

# CHARLESTON OFFICE MARKET REPORT



## Q4 MARKET SNAPSHOT



**13,718,460 SF** ↑  
Inventory



**11.2 %** ↑  
Vacancy



**\$27.42 FS** ↓  
Asking Rents



**653,011 SF** ↓  
Construction

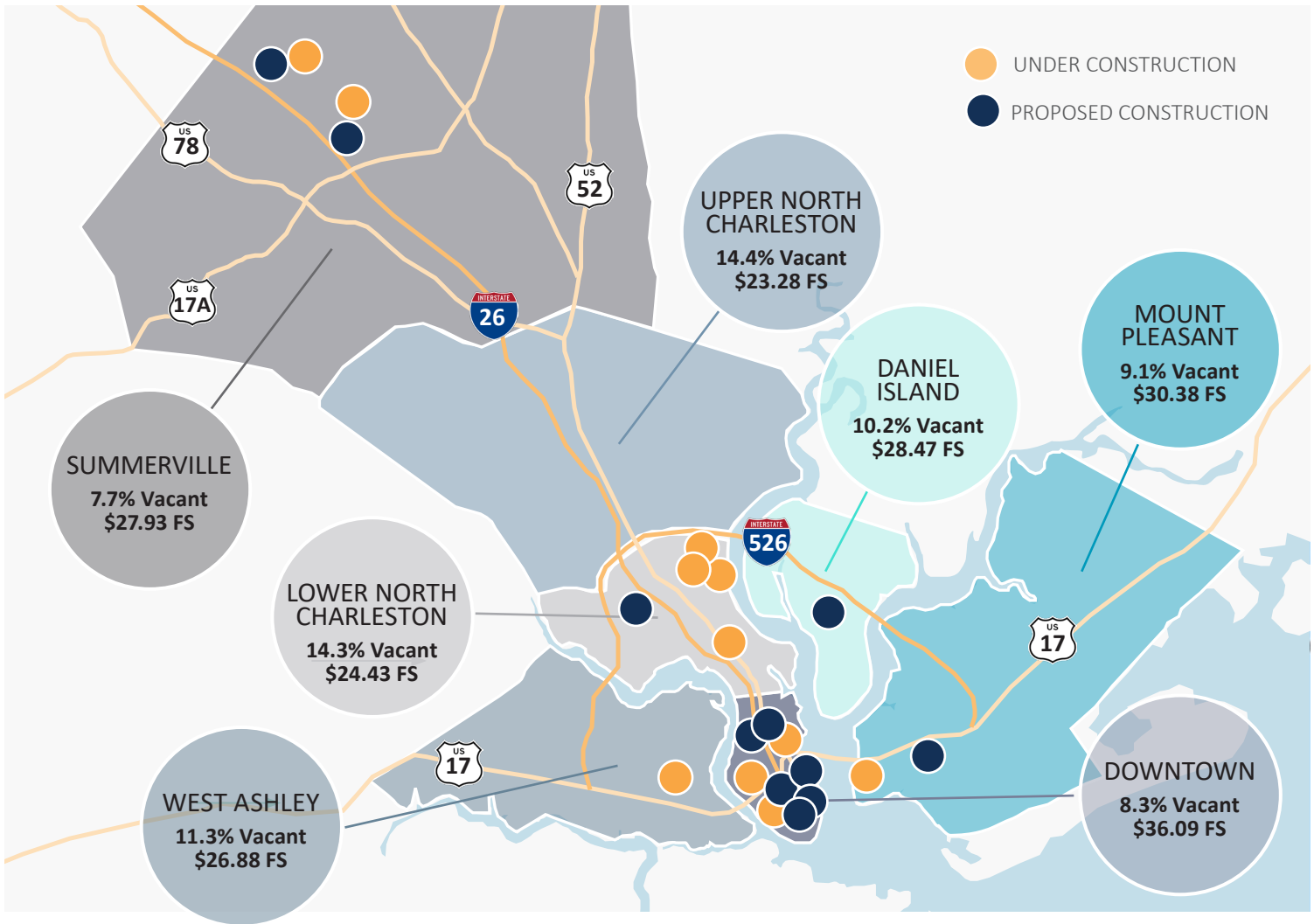


**356,277 SF** ↑  
YTD Deliveries

## Q4 TRENDS & HIGHLIGHTS

- THE NEXT WAVE OF OFFICE DEVELOPMENTS THROUGHOUT THE UPPER PENINSULA WILL CREATE A NEW SUBMARKET.
- DEVELOPERS EVALUATE NEXT SUBURBAN OFFICE OPPORTUNITIES AS GATEWAY, GARCO MILL AND FERRY WHARF PROVE TO BE SUCCESSFUL PROJECTS.
- FLIGHT TO QUALITY CONTINUES WITH TENANTS MIGRATING TO CLASS A PRODUCT.
- NEXTON IS EXPERIENCING THE HIGHEST LEASING ACTIVITY TO DATE, SPURRING NEW OFFICE DEVELOPMENTS THAT WILL PROVIDE A VARIETY OF OPTIONS FOR TENANTS LOOKING TO GROW THEIR FOOTPRINT IN SUMMERVILLE.

## 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	1,162,870	97,790	35,363	133,153	\$37.71	11.5%	305,000	70,000
<b>TOTAL DOWNTOWN</b>	<b>2,694,979</b>	<b>186,245</b>	<b>37,993</b>	<b>224,238</b>	<b>\$36.09</b>	<b>8.3%</b>	<b>305,000</b>	<b>130,000</b>
Daniel Island	1,693,853	124,884	47,419	172,303	\$28.47	10.2%	-	32,000
Lower North Charleston	2,824,645	352,414	50,796	403,210	\$24.43	14.3%	225,000	-
Mount Pleasant	2,115,930	168,175	23,362	191,537	\$30.38	9.1%	-	138,000
Summerville	840,921	29,706	35,000	64,706	\$27.93	7.7%	90,000	20,000
Upper North Charleston	2,443,796	348,457	4,458	352,915	\$23.28	14.4%	-	24,000
West Ashley	1,104,336	124,461	-	124,461	\$26.88	11.3%	33,011	12,277
