

CHARLESTON OFFICE MARKET REPORT



Q2 MARKET SNAPSHOT



14,612,554 SF ↑
Inventory



15.4% ↓
Vacancy



\$26.92 FS ↓
Asking Rents



571,325 SF ↑
Construction

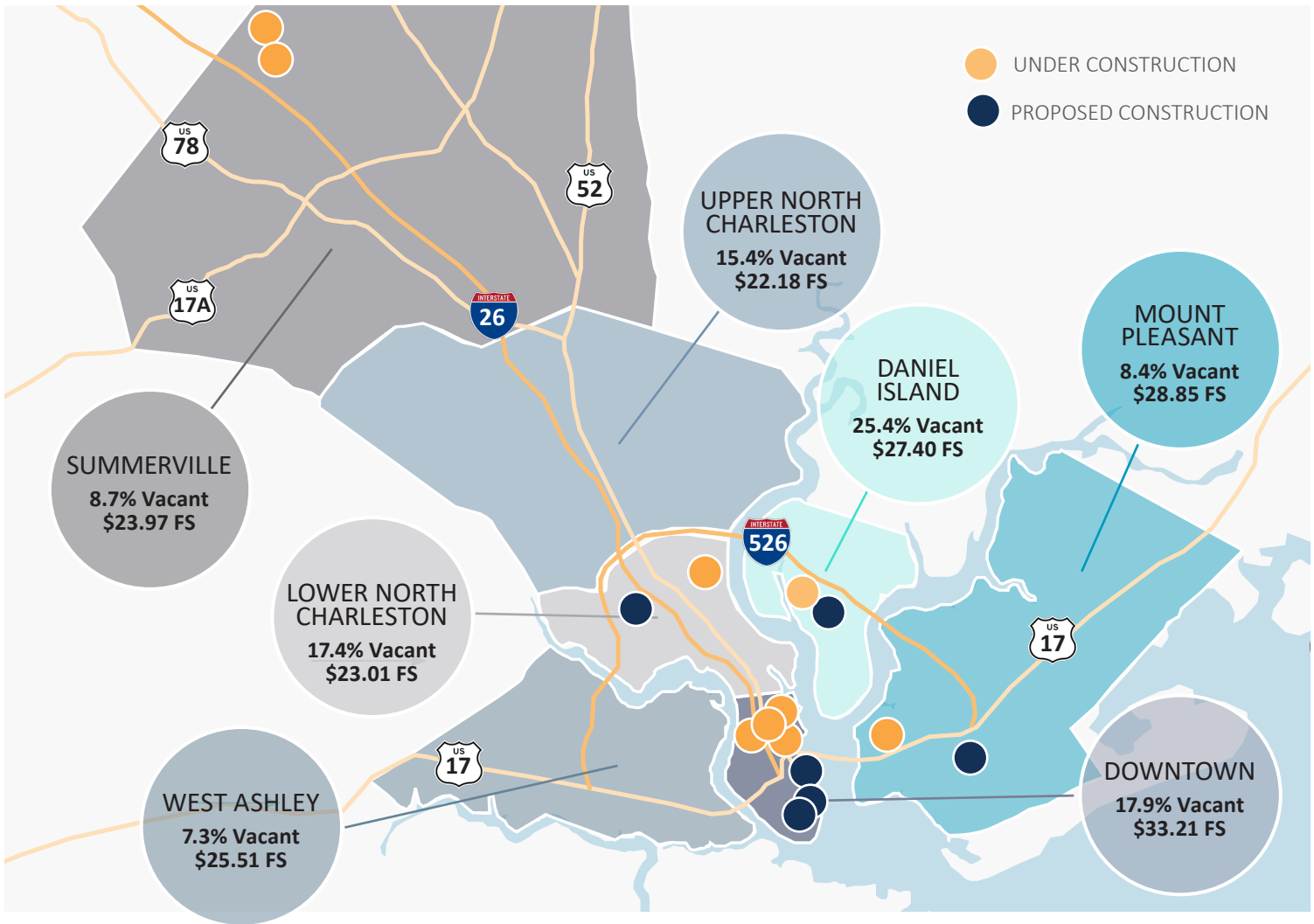


288,945 SF ↑
YTD Deliveries

Q2 HIGHLIGHTS & TRENDS

- SOUTH CAROLINA'S CULTURE, CLIMATE AND PRO-BUSINESS ENVIRONMENT CONTINUE TO ATTRACT PEOPLE AND BUSINESS TO THE REGION
- CHARLESTON'S OFFICE MARKET GAINS MOMENTUM WITH NEW DEVELOPMENTS THROUGHOUT THE REGION.
- DESPITE THIS PERIOD OF ELEVATED CONSTRUCTION PRICING, DEVELOPERS ARE FINDING WAYS TO MAKE SENSE OF THEIR PROFORMAS AND TO PROCEED WITH BREAKING GROUND.
- NEXTON REMAINS THE NEWEST EMPLOYMENT DESTINATION FOR FUTURE BUSINESSES.
- OFFICE FLEXIBILITY REMAINS KEY FOR EMPLOYEES AND TO ATTRACT NEW TALENT.

