

## MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
<b>7.7%</b> Vacancy Rate	▼	▬
<b>271.1K</b> YTD Net Absorption, SF	▲	▲
<b>\$30.49</b> Asking Rent, PSF <i>(Overall, All Property Classes)</i>	▼	▲

## ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
<b>433.2K</b> Charleston Employment	▲	▲
<b>3.4%</b> Charleston Unemployment Rate	▲	▬
<b>4.1%</b> U.S. Unemployment Rate	▲	▼

*Source: BLS*

### ECONOMY: Key Office Jobs Continue To Expand

The Charleston economy continued its upward momentum in Q3 despite national headwinds in unemployment, recording employment increases in key office-using job sectors. Information (6.4%), professional and business services (6.4%) and financial activities (2.3%) all recorded strong growth year-over-year (YOY), contributing to nonfarm employment gains of 4.2% YOY, an increase of 17,600 jobs over that same period. Unemployment was still on the rise in Q3, having recorded a 340-basis-point (bp) uptick quarter-over-quarter but still remained well below the U.S. unemployment rate of 4.1%.

### SUPPLY AND DEMAND: Vacancy Falls As Occupancy Gains Continue

The supply of vacant office space continued to shrink in Charleston for a fourth consecutive quarter as past leasing translated to strong occupancy gains in Q3. The overall vacancy rate fell by 40 bps QOQ and 150 bps YOY. Tenant move-ins contributed significantly to this, with 124,837 square feet (sf) of overall absorption recorded in Q3, of which 84.5% was in Class A space as tenants continued to seek high-quality space in the market. Notably, renovations were completed on Storehouse 8 at the Navy Yard at Noisette, bringing 33,583 sf of newly finished Class A office space back to market.

Demand was abated in Q3 with nearly 85,000 sf of new deals inked, bringing the year-to-date (YTD) figure to 463,982 sf. The North Charleston submarket recorded 49.3% of new leasing this quarter, in line with the yearly leasing trend. Class A leasing continued to outpace Class B leasing in Q3, with 64.2% of new demand concentrated in Class A space YTD.

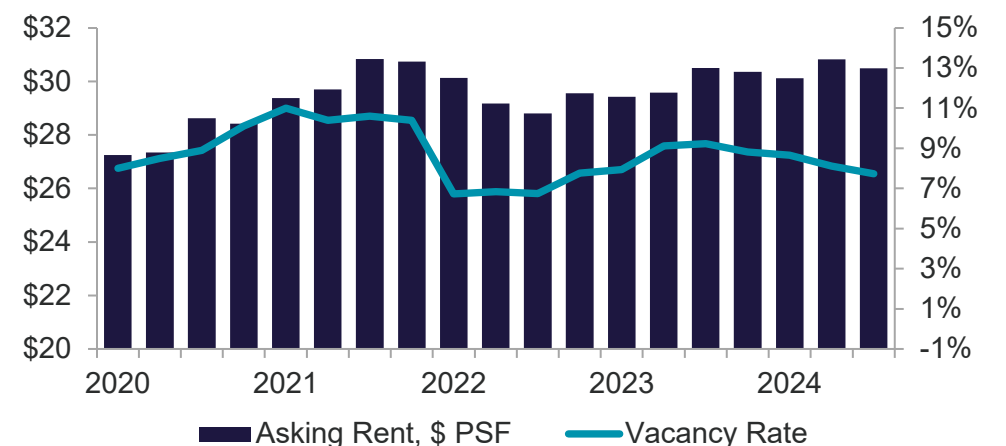
### PRICING: Rental Rates Drop With Class A Supply Shrinking

Overall asking rental rates fell in Q3, dropping by \$0.33 or 1.1% QOQ to \$30.49 per square foot (psf). New leasing of Class A space plus no new additions of large blocks of Class A space to the market contributed to this decline in average rates. Despite this, rents remained fairly steady YOY and rates are expected to continue to rise near term as larger blocks of Class A space return to the market.

## 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 (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Downtown Charleston	5,522,202	348,341	24,863	6.8%	39,030	75,098	133,353	0	\$39.31	\$40.16
Daniel Island	1,822,284	248,504	219,196	25.7%	3,862	61,919	68,962	0	\$31.72	\$32.57
Dorchester County	1,036,912	4,629	0	0.5%	1,500	12,184	6,069	0	\$20.60	-
James Island/Johns Island	253,464	3,273	0	1.3%	0	0	0	0	-	-
Mt. Pleasant/East Charleston	2,990,889	138,470	27,801	5.6%	-6,591	-30,159	38,329	0	\$26.66	\$29.10
North Charleston	6,730,202	414,964	115,874	7.9%	87,205	155,581	190,150	0	\$25.50	\$28.66
Outlying Berkeley	1,400,311	13,849	0	1.0%	2,029	-1,671	5,259	88,000	\$30.27	\$33.00
West Ashley	1,283,416	54,046	13,228	5.2%	-2,198	-1,821	21,860	0	\$22.82	\$26.79
<b>CHARLESTON TOTALS</b>	<b>21,039,680</b>	<b>1,226,076</b>	<b>400,962</b>	<b>7.7%</b>	<b>124,837</b>	<b>271,131</b>	<b>463,982</b>	<b>88,000</b>	<b>\$30.49</b>	<b>\$33.38</b>

