



YoY
Chg

12-Mo.
Forecast

7.4%

Vacancy Rate

**242.9K**

YTD Net Absorption, SF

**\$19.54**

Asking Rent, PSF



(Overall, All Property Classes)

ECONOMIC INDICATORS Q4 2023

YoY
Chg

12-Mo.
Forecast

421.7KColumbia
Employment**2.8%**Columbia
Unemployment Rate**3.7%**U.S.
Unemployment Rate

Source: BLS, CoStar

ECONOMY: Labor Force Grows as Unemployment Falls

The Columbia economy ended the year with positive economic momentum, with employment figures rising and unemployment falling. Year-over-year, unemployment dropped by 30 basis points (bps) while the labor force grew by 7,200 jobs, a 1.7% increase over that same period. Traditional office-using sectors such as Information (5.9%), Professional & Business Services (5.0%), and Financial Activities (0.6%) all reported annual growth. Government jobs continued to be a major driver of labor in the region with nearly 84,200 jobs posted in Q4.

SUPPLY and DEMAND: Vacancy Drops while Demand is Subdued

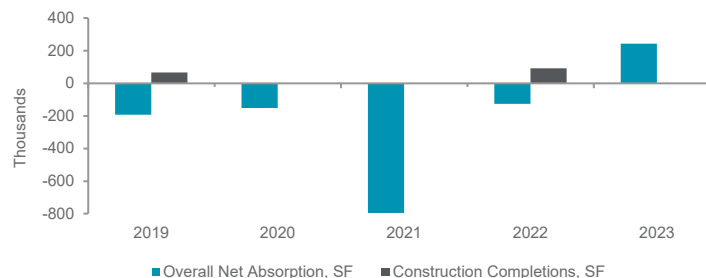
The Columbia office market reported a significant drop in the overall vacancy rate during Q4, decreasing by 100 bps quarter-over-quarter (QOQ) to 7.4%, reaching a low point that had not been measured since the start of the pandemic. This drop in vacancy can largely be attributed to the former Verizon Wireless building at 501 Spears Creek Church Rd. in the Northeast Columbia submarket, totaling 146,483 square feet (sf), which was purchased and occupied in Q4 by Southeastern Esthetics Institute for its new campus. With this move-in, net absorption figures closed out 2023 on a high note with 223,838 sf of positive occupancy gains, bringing the annual total to 242,892 sf.

New leasing activity was subdued in Q4, with only 67,600 sf of new leasing activity reported, bringing the year-to-date total leasing figure (including renewals) to nearly 867,400 sf. This annual figure does however represent a 16.0% increase in total leasing compared to 2022, when demand hit a five-year low. Demand continued to be concentrated in Columbia's Central Business District (CBD) with 43.2% of Q4 leasing activity and 64.2% annually. The emergence of the BullStreet District as well as revitalization efforts on Main Street have made Columbia's CBD an attractive location for tenants.

PRICING: Rates Rise as Lower-Priced Space is Taken

While asking rates in the market remained sluggish since Q1 2022, the average rate rose for the first time in eight quarters to \$19.54 per square foot (psf), a dramatic 23.6% increase QOQ. In Q4, lower-priced space was taken off the market, removing vacancy that weighed heavy on the overall average asking rates over the past six quarters. Class A properties continued to demand a premium at \$22.46 psf, or 24.0% higher than Class B rates. The highest rates in the market were reported in Class A CBD space at \$23.36 psf where demand should continue to keep rates elevated.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Columbia, SC

Office Q4 2023



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	8,208,909	487,582	119,223	7.4%	68,534	101,624	331,586	0	\$22.32	\$23.36
Cayce/West Columbia	1,949,648	25,435	0	1.3%	0	-4,616	1,000	0	\$19.17	-
Chapin/Irmo	437,419	0	0	0.0%	0	0	11,215	0	-	-
Forest Acres	1,265,956	82,503	0	6.5%	-22,843	-25,023	17,052	0	\$16.37	-
Lexington	670,827	12,014	0	1.8%	1,690	1,965	4,772	0	\$17.04	-
Northeast Columbia	4,544,960	379,373	48,236	9.4%	147,065	159,215	42,295	0	\$18.52	\$20.92
South Columbia	1,298,342	20,253	0	1.6%	2,000	1,152	8,135	0	\$18.78	-
St. Andrews	3,967,804	334,846	144,413	12.1%	27,392	8,575	109,322	0	\$17.92	\$21.17
MARKET TOTALS	22,343,865	1,342,006	311,872	7.4%	223,838	242,892	525,377	0	\$19.54	\$22.46

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q4 2023

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
2142 Boyce St	Columbia CBD	Scout Motors	24,413	New Lease
140 Stoneridge Dr	St. Andrews	HawkLaw	8,000	New Lease
1001 Pinnacle Point Dr	Northeast Columbia	Undisclosed	6,996	New Lease
1201 Main St	Columbia CBD	AARP	5,191	Renewal / Expansion
200 Center Point Cir	St. Andrews	Undisclosed	4,112	New Lease

KEY SALES TRANSACTIONS Q4 2023

PROPERTY	SUBMARKET	SELLER BUYER	SF	PRICE \$ PSF
501 Spears Creek Church Rd	Northeast Columbia	City of Columbia Southeastern Esthetics	146,483	\$7.0M \$47.79
7909 Parklane Rd	Northeast Columbia	Diversified Healthcare Trust NAI Appian Investment Services	115,108	\$3.5M \$29.97

KEY METRIC YOY COMPARISON

QUARTER	INVENTORY (SF)	OVERALL VACANCY RATE	OVERALL ASKING RENTS (ALL CLASSES)*	YTD OVERALL ABSORPTION (SF)	YTD NEW LEASING ACTIVITY (SF)	YTD COMPLETIONS (SF)	UNDER CONSTRUCTION (SF)
Q4 2022	22,343,865	8.5%	\$19.17	-125,835	534,822	91,492	0
Q4 2023	22,343,865	7.4%	\$19.54	242,892	525,377	0	0

Columbia, SC

Office Q4 2023

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

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