

The Midlands | Q4 2024 **INDUSTRIAL MARKET REPORT**



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INDUSTRIAL MARKET REPORT

Market Indicators	Current Q4 2024		Prior Q3 2024	Year Ago Q4 2023
Inventory	72,168,654 SF	▲	70,629,622 SF	69,620,782 SF
Vacancy	6.3%	▲	5.0%	4.6%
Net Absorption	486,804 SF	▲	146,543 SF	(67,843) SF
Market Rent/SF	\$6.21	▲	\$6.17	\$5.39
Availability	5.3 MSF 7.2%	▼	6.0 MSF 8.1%	4.8 MSF 6.7%
Under Construction Delivered	1,884,500 SF 1,538,048 SF	▼ ▲	3,423,548 SF 94,200 SF	2,748,528 SF 350,000 SF

INDUSTRIAL OVERVIEW

With vacancy rates up more than 200 basis points over the past two years, rent growth in Columbia has begun to cool. At 4.4% year over year, annual rent growth is still outpacing the national rate. However, a closer look at quarterly rent growth numbers signals a continued slowdown ahead. Rents rose just 0.3% in 24Q3, down from 1.9% in 23Q3 and a peak of 2.7% in 22Q1.

The cooldown has been especially noticeable in boxes larger than 200,000 SF, which have constituted much recent speculative supply and have seen demand decline as larger retailers pull back on space additions. Smaller buildings, by contrast, are seeing continued rental rate growth.

Columbia is a comparatively affordable market with average rental rates at roughly \$8.00/SF, significantly lower than larger markets such as Charlotte or port centers like Charleston. While newer warehouse space can approach the \$6/SF NNN mark for large box space, older space in outlying areas is still available for closer to \$4/SF NNN, such as the 1975-built 412 Groves Street in Kershaw which is asking \$3.75/SF NNN. By contrast, smaller spaces in newer parts have pushed rents closer to \$8/SF NNN. Carolina Industrial Products signed a 6-year lease for 30,000 SF at the newly built warehouse on 391 Burton Road in Lexington starting at \$7.50/SF NNN in April 2024.

Source:  CoStar

"The Midlands industrial market remains robust, driven by major economic projects like Scout Motors and the recent \$1 billion Birla Carbon investment in Orangeburg County. Scout Motors' ongoing construction promises long-term economic impact. Limited inventory persists as construction costs influence decisions. Q4 2024 saw key leases, including 200,758 SF at Pineview Trade Center by China Jushi USA Corporation. Strong leasing activity is anticipated in 2025, with new speculative developments expected to break ground in late 2025."

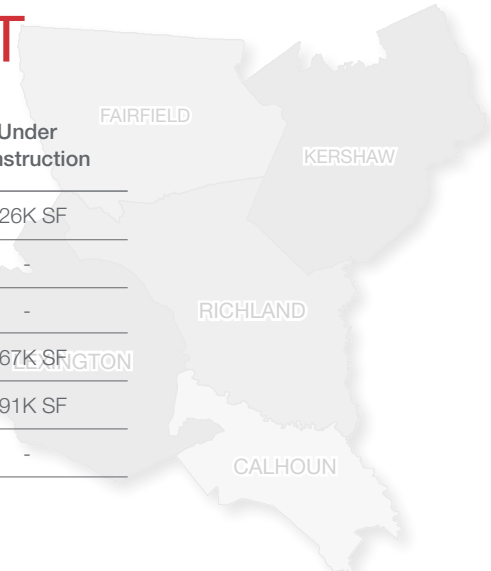


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	Inventory	Rental Rate	Vacancy	Availability	Net Absorption	Under Construction
Calhoun	3.2 MSF	\$6.76	35.5%	33.6%	45K SF	226K SF
Fairfield	3.1 MSF	\$2.50	0.3%	0.3%	-	-
Kershaw	7.1 MSF	\$4.12	16.7%	16.8%	(97K) SF	-
Lexington	26.7 MSF	\$7.16	2.3%	3.1%	158K SF	767K SF
Richland	31.2 MSF	\$6.12	5.0%	6.6%	273K SF	891K SF
Saluda	607K SF	-	-	-	-	-



SOUTHEAST COLUMBIA | INVENTORY 16.1 MSF

VACANCY Q4: 4.8%
Q3: 5.4%

RENTAL RATE Q4: \$6.32
Q3: \$6.12

ABSORPTION Q4: 292K SF
Q3: (53K) SF

CAYCE/WEST COLUMBIA & LEXINGTON | INVENTORY 26.6 MSF

VACANCY Q4: 6.5%
Q3: 1.7%

RENTAL RATE Q4: \$7.06
Q3: \$7.15

ABSORPTION Q4: 14K SF
Q3: (19K) SF

NORTH COLUMBIA & NE COLUMBIA | INVENTORY 12.8 MSF

VACANCY Q4: 6.0%
Q3: 5.9%

RENTAL RATE Q4: \$5.97
Q3: \$5.99

ABSORPTION Q4: (10K) SF
Q3: 92K SF

Source: CoStar

NOTABLE TRANSACTIONS



1669 Longwood Road | Columbia, SC
200,758 SF
John Gregory, PE, CCIM | Bill Lamar
Tristan Lee



Shop Grove Industrial Park | Columbia, SC
56,000 SF
John Gregory, PE, CCIM | Bill Lamar
Tristan Lee



1021 Second Avenue | Columbia, SC
10,927 SF | \$2,575,000
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.