

The Midlands | Q3 2024

RETAIL MARKET REPORT



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Market Indicators	Current Q3 2024		Prior Q2 2024	Year Ago Q3 2023
Inventory	56,062,472 SF	▼	56,074,347 SF	55,941,723 SF
Vacancy	3.2%	▲	2.9%	2.9%
Net Absorption	(147,482) SF	▼	29,350 SF	216,686 SF
Market Rent/SF	\$15.16	▼	\$15.17	\$14.07
Availability	2.1 MSF 3.9%	▲	1.9 MSF 3.6%	2.1 MSF 3.8%
Under Construction Delivered	53,306 SF 11,965 SF	▼ ▼	62,852 SF 32,267 SF	181,231 SF 51,226 SF

RETAIL OVERVIEW

While continued rent growth in the retail sector has held investor interest better than some property types as of the second half of 2024, frozen capital markets have still kept many deals from closing. In Columbia, roughly \$191 million has traded over the past year, and trailing four-quarter investment volume was down more than two-thirds on a year-over-year basis and more than 50% since its peak in early 2022.

Most recent deals have been freestanding, single-tenant net lease transactions closing for less than \$5 million. Cap rates on these deals have varied considerably based on location and tenant credit. For example, a private local buyer purchased the 3,335-SF newly built space on Killian Road in northern Columbia for \$2.92 million or \$876/SF as part of a 1031 exchange in July 2024. The property, which was leased by fast-food chain Slim Chickens, traded at a 6.5% cap rate. By contrast, a New York-based investor purchased a 1,500-SF space on Dutch Fork Road in Irmo for \$1.9 million in June. The property was leased for 10 years by Whataburger as part of the Texas chain's entry into South Carolina.

Deals on larger centers have traded at substantially higher cap rates. For example, Great Southern Corporation sold its 38,618 SF Outlet Pointe shopping center to an unknown buyer for \$3.18 million or \$82/SF in July 2024. The 1980-built property traded at an 8.09% cap rate.

Source:  CoStar

"The retail market in Columbia, SC, shows a mixed performance in Q3 2024. Overall, while there are some positive signs such as rent growth and certain submarkets showing positive absorption, the increase in vacancy rates and negative net absorption indicate some challenges in the retail market in Columbia, SC."

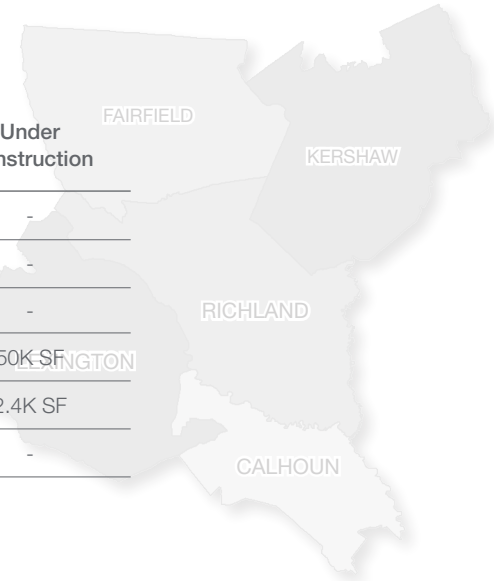


PATRICK PALMER, CCIM
Principal | Director of Retail Services
ppalmer@naicolumbia.com
803.744.9853

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	Inventory	Rental Rate	Vacancy	Availability	Net Absorption	Under Construction
Calhoun	407K SF	\$10.00	5.5%	6.6%	(1.3K) SF	-
Fairfield	757K SF	\$7.50	1.6%	2.3%	-	-
Kershaw	3.5 MSF	\$14.94	2.3%	2.5%	(6.5K) SF	-
Lexington	20.7 MSF	\$15.47	2.6%	3.3%	33.5K SF	50K SF
Richland	30.0 MSF	\$15.65	3.6%	4.3%	(173K) SF	2.4K SF
Saluda	517K SF	\$7.13	8.3%	9.5%	-	-



COLUMBIA CBD & FOREST ACRES | INVENTORY 6.1 MSF

VACANCY Q3: 4.1% Q2: 4.4% RENTAL RATE Q3: \$18.01 Q2: \$18.03 ABSORPTION Q3: 18.2K SF Q2: 491 SF

CAYCE/WEST COLUMBIA & LEXINGTON | INVENTORY 12.8 MSF

VACANCY Q3: 1.7% Q2: 1.8% RENTAL RATE Q3: \$17.38 Q2: \$17.68 ABSORPTION Q3: 23.7K SF Q2: (32K) SF

DUTCH FORK/IRMO & ST ANDREWS | INVENTORY 11.5 MSF

VACANCY Q3: 3.6% Q2: 3.6% RENTAL RATE Q3: \$14.20 Q2: \$14.21 ABSORPTION Q3: (1.0K) SF Q2: 34K SF

Source: CoStar

NOTABLE TRANSACTIONS



2923 & 2927 Millwood Avenue | Columbia, SC
9,000 SF | \$1,410,000
Ben Kelly, CCIM | Patrick Chambers



5412 Platt Springs Road | Lexington, SC
1.50 Acre Outparcel | \$800,000
Ben Kelly, CCIM | Patrick Chambers



2230 Decker Boulevard | Columbia, SC
1,600 SF
Bobby Balboni, CCIM | Patrick Palmer, CCIM

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.