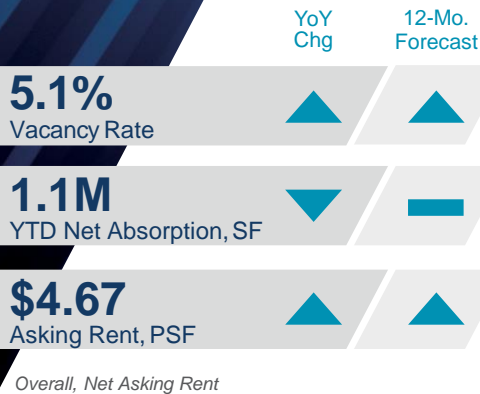
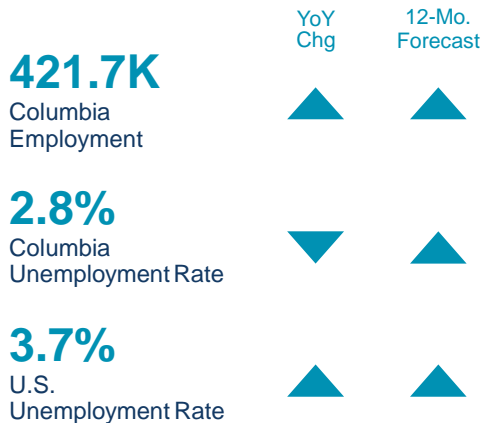


Industrial Q4 2023

ECONOMIC INDICATORS
Q4 2023

Source: BLS

ECONOMY: Employment Gains Decelerate

Columbia exhibited another quarter of nonfarm employment gains, reaching 421,700 total jobs, a 1.7% increase year-over-year (YOY). The total employment level rose more rapidly than the civilian labor force, resulting in a 10-basis-point (bp) decrease in the unemployment rate, quarter-over-quarter. Although current forecasts depict a shift in the unemployment rate trend with an increase expected in 2024 as a deceleration in job growth was observed, the Columbia metro is positioned well for future economic expansion with over \$2.7 billion in capital investments and 5,100 new jobs announced in 2023.

SUPPLY and DEMAND: Vacancy Rises as Leasing Demand Slows

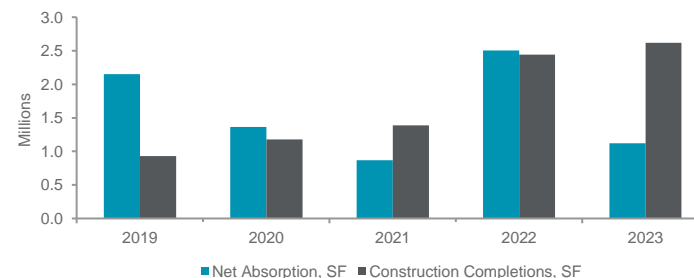
Supply of vacant space in the market climbed higher for the fourth consecutive quarter as new construction deliveries outpaced net absorption in Q4. The overall vacancy rate pushed higher by 30 bps to 5.1% with nearly half of the vacant supply concentrated within the Orangeburg County (17.2%), Aiken County (16.7%), and Cayce/West Columbia (15.2%) submarkets. Two speculative construction projects supplied the market with 288,000 square feet (sf) of additional Class A warehouse/distribution space available for lease while nearly 500,000 sf of existing manufacturing space was given back to the market. Vacancy in the market is forecasted to climb higher in the coming year, albeit modestly, with 1.3 million square feet of speculative new development currently under construction and set to deliver in 2024, 4.8% of which is pre-leased.

Space demand was tempered during Q4 in comparison to previous quarters with only 138,000 sf of new leasing activity recorded. The largest deals signed were the Jamison Metals renewal of 71,000 sf in Sumter County and a 30,000-sf new lease signed by Amgen America in the Northeast Columbia submarket. Despite the below-average quarterly leasing figures measured in recent quarters, health occupier demand persists and is poised to rebound in 2024.

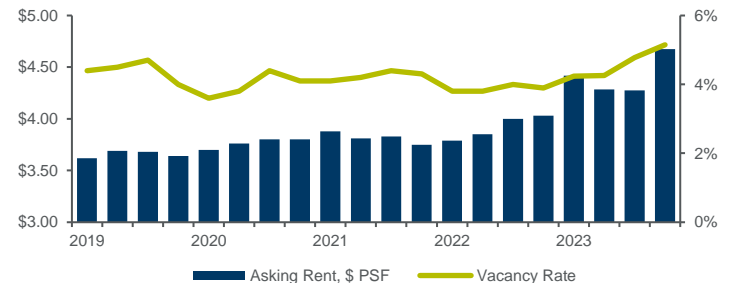
PRICING: New Product Pulls the Market Average Upward

