

**MARKET FUNDAMENTALS**

	YOY Chg	Outlook
<b>7.9%</b> Vacancy Rate	▲	▲
<b>-82.8K</b> YTD Net Absorption, SF	▼	▼
<b>\$19.24</b> Asking Rent, PSF <i>(Overall, All Property Classes)</i>	▼	▲

**ECONOMIC INDICATORS**

	YOY Chg	Outlook
<b>435.8K</b> Columbia Employment	▲	▲
<b>4.6%</b> Columbia Unemployment Rate	▲	▼
<b>4.2%</b> U.S. Unemployment Rate <i>Source: BLS</i>	▲	▲

**ECONOMY: Rising Labor Force Leads to Higher Unemployment**

The Columbia economy performed well to close out 2024 despite unemployment rising. The unemployment rate continued to rise, increasing by 170 basis points (bps) year-over-year (YOY), a factor of the growing labor force in the region. Non-farm employment also grew, with 7,100 jobs added YOY as the outsized insurance industry continued to play a major role in job growth with the professional and business services sector increasing by 4.2% YOY.

**SUPPLY and DEMAND: Vacant Space Tight Despite Sluggish Leasing**

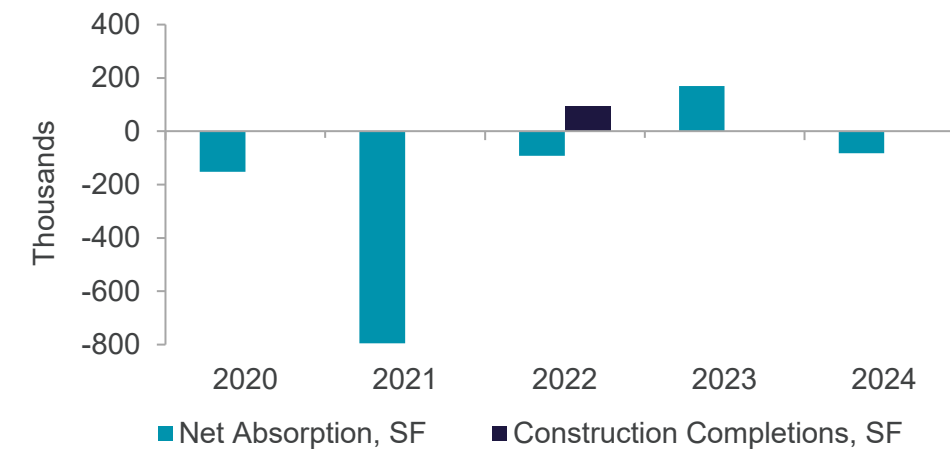
The Columbia office market remained tight, with the vacancy rate falling by 10 bps quarter-over-quarter (QOQ) to 7.9% overall as occupancy gains of 4,102 square feet (sf) were recorded. Vacancy, which peaked in Q4 2021, has stayed consistent the past three years within a 90-bp spread as no new supply has balanced sluggish demand. Market tightness has been evident in Columbia's Central Business District (CBD) where the vacancy rate dropped to 6.7% overall, a 110-bp decrease YOY. Notably, Class A product makes up 67.9% of all vacant space in the CBD, a figure that is expected to rise in 2025 as some bulk space comes back to market.

New leasing was tepid throughout the year, with quarterly leasing of 74,500 sf bringing the year-to-date total to 363,289 sf, a 35.9% drop in the annual figure. In a return to the norm, the CBD led in leasing in Q4 with 50.2% of new deals inked there. Traditionally, leasing has been highly concentrated in the CBD but in 2024, the St. Andrews submarket led annual leasing with 37.4% of deals signed. Tenants signed 79,794 sf of new deals in Class A space in St. Andrews throughout 2024 as high-quality space continued to lease up.

