

# CHARLESTON OFFICE MARKET REPORT

## Q4 MARKET SNAPSHOT



**14,735,655 SF** ↑  
Inventory



**12.4%** ↓  
Vacancy



**\$27.35 FS** ↑  
Asking Rents



**562,645 SF** ↓  
Construction



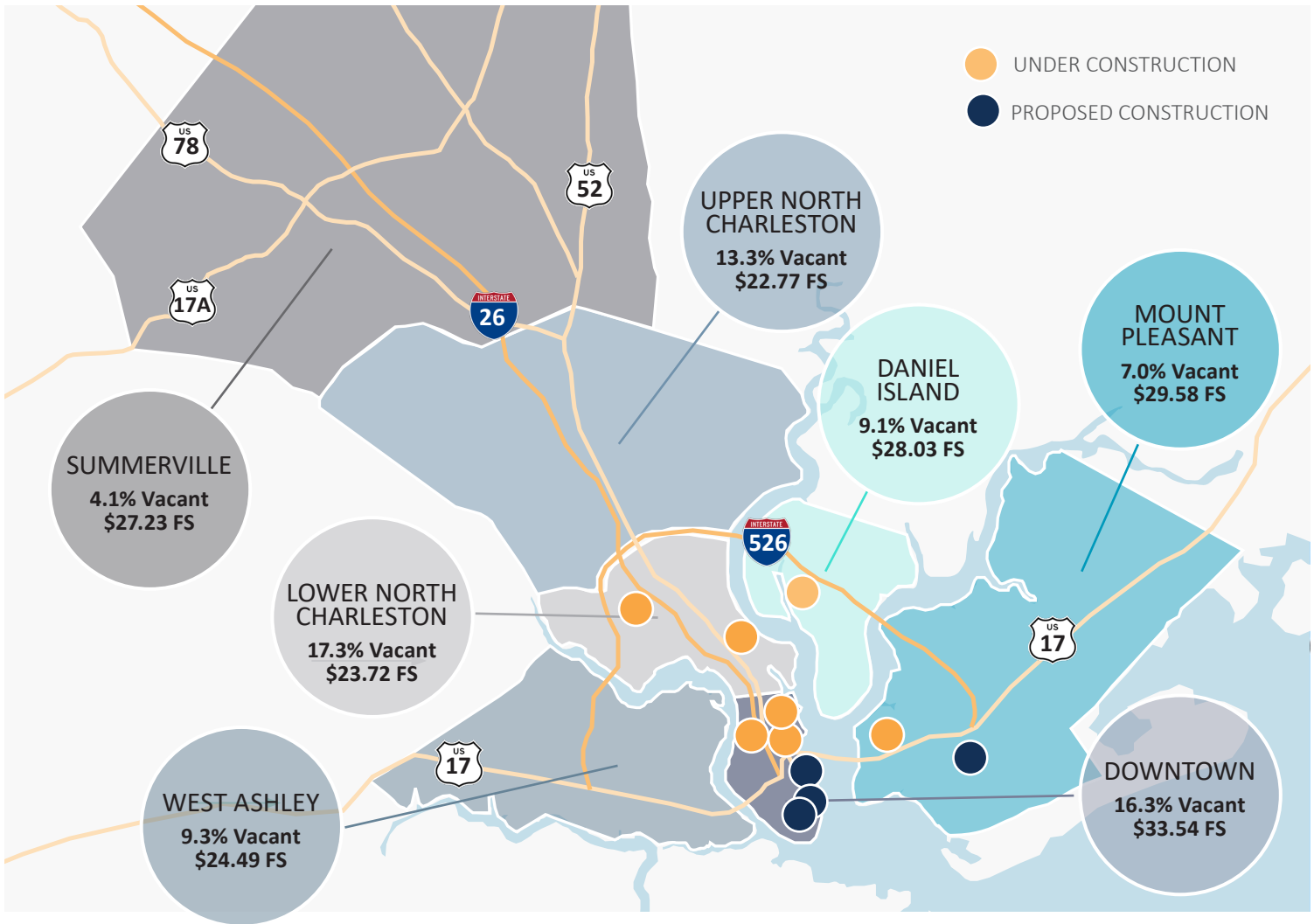
**375,729 SF** ↑  
YTD Deliveries

## Q4 HIGHLIGHTS & TRENDS

- CHARLESTON'S OFFICE MARKET IS BACK; THE MARKET EXPERIENCED STRONG LEASING AND INVESTMENT SALES THROUGHOUT 2021, WHICH HAS PUSHED THE MARKET TOWARD PRE-PANDEMIC LEVELS.
- TOTAL LEASING & INVESTMENT ACTIVITY DOUBLED FROM 2020 TO 2021. WE ANTICIPATE THIS POSITIVE MOMENTUM TO CONTINUE IN 2022.
- RENTAL RATES ARE ANTICIPATED TO REMAIN STEADY AS LANDLORDS EVALUATE THEIR CONCESSION PACKAGES.
- THE QUALITY AND AMOUNT OF SPACE UNDER CONSTRUCTION IS MEETING TENANT DEMAND.