Asking rent growth resumed in Q4 after taking a step back and holding firm earlier in the year. The overall average of the market reached \$4.67 per square foot (psf) and surpassed the previous historical high recorded in Q1 2023 by 5.8%. With limited existing Class A availabilities and multiple projects expected to deliver throughout the year, the overall average asking rent is forecasted to continue an upward progression toward the \$5.00-psf mark. Space under construction is priced on average above \$6.00 psf while smaller suites push the \$7.00-psf mark. Despite recording 16.0% rent growth YOY, Columbia remained one of the most affordable markets in the nation.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



COLUMBIA, SC

Industrial Q4 2023



CUSHMAN & WAKEFIELD

MARKET STATISTICS

| SUBMARKET | INVENTORY (SF) | OVERALL VACANT (SF) | OVERALL VACANCY RATE | CURRENT QTR OVERALL NET ABSORPTION (SF) | YTD OVERALL NET ABSORPTION (SF) | UNDER CONSTRUCTION (SF) | YTD CONSTRUCTION COMPLETIONS (SF) | OVERALL WEIGHTED AVG NET RENT (MF)* | OVERALL WEIGHTED AVG NET RENT (FX)* | OVERALL WEIGHTED AVG NET RENT (W/D)* |
|-------------------------|--------------------|---------------------|----------------------|-----------------------------------------|---------------------------------|-------------------------|-----------------------------------|-------------------------------------|-------------------------------------|--------------------------------------|
| Aiken County | 17,050,994 | 887,683 | 5.2% | -139,790 | -376,171 | 0 | 0 | \$2.95 | - | \$4.41 |
| Cayce/West Columbia | 16,318,021 | 804,678 | 4.9% | -20,172 | 804,663 | 519,792 | 1,337,892 | \$7.00 | \$13.54 | \$6.00 |
| Columbia CBD | 455,287 | 35,000 | 7.7% | 5,128 | 5,128 | 0 | 0 | - | - | \$4.95 |
| Northeast Columbia | 11,492,517 | 727,227 | 6.3% | 205,743 | 167,249 | 210,600 | 210,600 | \$5.45 | \$9.01 | \$5.21 |
| Northwest Columbia | 2,582,278 | 273,109 | 10.6% | -5,538 | 15,488 | 0 | 0 | \$4.11 | \$10.34 | \$8.00 |
| Southeast Columbia | 14,100,793 | 385,468 | 2.7% | 37,112 | -178,461 | 568,540 | 0 | - | \$10.22 | \$5.93 |
| Fairfield County | 2,600,925 | 91,000 | 3.5% | 0 | 28,025 | 0 | 91,000 | - | - | \$6.00 |
| Kershaw County | 6,978,483 | 415,629 | 6.0% | 0 | -225,134 | 0 | 0 | - | - | \$3.36 |
| Lexington | 6,789,984 | 12,000 | 0.2% | 31,345 | 356,482 | 0 | 337,137 | - | - | - |
| Newberry County | 3,348,565 | 138,500 | 4.1% | 0 | 0 | 0 | 0 | \$3.25 | - | - |
| Orangeburg County | 12,497,343 | 914,015 | 7.3% | 0 | 743,422 | 0 | 534,702 | \$9.75 | - | \$3.00 |
| Outlying Calhoun County | 602,892 | 50,000 | 8.3% | 0 | -50,000 | 0 | 0 | - | - | \$7.00 |
| Saluda County | 435,679 | 0 | 0.0% | 0 | 0 | 0 | 0 | - | - | - |
| Sumter County | 7,784,941 | 567,788 | 7.3% | 0 | -169,785 | 0 | 106,522 | - | - | \$3.95 |
| MARKET TOTALS | 103,038,702 | 5,302,097 | 5.1% | 113,828 | 1,120,906 | 1,298,932 | 2,617,853 | \$4.03 | \$10.74 | \$4.76 |

*Rental rates reflect weighted net asking \$psf/year

FX = Flex MF = Manufacturing W/D = Warehouse/Distribution

KEY LEASE TRANSACTIONS Q4 2023

| PROPERTY | SUBMARKET | TENANT | SF | TYPE |
|----------------------------|--------------------|----------------|--------|-----------|
| 2630 Hwy 15 S | Sumter County | Jemison Metals | 70,519 | Renewal |
| 681 Clemson Rd | Northeast Columbia | Amgen America | 30,000 | New Lease |
| 1117 Bluff Industrial Blvd | Southeast Columbia | Undisclosed | 26,000 | New Lease |