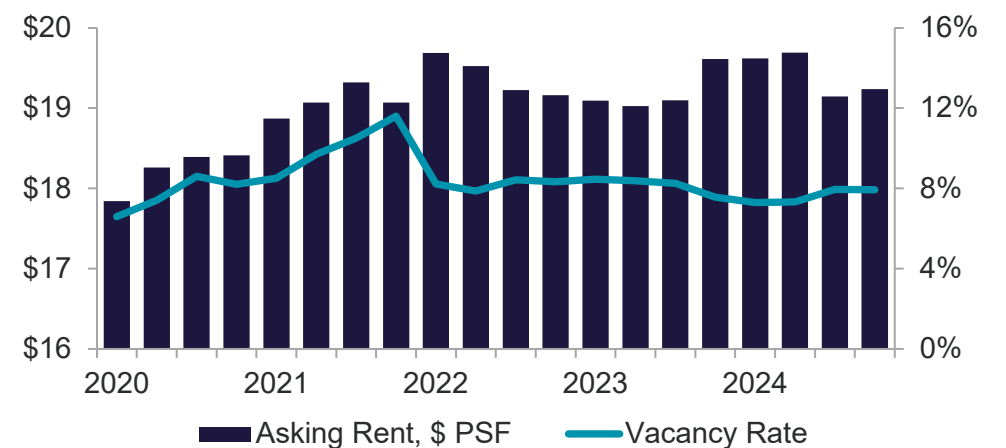
**PRICING: Rates Rebound in CBD and Suburban Submarkets**

The average asking rate for the market increased modestly in Q4, rising by \$0.10 to \$19.24 per square foot (psf) overall, a 0.5% increase QOQ. Rates rose in both the CBD and suburban submarkets, increasing by 1.3% and 1.0% respectively. Class A vacant space in Columbia's CBD, which represents 20.7% of the overall vacant supply, will continue to factor heavily into the overall market rates moving forward as new bulk supply is expected in H1 2025, driving rates higher in the near term.

**SPACE DEMAND / DELIVERIES**



**OVERALL VACANCY & ASKING RENT**



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CONSTRUCTION (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Columbia CBD	8,065,960	494,668	42,469	6.7%	12,425	88,510	111,374	0	\$22.83	\$23.61
Cayce/West Columbia	1,949,648	80,576	0	4.1%	-58,396	-53,936	5,282	0	\$19.88	-
Chapin/Irmo	437,419	0	0	0.0%	0	0	0	0	-	-
Forest Acres	1,265,956	82,486	0	6.5%	-3,685	2,432	53,244	0	\$16.66	-
Lexington	670,827	15,017	0	2.2%	0	-3,003	2,903	0	\$17.79	\$22.50
Northeast Columbia	4,544,960	413,026	22,236	9.6%	2,200	33,372	54,481	0	\$18.27	\$20.50
South Columbia	1,307,019	11,952	0	0.9%	0	5,224	0	0	\$19.95	-
St. Andrews	3,969,272	511,606	88,508	15.1%	51,558	-155,426	136,005	0	\$17.32	\$21.18
<b>COLUMBIA TOTALS</b>	<b>22,211,061</b>	<b>1,609,331</b>	<b>153,213</b>	<b>7.9%</b>	<b>4,102</b>	<b>-82,827</b>	<b>363,289</b>	<b>0</b>	<b>\$19.24</b>	<b>\$22.57</b>

\*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q4 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
1901 Main St	Columbia CBD	The South Carolina Office of Regulatory Staff	31,914	New Lease
101 Westpark Blvd	St. Andrews	Undisclosed	4,975	New Lease
9600 Two Notch Rd	Northeast Columbia	Undisclosed	4,860	New Lease
7909 Parklane Rd	Northeast Columbia	Undisclosed	4,622	New Lease
3710 Landmark Dr	Forest Acres	Undisclosed	4,218	New Lease