\*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
100 Coastal Dr	Daniel Island	New York Life Insurance Company	13,413	New Lease
180 Wingo Way	Mt. Pleasant/East Charleston	Clearway Pain Solutions	9,652	New Lease
75 Port City Lndg	Mt. Pleasant/East Charleston	TIAG	8,959	Renewal*
65 Fairchild St	Daniel Island	Undisclosed	7,894	New Lease
5965 Core Rd	North Charleston	Undisclosed Law Firm	6,906	New Lease

\*Renewals not included in leasing statistics

KEY RENOVATION COMPLETIONS Q3 2024

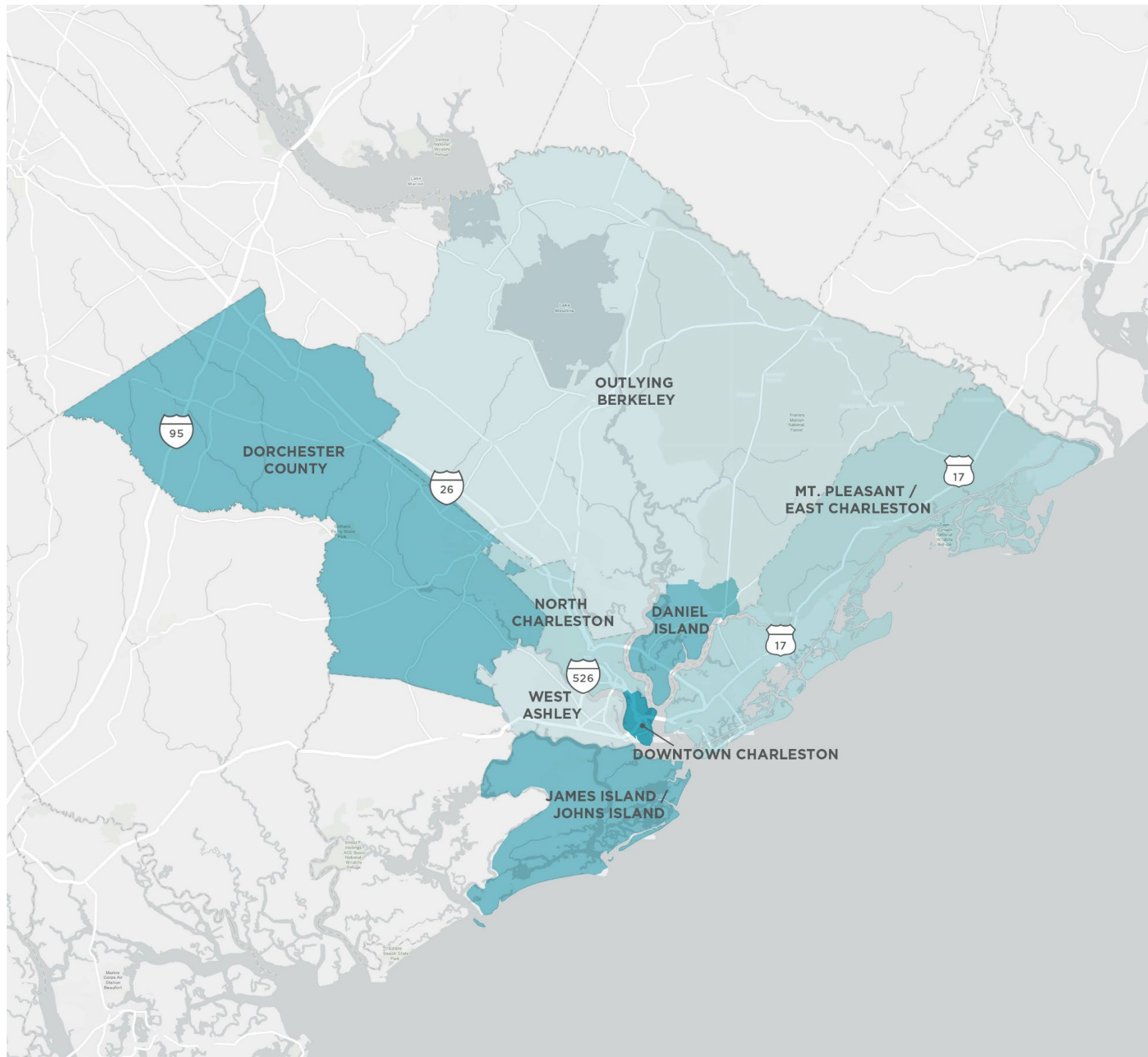
PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
The Navy Yard at Noisette/Storehouse 8	North Charleston	N/A	54,000	Wecco Development

KEY METRIC YOY COMPARISON

QUARTER	INVENTORY (SF)	OVERALL VACANCY RATE	OVERALL ASKING RENTS (ALL CLASSES)*	YTD OVERALL NET ABSORPTION (SF)	YTD NEW LEASING ACTIVITY (SF)	YTD COMPLETIONS (SF)	UNDER CONSTRUCTION (SF)
Q3 2023	20,894,879	9.2%	\$30.50	-122,533	528,341	247,340	224,000
Q3 2024	21,039,680	7.7%	\$30.49	271,131	463,982	0	88,000



OFFICE SUBMARKETS



**JP PRICE**

*Research Manager, Carolinas*

Tel: +1 704 335 4433

[jp.price@cushwake.com](mailto:jp.price@cushwake.com)

**DREW WALTERS**

*Senior Research Analyst*

Tel: +1 864 704 1345

[andrew.walters@cushwake.com](mailto:andrew.walters@cushwake.com)

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