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	1,990,682	400,874	38,964	439,838	\$35.64	22.1%	295,925	242,899
TOTAL DOWNTOWN	3,248,236	543,083	38,964	582,047	\$33.21	17.9%	295,925	242,899
Daniel Island	1,616,102	140,882	269,663	410,545	\$27.40	25.4%	194,000	-
Lower North Charleston	3,013,820	465,426	57,557	522,983	\$23.01	17.4%	45,000	-
Upper North Charleston	2,443,796	281,363	96,119	377,482	\$22.18	15.4%	-	-
Mount Pleasant	2,177,332	169,005	12,982	181,987	\$28.85	8.4%	36,400	46,046
Summerville	975,921	47,730	37,295	85,025	\$23.97	8.7%	-	-
West Ashley	1,137,347	81,752	1,600	83,352	\$25.51	7.3%	-	-
TOTAL SUBURBAN	11,364,318	1,186,158	475,216	1,661,374	\$24.40	14.6%	275,400	46,046
TOTAL MARKET	14,612,554	1,729,241	514,180	2,243,421	\$26.92	15.4%	571,325	288,945

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

CHARLESTON'S OFFICE MARKET CONTINUES TO GROW

STRONG LEASING ACTIVITY & NEW DEVELOPMENTS THROUGHOUT THE REGION

DOWNTOWN

- Downtown Charleston continues to attract tenants. The majority of downtown properties that delivered since 2020 are approximately 75% leased.
- Delivered in Q1, The Jasper and Charleston Tech Center are now 75% and 70% occupied, respectively.
- The Morrison Yard, which is currently under construction and will bring 123,000 SF of office space upon completion, has successfully pre-leased 20,000 SF of space.
- 677 King Street delivered in Q2 adding 68,479 SF of Class A office to the market.

SUBURBAN

- New office developments are underway or in the pipeline throughout the Charleston region.
- Nexton continues to experience its highest leasing activity to date, reassuring new office development.
- Xifin, based in San Diego, announced they are establishing operations at 100 Benefitfocus Way on Daniel Island in August 2021. The company will occupy 32,500 SF and bring 150 jobs to Charleston.

CHARLESTON'S POPULATION GROWTH OUTPACES NATIONAL AVERAGE AND THE ECONOMY IS EXPECTED TO ACCELERATE IN 2021

- According to the CRDA, Charleston's population is growing three times faster than the national average.
- Corporate relocations from the West Coast and North East to Charleston are being driven by a growing population, low cost of living and lifestyle.
- The combination of a thriving port, the explosion of manufacturing and distribution facilities and a growing technology sector should help fuel economic growth moving forward.

RISING COSTS

- Rising construction costs for developers will increase rental rates and sales prices on future projects.
- A high volume of business owners, investors and developers are looking to purchase existing product.
- Building owners with outdated interior finishes and amenities are electing to sell due to competition with new construction.

NEW OFFICE DEVELOPMENTS IN THE CHARLESTON REGION



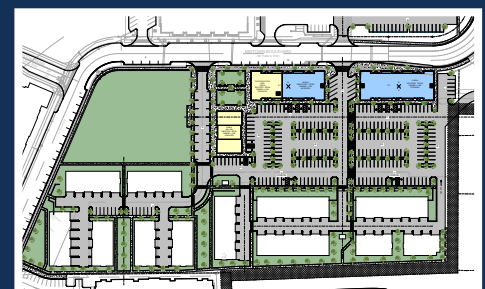
THE HUB AT NEXTON
Nexton Parkway | Summerville
88,000 SF of Office Space for Lease



OPPORTUNITY CENTER
8570 Rivers Ave | N. Charleston
Executive Office Suites & Co-Working Space
for Lease



DOWNTOWN NEXTON
Brighton Park Blvd | Summerville
Part of the Mixed-Use Development of which
110,000 SF is Office for Lease



MIDTOWN MT. PLEASANT
Midtown Avenue | Mt. Pleasant
80,000 SF Office with Ground Floor Retail

OFFICE OPPORTUNITIES



OPPORTUNITY CENTER
North Charleston
14,000 SF Available

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



HUB@NEXTON
Summerville
88,000 SF Available

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



THE LANDING
Daniel Island
29,323 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



ALBEMARLE POINT CENTER
West Ashley
7,500 SF Available

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

OFFICE ADVISORS



PETER FENNELLY, MCR, SIOR, SLCR
President
peter.fennelly@bridge-commercial.com



MARK A. MATTISON, CCIM, SIOR
Executive Vice President
mark.mattison@bridge-commercial.com



COLBY FARMER
Brokerage Associate
colby.farmer@bridge-commercial.com



MICHAEL KELLY
Brokerage Associate
michael.kelly@bridge-commercial.com

INVESTMENT SALES



HAGOOD S. MORRISON, II, SIOR
Vice President
hs.morrison@bridge-commercial.com

PROPERTY MANAGEMENT



MEREDITH MILLENDER
Vice President of Property Management
meredith.millender@bridge-commercial.com



SIGN UP FOR MARKET
REPORTS AT

WWW.BRIDGE-COMMERCIAL.COM



NEED PROPERTY
MANAGEMENT EXPERTISE?

BRIDGE OFFERS PROPERTY MANAGEMENT,
ACCOUNTING & PROJECT MANAGEMENT SERVICES

BRIDGE COMMERCIAL

25 Calhoun Street, Suite 220
Charleston, SC 29401
Tel +1 843 535 8600
info@bridge-commercial.com

Bridge Commercial uses only internal research within its Charleston office for its market data.

Bridge Commercial makes no guarantees, representations or warranties of any kind, expressed or implied, including warranties of content, accuracy and reliability. Any interested party should do their own research as to the accuracy of the information. Bridge Commercial excludes warranties arising out of this document and excludes all liability for loss and damages arising out of this document.