

CHARLESTON OFFICE MARKET REPORT

Q1 MARKET SNAPSHOT



14,736,655 SF ↑
Inventory



16.1% ↑
Vacancy



\$27.34 FS ↓
Asking Rents



601,239 SF ↑
Construction

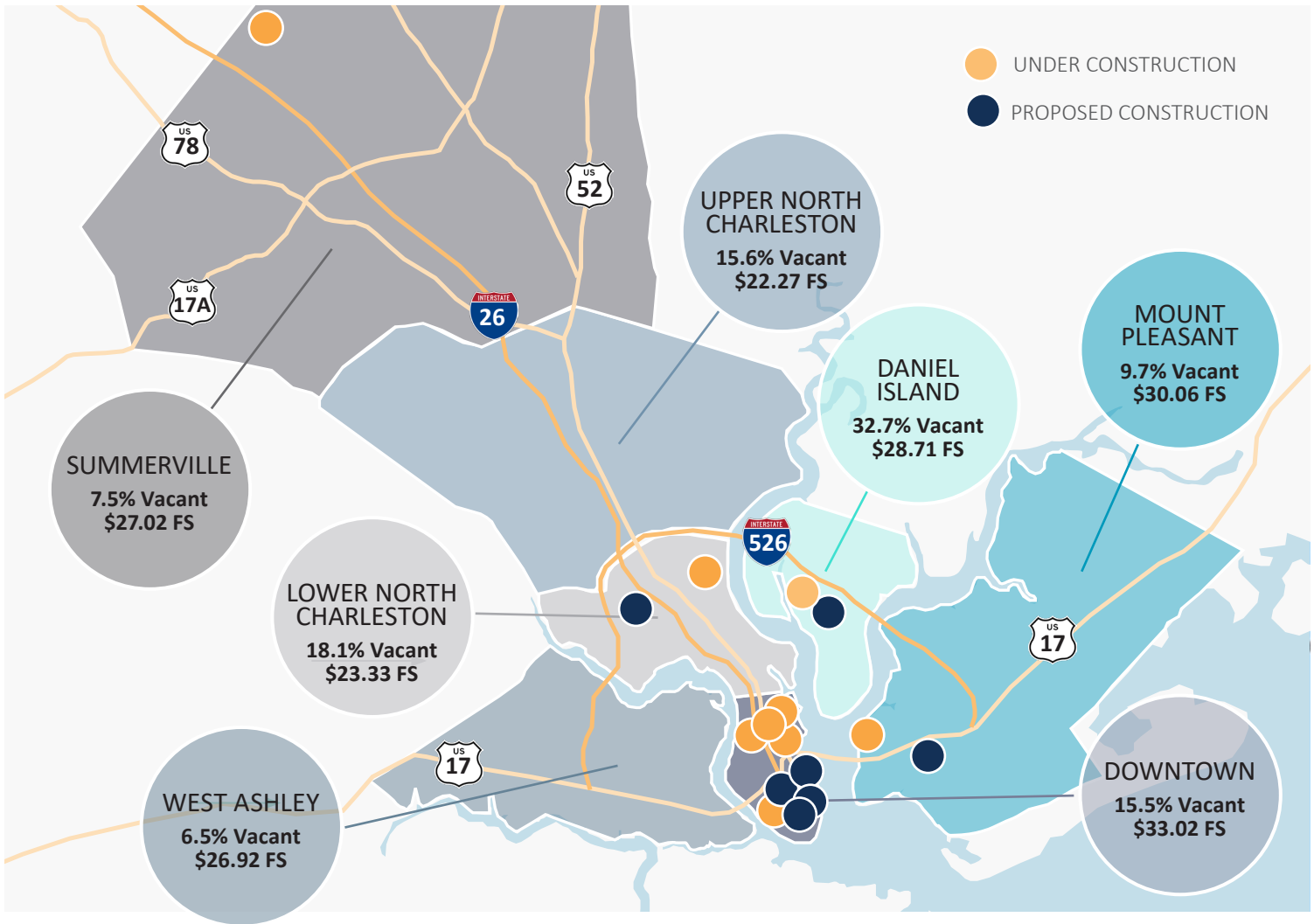


213,046 SF ↑
YTD Deliveries

Q1 HIGHLIGHTS & TRENDS

- MORE EMPLOYEES HEAD BACK TO THE OFFICE THANKS TO THE COVID-19 VACCINE.
- THE OFFICE MARKET CONTINUES TO BENEFIT FROM SIGNIFICANT POPULATION AND JOB GROWTH.
- UNPRECEDENTED AMOUNT OF OFFICE PRODUCT UNDER CONSTRUCTION THROUGHOUT THE REGION TOTALING APPROXIMATELY 602,000 SF.
- APPROXIMATELY 247,000 SF OF PRODUCT DELIVERED ON THE CHARLESTON PENINSULA ALONE IN Q1.
- ASKING RENTS REMAIN STABLE AS LOCAL RECOVERY ACCELERATES.
- LEASING ACTIVITY EXPECTED TO BE STRONG TOWARDS THE END OF 2021.