<b>TOTAL SUBURBAN</b>	<b>11,023,481</b>	<b>1,148,097</b>	<b>161,035</b>	<b>1,309,132</b>	<b>\$25.10</b>	<b>11.88%</b>	<b>348,011</b>	<b>158,000</b>
<b>TOTAL MARKET</b>	<b>13,718,460</b>	<b>1,334,342</b>	<b>199,028</b>	<b>1,533,370</b>	<b>\$27.42</b>	<b>11.2%</b>	<b>653,011</b>	<b>356,277</b>

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

Source: Bridge Commercial

## CHARLESTON'S OFFICE MARKET CONTINUES TO GROW

### NEW DEVELOPMENTS & STRONG LEASING ACTIVITY

- The Charleston region is one of the fastest growing populations in the United States. In addition to our exquisite restaurants, local rich history, various outdoor activities and friendly people, Charleston also offers considerable job opportunities in advanced manufacturing, automotive, aviation, cutting-edge technology, global logistics and many other aspects of our business world.
- The Charleston office market continues to thrive and is on the cusp of creating exciting new office submarkets in the revitalized “Neck” of Charleston and the burgeoning lifestyle community of Summerville that boasts the Nexton business community.
- In 2019, the market saw new office projects under development including Garco Mill, Ferry Wharf and WestEdge; all successful projects in the market.
- Looking ahead, 2020 will be a banner year for development. New proposed projects span from Downtown on Broad Street up to Summerville in Nexton. There are always topical issues with growth, but the community stakeholders are working hard with state and federal governments to keep our roads and infrastructure growing.

