

The Midlands | Q3 2024 **INDUSTRIAL MARKET REPORT**



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INDUSTRIAL MARKET REPORT

Market Indicators	Current Q3 2024		Prior Q2 2024	Year Ago Q3 2023
Inventory	69,552,779 SF	▲	69,458,579 SF	68,193,939 SF
Vacancy	5.0%	▼	5.1%	4.1%
Net Absorption	152,959 SF	▼	161,659 SF	720,571 SF
Market Rent/SF	\$6.17	▼	\$6.40	\$5.09
Availability	6.0 MSF 8.4%	▲	5.3 MSF 7.4%	4.5 MSF 6.4%
Under Construction Delivered	2,518,281 SF 94,200 SF	▼ ▼	2,612,481 SF 210,600 SF	2,522,528 SF 535,440 SF

INDUSTRIAL OVERVIEW

Slower consumer spending and plateauing retail sales have led to a decline in leasing activity heading into the final months of 2024. And while supply has outpaced demand in the Columbia market in five of the past seven quarters, limited speculative construction has kept vacancy rates lower than the national average at 5.0%. While that has increased more than 160 basis points since hitting all-time lows in 2022, vacancies are well below historical norms here.

The decline in demand has been most notable among tenants seeking larger spaces. No deals larger than 100,000 SF have been signed so far in 2024. Still, absorption has remained positive as locally oriented tenants take occupancy of smaller bay spaces. Qualex Manufacturing's 65,895-SF lease in Ridgeway in May and DSV's 45,000-SF lease in West Columbia in April make up the largest leases of the year so far.

New properties have leased up well, and more than 80% of the nearly 6 million SF that has delivered since 2020 has been leased. Nearly all the newer space that remains available is in buildings larger than 200,000 SF. And, while the 2.5 million SF under construction will lift vacancies as

it delivers over the coming years, one 1.2 million SF speculative build at Sandy Run Industrial Park accounts for nearly half of the pipeline, and Scout Motors' 750,000-SF build-to-suit is also included in that total. By contrast, the market for smaller properties remains extremely tight, with the vacancy rate for properties smaller than 100,000 SF at 3.0%, while properties larger than 200,000 SF are more than 6% vacant.

Demand for manufacturers is likely to continue building on the success of recent expansions from Meridian Brick, Schneider Electric, Marc Antony Brewing, and China Jushi. Most recently, Scout Motors announced plans to open a new production facility on 1,600 acres in Blythewood by 2026. The project will add thousands of jobs and is likely to attract suppliers to the area after opening in 2026.

Source:  CoStar

"While slower consumer spending and increasing vacancies in larger industrial spaces present challenges, Columbia's market demonstrates notable resilience. The active occupancy of smaller bay spaces by local businesses indicates sustained positive absorption, reflecting the community's adaptability. As we anticipate significant developments, such as Scout Motors' new facility, the demand for strategically positioned industrial space is poised to evolve, offering fresh opportunities for both established and emerging players in the sector."

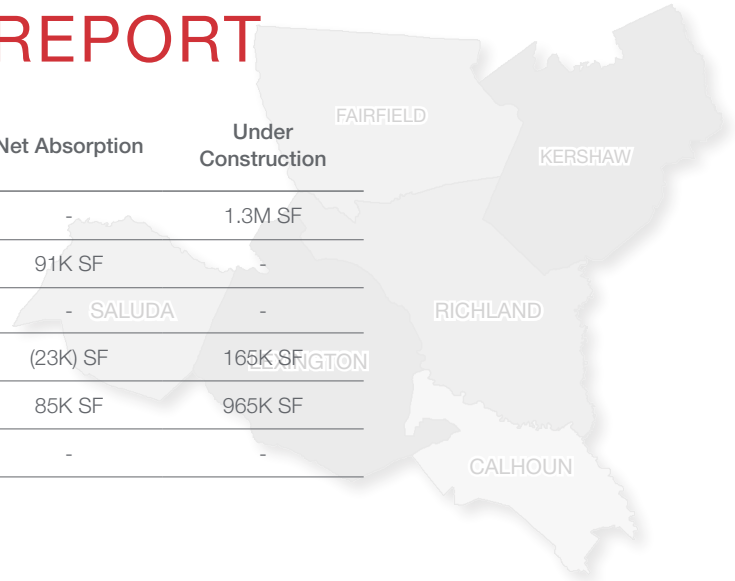


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	Inventory	Rental Rate	Vacancy	Availability	Net Absorption	Under Construction
Calhoun	2.1 MSF	\$6.91	2.5%	35%	-	1.3M SF
Fairfield	3.1 MSF	\$2.50	0.3%	0.3%	91K SF	-
Kershaw	7.1 MSF	\$4.15	16.8%	18.4%	- SALUDA	-
Lexington	25.6 MSF	\$7.19	2.4%	4.1%	(23K) SF	165K SF
Richland	30.9 MSF	\$6.05	5.3%	7.6%	85K SF	965K SF
Saluda	607K SF	-	-	-	-	-



SOUTHEAST COLUMBIA | INVENTORY 15.9 MSF

VACANCY Q3: 5.4%
Q2: 5.1%

RENTAL RATE Q3: \$6.12
Q2: \$6.09

ABSORPTION Q3: (46K) SF
Q2: (36K) SF

CAYCE/WEST COLUMBIA & LEXINGTON | INVENTORY 24.3 MSF

VACANCY Q3: 1.8%
Q2: 1.7%

RENTAL RATE Q3: \$7.15
Q2: \$7.84

ABSORPTION Q3: (19K) SF
Q2: 195K SF

NORTH COLUMBIA & NE COLUMBIA | INVENTORY 12.7 MSF

VACANCY Q3: 5.9%
Q2: 6.6%

RENTAL RATE Q3: \$5.99
Q2: \$6.80

ABSORPTION Q3: 93K SF
Q2: 10K SF

Source: CoStar

NOTABLE TRANSACTIONS



358 Ascauga Lake Road | Graniteville, SC
280,000 SF
John Gregory, PE, CCIM | Bill Lamar
Tristan Lee



441 Wildlife Road | Lexington, SC
1,800 SF | 225,000
John Gregory, PE, CCIM | Bill Lamar
Tristan Lee



1025 Dreyfuss Road | Columbia, SC
4,000 SF
John Gregory, PE, CCIM | Bill Lamar
Tristan Lee

ABOUT NAI COLUMBIA

NAI Columbia is a full-service commercial real estate firm located in Columbia, South Carolina providing customized brokerage, property management, project management, development, research, and consulting services throughout South Carolina and beyond. NAI Columbia is broker-owned with over 200 years of combined local experience among its seven partners. Founded in 2019, the firm is a partnership with NAI Earle Furman in Greenville, S.C., along with eight local partners that served as senior brokers with NAI Avant, which derived from national real estate developer Edens and Avant, before its sunsetting and reformation as NAI Columbia under new leadership and a new company structure. NAIC is a member of the NAI Global commercial real estate network providing real estate solutions through 375+ offices worldwide. For more information visit www.naicolumbia.com.