TOTALS	20,850,216	1,378,827	217,928	7.7%	29,111	423,995	672,805	373,004	\$28.27	\$32.90

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS YTD 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
2000 Daniel Island Drive	Daniel Island	Total Quality Logistics	40,589	New Lease
677 King St	Downtown Charleston	Industrious	34,028	New Lease
1940 Algonquin Rd – The Quin	Downtown Charleston	Amazon	33,000	New Lease
100 Benefitfocus Way	Daniel Island	Jear Logistics	32,500	Sublease
151 Meeting St – Liberty Center	Downtown Charleston	Nelson, Mullins, Riley & Scarborough	28,244	Renewal

KEY PROJECTS UNDER CONSTRUCTION/RENOVATION

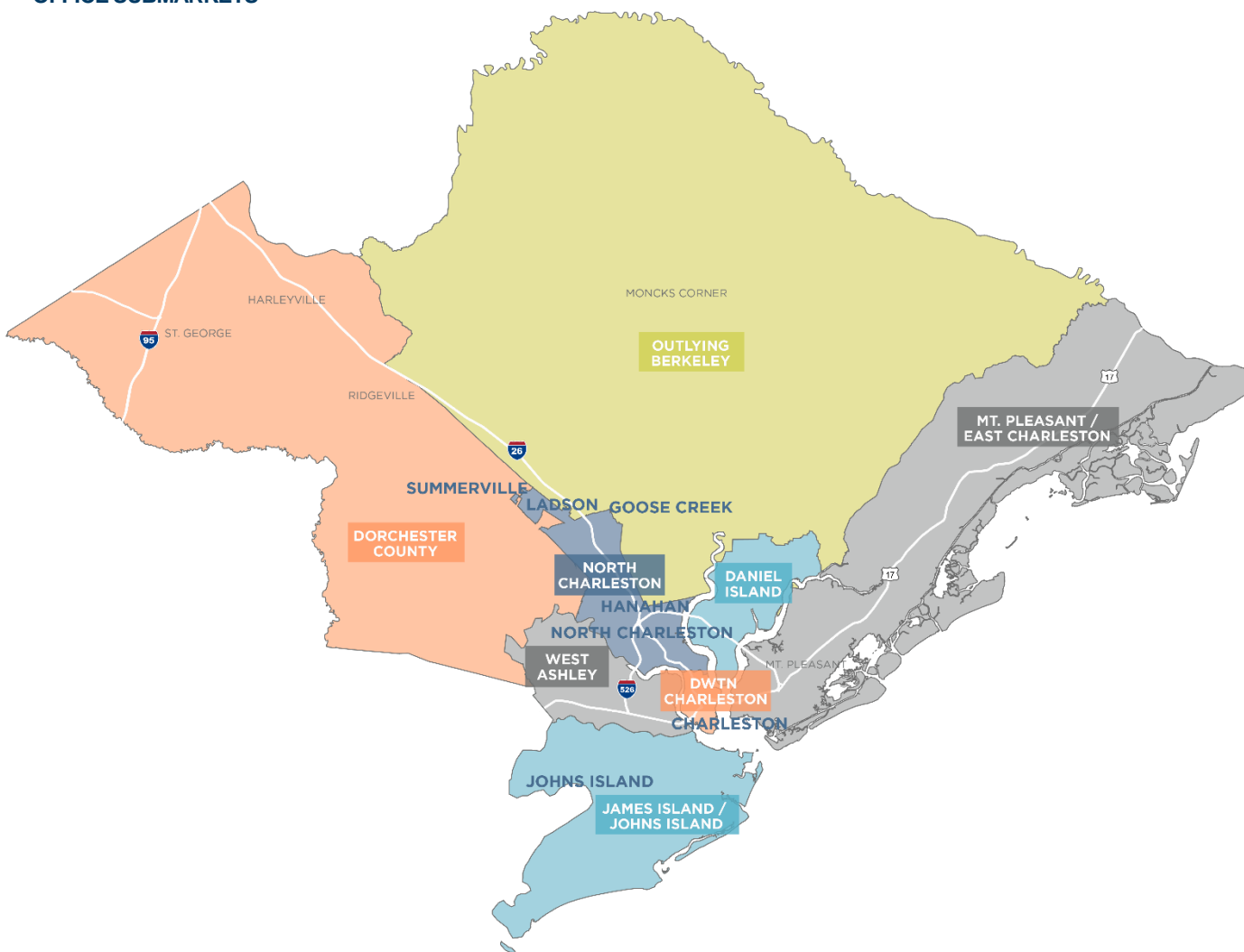
PROPERTY	SUBMARKET	OWNER/DEVELOPER	SF	TYPE
Marshside at Nowell Creek Village	Daniel Island	Holland Properties	195,000	Speculative
Morrison Yard	Downtown Charleston	Origin Development Partners	123,000	Speculative
The Morris	Downtown Charleston	Cowan Nakios	107,300	Speculative
Port 26	North Charleston	Redline Property Partners	85,200	Speculative

KEY METRIC YOY COMPARISON

QUARTER	INVENTORY (SF)	OVERALL VACANCY RATE	OVERALL ASKING RENTS (ALL CLASSES)*	OVERALL NET ABSORPTION (SF)	LEASING ACTIVITY (SF)	COMPLETIONS (SF)	UNDER CONSTRUCTION (SF)
Q3 2021	21,137,891	10.6%	\$30.83	-10,678	385,306	109,848	545,317
Q3 2022	20,850,216	7.7%	\$28.27	29,111	149,558	131,496	373,004

CHARLESTON, SC

Office Q3 2022

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