\*Renewals not included in leasing statistics

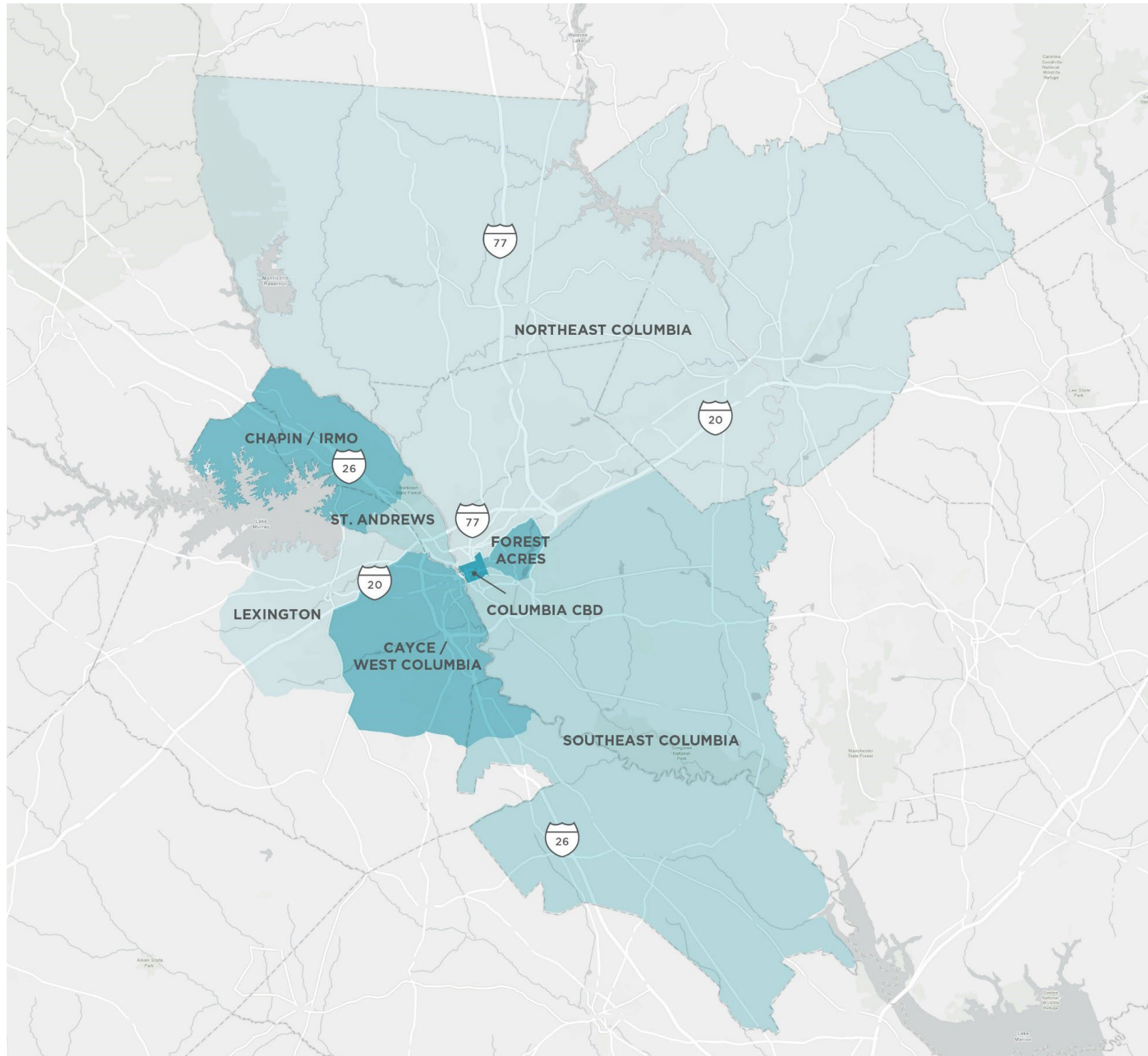
KEY SALE TRANSACTIONS Q4 2024

PROPERTY	SUBMARKET	SELLER   BUYER	SF	PRICE   \$ PSF
101 Research Ct	Northeast Columbia	ElmTree Funds   Lexington County School Distric One	40,992	\$5.1M   \$123.19
2101 Main St	Northeast Columbia	Glomar Inc.   Expert Property Management Solutions	23,610	\$2.0M   \$84.71

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)
Q4 2023	22,211,061	7.6%	\$19.61	169,527	566,974	0	0
Q4 2024	22,211,061	7.9%	\$19.24	-82,827	363,289	0	0

OFFICE SUBMARKETS



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