### 2019 NOTABLE LEASE TRANSACTIONS

TENANT	PROPERTY	SF
Wells Fargo	The Jasper	30,000 SF
Harbor Club	WestEdge	21,000 SF
SCRA	WestEdge	20,000 SF
PulteGroup	River Oaks Center	18,200 SF
Serco	Aviation	15,700 SF
TQL	Fairchild	12,500 SF
Chamber of Commerce	Garco	12,000 SF
Saint Leo University	Nexton	10,200 SF
Palmetto Surety	Ferry Wharf	9,300 SF
Modus 21	Navy Base	9,200 SF
TIAG	Ferry Wharf	9,000 SF
NFP	Lumberyard	9,000 SF
USI	Gateway	7,400 SF
Jear Logistics	Wando Park	6,650 SF
JMT	Gateway	6,600 SF

Source: Bridge Commercial

### CHARLESTON OFFICE SUCCESS STORIES



#### GATEWAY MOUNT PLEASANT

Delivered in Q4 2018 and reached 100% occupancy in Q4 2019.



#### GARCO MILL PHASE I

Scheduled to deliver in Q2 2020 with little to no available office space.



#### FERRY WHARF

120,000 SF Class A office building delivered in Q4 2019 having secured leases with a variety of financial service firms.



**NEXTON BUILDING I**  
98,225 SF office building is currently 90% leased.



**WORKPLACE@NEXTON**  
Phase I of the project is leased. Six more buildings will deliver totaling 20,000 SF.



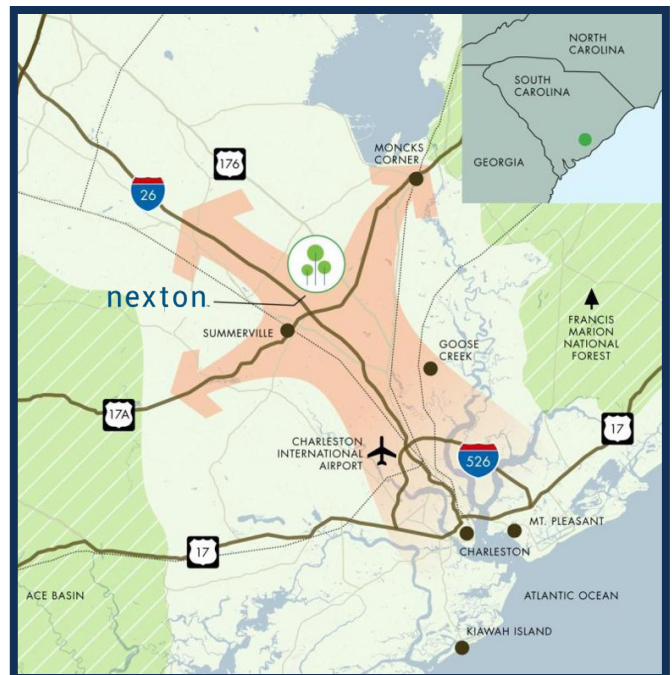
**HOME TELECOM HEADQUARTERS OFFICE**  
20,000 SF Class A office currently under construction and scheduled to deliver in May 2020.



**TRACT B**  
Offers 12.2 acres of available land suitable for office development or build-to-suit accommodating up to 150,000 SF.

## Q4 SPOTLIGHT: NEXTON, CHARLESTON'S NEWEST EMPLOYMENT DESTINATION

- Nexton has entitlements in place for up to +2,000,000 square feet of commercial office development.
- The 5,000-acre master-planned development incorporates Charleston centric restaurants, retail trades and housing opportunities which provide tenants an urban office experience located in the fastest growing suburb in the region.
- Located in Summerville and in the path of Charleston's growth, Nexton is accessible via two interstate changes on I-26 at exits 197 and 199.



## OFFICE OPPORTUNITIES



**THE LANDING**  
Daniel Island  
**35,601 SF Available**

- Recently renovated Class A office building
- Ample onsite parking
- Outdoor collaborative workspaces



**NEXTON**  
Summerville  
**9,846 SF Available**

- Amenity-rich location
- Abundant parking
- Easy access to I-26
- LEED Gold Certified



**ALBEMARLE POINT CENTER**  
West Ashley  
**24,404 SF Available**

- Superior location and accessibility
- Quick access to downtown Charleston
- Free onsite parking
- Within 5 minutes of all amenities



**BELLE HALL**  
Mount Pleasant  
**21,521 SF Available**

- Recently constructed
- Immediate access to I-526
- Located within Belle Hall shopping center mixed-use development

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