SUBMARKET SUMMARY



SUBMARKET	TOTAL INVENTORY SF	DIRECT VACANT SF	SUBLEASE VACANT SF	TOTAL VACANT SF	WEIGHTED ASKING RENT	VACANCY RATE	UNDER CONSTRUCTION SF	YTD DELIVERIES SF
Downtown/Class A	1,914,783	304,203	61,736	365,939	\$34.73	19.1%	509,839	167,000
TOTAL DOWNTOWN	3,172,337	428,700	61,736	490,436	\$33.02	15.5%	509,839	167,000
Daniel Island	1,816,102	326,550	268,031	594,581	\$28.71	32.7%	10,000	-
Lower North Charleston	3,013,820	471,593	73,413	545,006	\$23.33	18.1%	45,000	-
Upper North Charleston	2,443,796	284,052	97,822	381,874	\$22.27	15.6%	-	-
Mount Pleasant	2,177,332	197,762	12,981	210,743	\$30.06	9.7%	36,400	46,046
Summerville	975,921	36,360	37,295	73,655	\$27.02	7.5%	-	-
West Ashley	1,137,347	72,856	1,600	74,456	\$26.92	6.5%	-	-
TOTAL SUBURBAN	11,564,318	1,389,173	491,142	1,880,315	\$25.58	16.3%	91,400	46,046
TOTAL MARKET	14,736,655	1,817,873	552,878	7,370,751	\$27.34	16.1%	601,239	213,046

Bridge tracks buildings 10,000 SF and greater, excluding medical office and user-owned buildings. Bridge uses only internal research within its Charleston office for its market research.

Source: Bridge Commercial

UNPRECEDENTED AMOUNT OF NEW PROJECTS IN DOWNTOWN CHARLESTON

Q1 2021 RECAP

- Leasing activity on the rise as distribution of the vaccine gives employees confidence to return to the office.
- Migration to the Southeast continues; The residential market is booming as more people are coming to Charleston.
- The market is seeing the size of requirements increasing; Companies that survived COVID-19 are looking to expand and more companies are looking to enter the Charleston market.
- Although vacancy reached a local high of 16.1% at the end of the first quarter 2021, Charleston's population growth, in addition to companies expanding, will absorb space in the market quickly.
- Charleston will prevail in a post-pandemic environment thanks to its low cost of living and quality lifestyle continue to drive growth.
- With construction costs on the rise, opportunities exist now for leasing and sales throughout the Charleston region.

DOWNTOWN PROJECTS DELIVERED Q1 2021



THE JASPER
310 Broad Street
154,998 SF



TECH CENTER
997 Morrison Drive
92,000 SF

DOWNTOWN PROJECTS UNDER CONSTRUCTION



THE MORRIS
1080-1090 Morrison Drive
115,000 SF



677 KING
677 King Street
68,479 SF



45 ISABELLA
45 Isabella Street
7,420 SF



MORRISON YARD
850 Morrison Drive
123,000 SF

NEW OFFICE PRODUCT FOCUSES ON TENANT/ EMPLOYEE EXPERIENCE

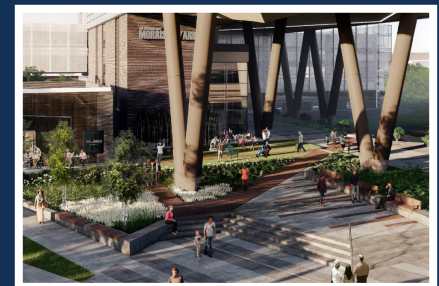
- Companies are evaluating space with the employee in mind. Amenities such as outdoor areas, sidewalks, and nearby dining are important.
- The competition and demand will be high for quality space.



Delivered in Q1 2021, The Quin features an adjacent parking garage and outdoor courtyard with covered and uncovered seating areas, ping pong, putting green, and bike storage. It is within walking distance to restaurants.



Currently under construction, The Morris is an office and retail development spanning a block on Morrison Drive. Amenities include an outdoor courtyard, collaboration areas, bike room, adjacent parking.



Morrison Yard is currently under construction and will feature ground floor retail, rooftop space, multiple courtyards, adjacent parking, and walking distance to restaurants.

OFFICE OPPORTUNITIES



THE LANDING
Daniel Island
31,769 SF Available

- Recently renovated Class A office building
- 6.5/1,000 SF parking ratio
- Outdoor collaborative workspaces
- Speculative suites ranging from 2,000 - 4,000 SF are ready for immediate occupancy



HUB@NEXTON
Summerville
88,000 SF Available

- Nexton location with access to amenities
- Abundant parking
- Easy access to I-26
- High traffic and visibility



ALBEMARLE POINT CENTER
West Ashley
13,500 SF Available

- Superior location
- Quick access to downtown Charleston
- Free on-site parking



OPPORTUNITY CENTER
North Charleston
14,000 SF Available

- Redeveloped office building
- Abundant parking
- Convenient to I-26
- Executive offices available for lease

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