



9.4%

Vacancy Rate

YoY  
Chg12-Mo.  
Forecast

18.8K

Q2 Net Absorption, SF



\$19.03

Asking Rent, PSF



(Overall, All Property Classes)

ECONOMIC INDICATORS  
Q2 2023

418.0K

Columbia  
EmploymentYoY  
Chg12-Mo.  
Forecast

3.0%

Columbia  
Unemployment Rate

3.6%

U.S.  
Unemployment Rate

Source: BLS

## ECONOMY: Employment Gains Keep Unemployment Low

The Columbia economy remained insulated from national recessionary headwinds as both unemployment dipped and employment grew in Q2. The unemployment rate in the region fell to 3.0%, down 20 basis points (bps) quarter-over-quarter (QOQ) and stable year-over-year (YOY). Total nonfarm employment figures continued to grow with 5,100 jobs being added YOY with the Professional & Business Services (2.7%) and Financial Activities (1.4%) sectors driving office-using private employment growth QOQ.

## SUPPLY and DEMAND: Occupancy Gains Offsets Vacant Space Additions

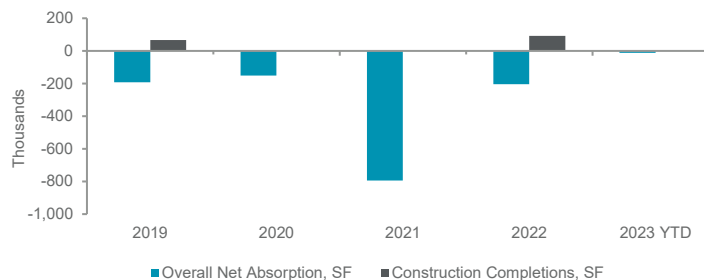
The supply of available office space remained unchanged QOQ at an overall vacancy rate of 9.4%, with positive occupancy gains offsetting new vacancies. Overall absorption figures were reported at 18,845 square feet (sf) due to a few large move-ins as well as no new vacancies above 10,000 sf being added to the market in Q2. Columbia's Central Business District (CBD) experienced the highest occupancy gain of any submarket with 48,200 sf with both the SC Judicial Branch occupying nearly 22,000 sf at 1301 Gervais St and XPO Logistics moving into its new space at 700 Gervais St. Sublease space also remained unchanged at 1.9% as no new sublease vacancies were added in Q2.

New leasing reported a sharp increase with more than 101,000 square feet (sf) of new deals inked in Q2, a 26.9% increase QOQ. Once again, the Columbia CBD recorded the highest new leasing figures of any submarket at 60,125 sf, accounting for 42.5% of new deals in Q2. The 19,500-sf lease signed by accounting firm Elliott Davis represented the largest lease within the CBD at the newly constructed WestLawn building in the BullStreet District. Strong renewal activity figures were also reported with nearly 104,000 sf of space renewed, bringing total leasing activity year-to-date to 524,123 sf. Major renewals included South University at 9 Science Ct for the whole building at 60,420 sf and law firm Nelson Mullins renewing for more than 24,600 sf for their operations center at 1628 Browning Rd.

## PRICING: Asking Rents Continue to Shrink

Overall average rents in the Columbia market moved downward for the fifth consecutive quarter, dropping minimally to \$19.03 per square foot (psf), a 2.8% decrease since the market's all-time high in Q1 2022. Leasing of highly desirable Class A space, especially in Columbia's CBD, caused a decrease of 0.6% in Class A rents QOQ. Class B asking rents, which averaged \$17.95 psf, continued to apply downward pressure on the overall average asking rate, with Class B vacancies making up 66.9% of the vacant space in the market. Class B product has experienced the sharpest decrease in asking rents over the past year due to excess supply, with rates falling by 2.5% YOY. Class A space on the other hand has remained relatively stable, with a Q2 average rental rate of \$21.51 psf, a minimal decrease YOY.

## SPACE DEMAND / DELIVERIES



## OVERALL VACANCY &amp; ASKING RENT



## Columbia, SC

Office Q2 2023



CUSHMAN &amp; 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	583,682	194,139	9.5%	48,200	4,906	100,405	0	\$20.89	\$21.78
Cayce/West Columbia	1,949,648	128,043	0	6.6%	-3,055	-4,616	1,000	0	\$20.46	-
Chapin/Irmo	437,419	0	0	0.0%	0	0	11,215	0	-	-
Forest Acres	1,265,956	56,999	0	4.5%	2,021	481	12,721	0	\$16.21	-
Lexington	670,827	11,447	0	1.7%	-158	2,532	2,924	0	\$16.13	-
Northeast Columbia	4,592,770	554,920	48,236	13.1%	-10,823	-11,024	26,177	0	\$17.62	\$20.89
South Columbia	1,298,342	17,029	0	1.3%	1,911	4,376	2,911	0	\$18.54	-
St. Andrews	3,967,804	316,852	179,321	12.5%	-19,251	-7,785	64,060	0	\$17.82	\$20.93
<b>MARKET TOTALS</b>	<b>22,357,853</b>	<b>1,668,972</b>	<b>421,696</b>	<b>9.4%</b>	<b>18,845</b>	<b>-11,130</b>	<b>221,413</b>	<b>0</b>	<b>\$19.03</b>	<b>\$21.51</b>

\*Rental rates reflect full service asking

## KEY LEASE TRANSACTIONS Q2 2023

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
9 Science Ct	Northeast Columbia	South University of Carolina	60,420	Renewal
Colonial Life East/West Towers	St. Andrews	Undisclosed	40,128	New Lease
1628 Browning Rd	St. Andrews	Nelson Mullins	24,683	Renewal
2151 Pickens St	Columbia CBD	Elliott Davis LLC	19,508	New Lease
Capitol Center	Columbia CBD	Gallivan, White & Boyd PA	18,640	Renewal

## KEY SALES TRANSACTIONS Q2 2023

PROPERTY	SUBMARKET	SELLER   BUYER	SF	PRICE   \$ PSF
Pinnacle Point Center I	Northeast Columbia	Boss's Pinnacle Point LLC   Amnion of Longwood LLC	41,000	\$3.95M   \$96.34

## KEY METRIC YOY COMPARISON

QUARTER	INVENTORY (SF)	OVERALL VACANCY RATE	OVERALL ASKING RENTS (ALL CLASSES)*	OVERALL ABSORPTION (SF)	LEASING ACTIVITY (SF)	COMPLETIONS (SF)	UNDER CONSTRUCTION (SF)
Q2 2022	22,306,419	8.8%	\$19.45	64,212	113,490	0	91,492
Q2 2023	22,357,853	9.4%	\$19.03	18,845	141,505	0	0

# Columbia, SC

Office Q2 2023

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