## 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	366,357	38,294	404,651	\$36.31	20.3%	306,457	242,899
<b>TOTAL DOWNTOWN</b>	<b>3,248,236</b>	<b>491,180</b>	<b>38,294</b>	<b>529,474</b>	<b>\$33.54</b>	<b>16.3%</b>	<b>306,457</b>	<b>242,899</b>
Daniel Island	1,647,942	101,326	48,047	149,373	\$28.03	9.1%	184,000	19,840
Lower North Charleston	3,058,820	471,190	58,963	530,153	\$23.72	17.3%	35,788	45,000
Upper North Charleston	2,443,796	321,609	2,282	323,891	\$22.77	13.3%	-	-
Mount Pleasant	2,199,276	131,460	22,475	153,935	\$29.58	7.0%	36,400	67,990
Summerville	990,238	38,465	1,723	40,188	\$27.23	4.1%	-	-
West Ashley	1,147,347	106,130	-	106,130	\$24.49	9.3%	-	-
<b>TOTAL SUBURBAN</b>	<b>11,487,419</b>	<b>1,170,180</b>	<b>133,490</b>	<b>1,303,670</b>	<b>\$24.46</b>	<b>11.3%</b>	<b>256,188</b>	<b>112,990</b>
<b>TOTAL MARKET</b>	<b>14,735,655</b>	<b>1,661,360</b>	<b>171,784</b>	<b>1,833,144</b>	<b>\$27.35</b>	<b>12.4%</b>	<b>562,645</b>	<b>375,729</b>

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 ABSORBS SPACE AT A RAPID PACE.

### Q4 RECAP

- Office recovery is strong. Vacancy decreases to 12.4%, the third consecutive quarterly decline despite new inventory added to the market.
- Much of the tenant demand is coming from locally established financial services and technology firms. Additionally, the market saw an influx of new companies in the fourth quarter.
- Many people and companies relocated in 2021 and an increase in relocations is expected in 2022.
- Workplace enhancements and new strategies on how to work in a 'post-COVID' environment will dictate employee retention and company growth.

### 2021 NOTABLE LEASE TRANSACTIONS

TENANT	PROPERTY	SF
TELUS, Int.	3450 Ingleside Boulevard	81,000 SF
Xifin	100 Benefitfocus Way	32,500 SF
Kion	201 Sigma Drive	25,000 SF
Pinnacle Bank	850 Morrison Drive	22,654 SF
Post & Courier	174 Meeting Street	15,039 SF
Equiscript, LLC	138 Truxton Avenue	12,153 SF
Origin Partners	850 Morrison Avenue	12,000 SF
Parker Poe	850 Morrison Avenue	12,000 SF
Davis Floyd, Inc.	1940 Algonguin Road	11,000 SF
Vigilant Labs	3860 Faber Place Drive	10,005 SF
Latana Recovery, LLC	65 Gadsden Street	9,734 SF
Stanley Martin Homes	774 Shelmore Boulevard	9,600 SF
Premier Medical	5880 Rivers Avenue	8,867 SF
CHS Hospitality	229 Huger Street	7,534 SF
Vendr, Inc.	804 Meeting Street	7,419 SF
TIAG	1505 King Street	6,633 SF
First String Research	1501 Belle Hall	6,521 SF
HALOS	4995 Lacross Road	6,158 SF



**25 CALHOUN**  
Downtown  
100% Leased



**THE LANDING**  
Daniel Island  
90% Leased



**ALBEMARLE**  
West Ashley  
90% Leased

## RECORD BREAKING 2021 FOR INVESTMENT SALES

- Office Sales reached roughly \$200 million in 2021. Investors are in pursuit of Class A investments and good yields on their money.
- 2022 is predicted to set records for invested dollars into the region for both new construction and investment sales.
- Inflation is driving replacement costs up as well as rents. That trend, combined with inexpensive borrowing rates, will lead to higher building pricing.



### 4401 LEEDS AVENUE

SilverCap Partners purchased the Class A building in Faber Place for \$29 million. CBRE represented the seller.

*\*Photo courtesy of CBRE.*



### PORTFOLIO SALE

1671 Belle Isle Avenue in Mount Pleasant and 4969 Centre Pointe Drive in North Charleston sold for \$24,500,000 as a two-building sale totaling 80,000 SF. Bridge Commercial represented the seller.

## OFFICE OPPORTUNITIES



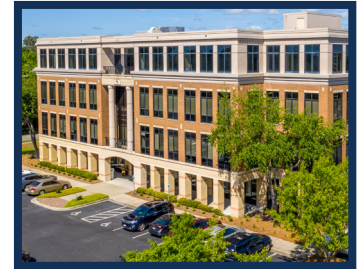
**OPPORTUNITY CENTER**  
North Charleston  
9,410 SF Available



**HUB@NEXTON**  
Summerville  
30,000 SF Available



**THE LANDING**  
Daniel Island  
14,841 SF Available



**ALBEMARLE POINT CENTER**  
West Ashley  
7,067 SF Available



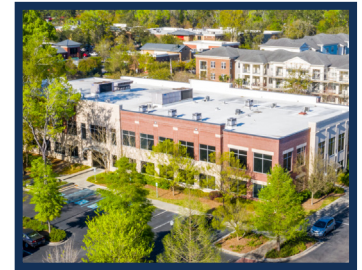
**FABER POINTE**  
North Charleston  
34,816 SF Available



**134 MEETING STREET**  
Downtown  
5,000 SF Available



**2011 BROADBANK COURT**  
Ridgeville  
25,345 SF Available



**1671 BELLE ISLE AVENUE**  
Mount Pleasant  
8,582 SF Available

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