KEY SALES TRANSACTIONS Q4 2023

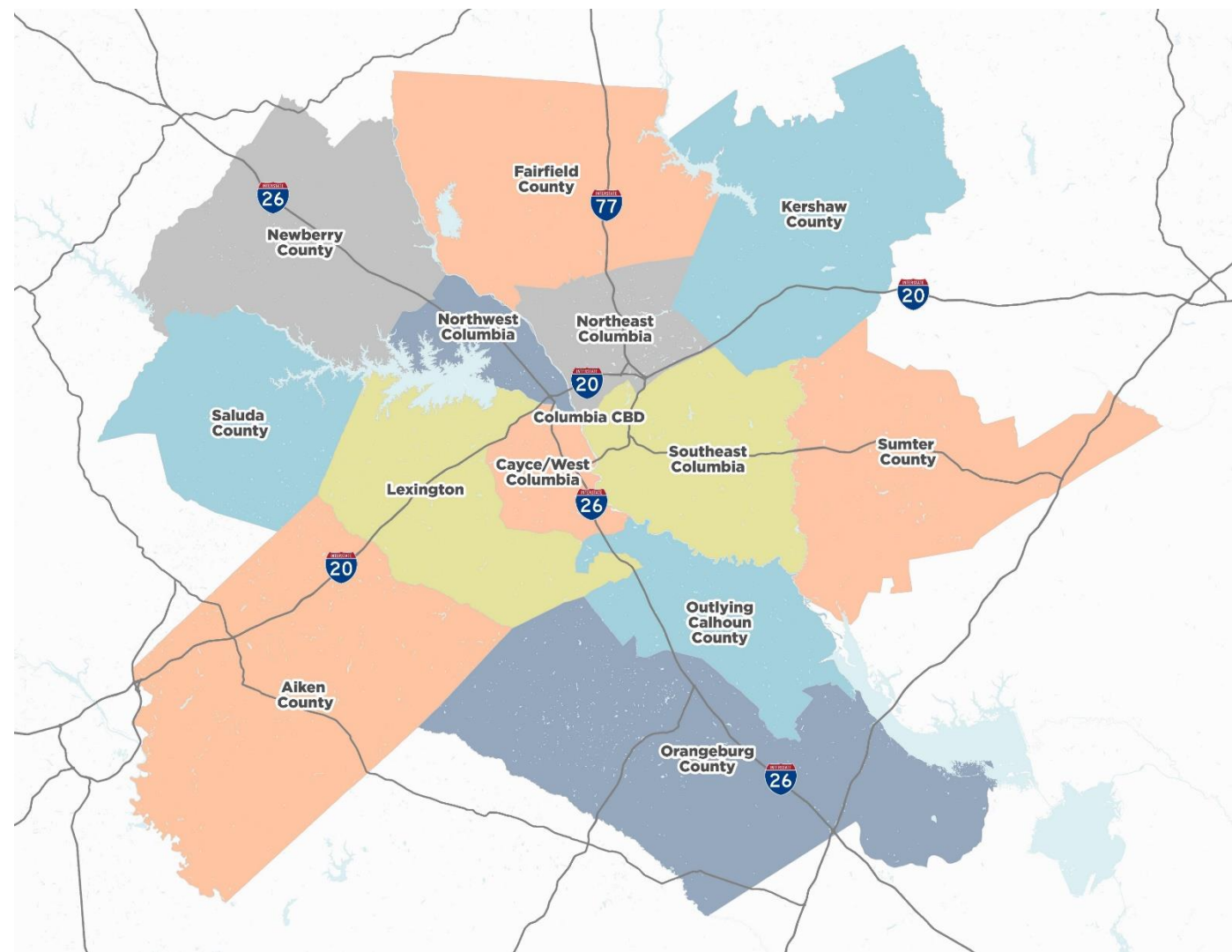
| PROPERTY | SUBMARKET | SELLER BUYER | SF | PRICE \$ PSF |
|----------------------------------|---------------|---------------------------------------------|---------|--------------------|
| 23 Windham Blvd (Sale Leaseback) | Aiken County | The Carlstar Group Tempus Realty Partners | 437,525 | \$22.6 M \$51.62 |
| 1485 Diebold Dr | Sumter County | Maysteel Thompson Construction Group | 128,292 | \$5.75 M \$44.82 |

KEY CONSTRUCTION COMPLETIONS Q4 2023

| PROPERTY | SUBMARKET | MAJOR TENANT | SF | OWNER DEVELOPER |
|----------------------------------------|---------------------|--------------------|---------|---------------------------------------|
| 803 Industrial Park – Gateway 1 | Cayce/West Columbia | Mattress Warehouse | 252,720 | Magnus Development Partners |
| Fairfield Commerce Center – Building 9 | Fairfield County | N/A | 91,000 | Fairfield County Economic Development |

COLUMBIA, SC

Industrial Q4 2023

**CUSHMAN &
WAKEFIELD****INDUSTRIAL SUBMARKETS****Drew Walters***Senior Research Analyst*+1 864 704 1345 / andrew.walters@cushwake.com**JP Price***Research Manager*+1 704 335 4433 / jp.price@cushwake.com**cushmanwakefield.com****A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION**

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in approximately 400 offices and 60 countries. In 2022, the firm reported revenue of \$10.1 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), Environmental, Social and Governance (ESG) and more. For additional information, visit www.cushmanwakefield.com.

©2024 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.