



YoY
Chg

12-Mo.
Forecast

9.7%

Vacancy Rate

**22.5K**

Q4 Net Absorption, SF

**\$19.12**

Asking Rent, PSF



(Overall, All Property Classes)

ECONOMIC INDICATORS Q4 2022

YoY
Chg

12-Mo.
Forecast

404.6KColumbia
Employment**3.1%**Columbia
Unemployment Rate**3.7%**U.S.
Unemployment Rate

Source: BLS

ECONOMY

The Columbia region's total employment growth continued in Q4 with a 1.8% year-over-year (YOY) increase in non-farm employment numbers, a gain of 7,200 jobs. A large portion of this growth was exhibited in the Information Services sector which increased 7.8% YOY. Unemployment ticked up slightly to 3.1% quarter-over-quarter (QOQ) but was down by 20-basis-points (bps) YOY and well below the national average. This figure is expected to climb as recessionary headwinds impact the nation.

SUPPLY and DEMAND

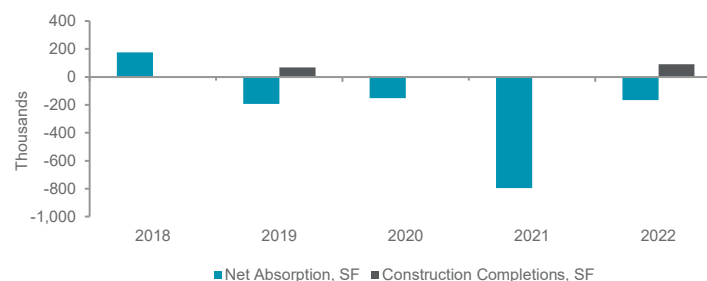
The supply of vacant space in Columbia remained unchanged QOQ with a reported 9.7% overall vacancy rate. Vacancy in the market has remained steady throughout 2022 and was down 130 bps from the uptick in Q4 2021. Direct vacancy-which excludes sublease spaces-came in at 7.8%, with 83.1% of direct vacant square footage found in the 3 largest submarkets: the Columbia Central Business District (CBD), Northeast Columbia and St. Andrews. Sublease vacancy was mainly concentrated in the Columbia CBD (2.3%) where Aflac has large contiguous space at 400 Laurel St and St. Andrews (4.5%) where Colonial Life & Prisma have put their spaces on the market at the Colonial Life East/West Towers. Though no new deliveries occurred this quarter and no new product is currently under construction, the Columbia market's sole delivery in Q3 was 59.6% leased at the end of 2022.

New leasing activity was modest in Q4 at nearly 66,000 square feet (sf), bringing the year-to-date (YTD) total to more than 328,000 sf. The Columbia CBD submarket was home to the majority of new leases signed with almost 167,000 sf of deals which represented 52.0% in 2022, followed by the St. Andrews submarket with 22.9%. Overall absorption reported positive in Q4, with 22,533 sf of net occupancy gains, offsetting some of the net losses from earlier in 2022, bringing the YTD total to -166,713 sf.

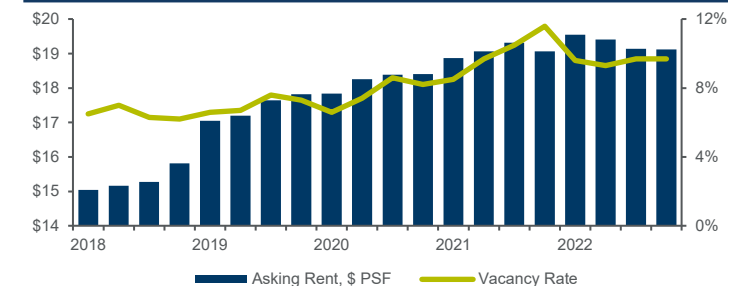
PRICING

Overall average asking rents decreased slightly QOQ with a rate of \$19.12 per square feet (psf). Rents were at a premium in the Columbia CBD, where direct asking rates were \$22.33 psf compared to \$18.25 psf in suburban submarkets, a \$4.08-psf difference. The spread between Class A direct asking rates was less dramatic, with the CBD reporting \$23.18 psf versus suburban Class A rates of \$20.97 psf, a \$2.21 psf difference. Sublease spaces continued to offer the lowest asking rates in the Columbia market with an average asking rate of \$16.81 psf, making them an attractive option for tenants looking for plug and play space.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Columbia, SC

Office Q4 2022



CUSHMAN & WAKEFIELD

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET 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	8,175,087	597,054	189,973	9.6%	19,316	-37,152	167,984	0	\$21.34	\$22.29
Cayce/West Columbia	1,949,648	123,427	0	6.3%	-5,168	-8,612	14,939	0	\$20.56	-
Chapin/Irmo	437,419	0	0	0.0%	0	5,895	5,895	0	-	-
Forest Acres	1,265,956	135,672	0	10.7%	7,197	4,594	40,076	0	\$16.27	-
Lexington	670,827	11,529	0	1.7%	7	-460	5,192	0	\$35.06	-
Northeast Columbia	4,592,770	548,896	48,236	13.0%	297	28,483	20,377	0	\$17.69	\$20.88
South Columbia	1,298,342	23,170	0	1.8%	0	-168	0	0	\$18.10	-
St. Andrews	3,967,804	301,176	179,321	12.1%	884	-159,293	73,877	0	\$17.75	\$20.89
MARKET TOTALS	22,357,853	1,740,924	417,530	9.70%	22,533	-166,713	328,340	0	\$19.12	\$21.87

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS YTD 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
Synergy Executive Park	St. Andrews	SC Dept. of Labor Licensing & Regulations	89,284	Renewal
Capitol Center	Columbia CBD	GMK Associates	23,203	Renewal
Capitol Center	Columbia CBD	Total Quality Logistics	23,201	Renewal/Expansion
Main & Gervais	Columbia CBD	Adams & Reese, LLP	19,527	Sublease
Capitol Station	Columbia CBD	Collins & Lacy, P.C.	18,200	Renewal
Vista Business Center at 500 Taylor	Columbia CBD	Sono Bello	16,125	New Lease

KEY SALES TRANSACTIONS 2022

PROPERTY	SUBMARKET	SELLER BUYER	SF	PRICE \$ PSF
166 Stoneridge Dr	St. Andrews	Spirit Realty Capital MMRE Acquisitions	99,668	\$48M \$482
Center Point I, II & V	St. Andrews	Cousins Properties Murphy Property Group	173,710	\$15.9M \$92
Westpark Office Park	St. Andrews	RealOp Investments Greenleaf Capital Partners	94,234	\$7.3M \$77

KEY METRIC YOY COMPARISON

QUARTER	INVENTORY (SF)	OVERALL VACANCY RATE	OVERALL ASKING RENTS (ALL CLASSES)*	YTD OVERALL ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	COMPLETIONS (SF)	UNDER CONSTRUCTION (SF)
Q4 2021	22,426,594	11.6%	\$19.07	-239,489	246,942	0	181,707
Q4 2022	22,357,853	9.7%	\$19.12	-166,713	328,340	91,492	0

Columbia, SC

Office Q4 2022

**CUSHMAN &
WAKEFIELD****OFFICE SUBMARKETS****JP Price***Research Manager, Carolinas*+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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