

The Midlands | Q4 2024

OFFICE MARKET REPORT



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Market Indicators	Current Q4 2024		Prior Q3 2024	Year Ago Q4 2023
Inventory	35,869,760 SF	▲	35,858,892 SF	35,843,488 SF
Vacancy	6.3%	▲	5.9%	8.3%
Net Absorption	(116,762) SF	▼	618,890 SF	258,238 SF
Market Rent/SF	\$19.15	▲	\$18.87	\$18.71
Availability	3.7 MSF 8.6%	▲	2.9 MSF 8.1%	3.3 MSF 9.3%
Under Construction Delivered	76,180 SF 52,280 SF	▼ ▼	128,460 SF 1,926 SF	179,904 SF 88,690 SF

OFFICE OVERVIEW

At \$19.15/SF Columbia's office space comes at a significant discount when looking at comparable office markets in the region. The lack of supply pressure in the market has kept rents growing slightly faster than the national average at 1.2% annually. Slower leasing activity, however, has kept cooled rent growth below pre-pandemic trends when annual rent growth averaged roughly 3%.

At \$25.00/SF, 4 & 5 Star assets rent well below the national asking rate. Office properties in the city's central business district have historically commanded the highest rents in the metro; however, more recent trends have pushed rents higher in districts adjacent to the city's core such as the Dutch Fork/Irmo Submarket, where rents are just slightly above the CBD average. Coworking space Venture X leased 17,179 SF in 1901 Main in Downtown Columbia at a starting rate of \$24.09/SF FS in June 2024. A few months earlier in April 2024, the U.S. Secret Service leased 11,968 SF at St. Andrews starting at \$27.28/SF FS.

The lack of highly-amenitized office space has led some of the best-located and highest-end properties to list asking rents above \$30/SF FS. Main and Gervais, a 2009-built tower which includes law and commercial real estate tenants such as Burr & Forman, ParkerPoe, and EDENS, has space listed at \$33/SF FS (sublease).

Source:  CoStar

"The Columbia office market is experiencing a surge in activity. I've observed a significant decrease in available inventory, while demand from businesses continues to be robust. This strong demand, coupled with limited supply, is creating a competitive environment for tenants seeking quality office space. The market is characterized by a flight-to-quality trend, with businesses prioritizing modern, amenity-rich spaces that attract and retain top talent. This dynamic market suggests a positive outlook for the future of office space in Columbia."

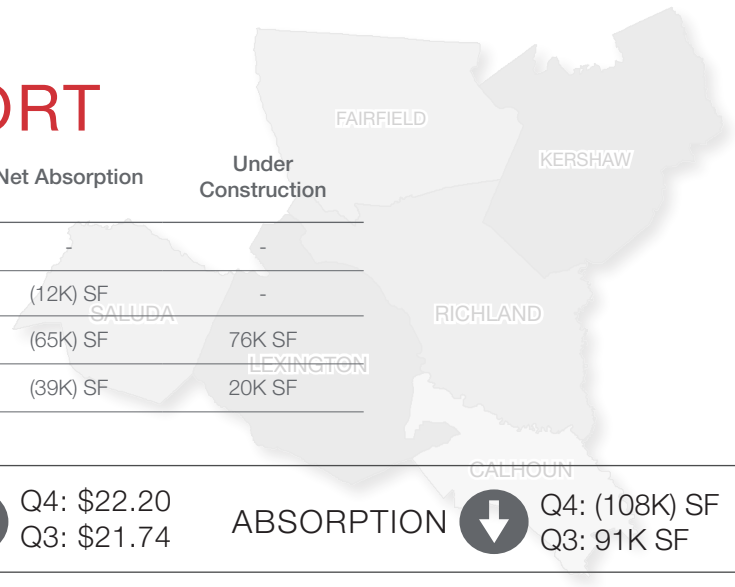


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	Inventory	Rental Rate	Vacancy	Availability	Net Absorption	Under Construction
Fairfield	301K SF	\$14.40	-	-	-	-
Kershaw	866K SF	\$25.00	2.0%	2.0%	(12K) SF	-
Lexington	8.7 MSF	\$17.07	3.4%	5.0%	(65K) SF	76K SF 20K SF
Richland	25.6 MSF	\$19.56	7.5%	10.2%	(39K) SF	



COLUMBIA CBD | INVENTORY 9.9 MSF

VACANCY Q4: 9.5%
Q3: 8.8% RENTAL RATE Q4: \$22.20
Q3: \$21.74 ABSORPTION Q4: (108K) SF
Q3: 91K SF

CAYCE/WEST COLUMBIA & LEXINGTON | INVENTORY 6.0 MSF

VACANCY Q4: 2.3%
Q3: 2.0% RENTAL RATE Q4: \$16.41
Q3: \$16.86 ABSORPTION Q4: (20K) SF
Q3: 9.4K SF

FOREST ACRES | INVENTORY 1.8 MSF

VACANCY Q4: 8.6%
Q3: 7.4% RENTAL RATE Q4: \$18.35
Q3: \$18.01 ABSORPTION Q4: (21K) SF
Q3: (8.8K) SF

NE COLUMBIA | INVENTORY 5.2 MSF

VACANCY Q4: 7.7%
Q3: 8.6% RENTAL RATE Q4: \$21.77
Q3: \$21.70 ABSORPTION Q4: (21K) SF
Q3: (8.8K) SF

ST ANDREWS | INVENTORY 5.1 MSF

VACANCY Q4: 8.9%
Q3: 8.0% RENTAL RATE Q4: \$17.52
Q3: \$17.60 ABSORPTION Q4: (48K) SF
Q3: 63K SF

NOTABLE TRANSACTIONS

Source: CoStar



7909 Parklane Road | Columbia, SC
4,622 SF
Jeff Hein, SIOR | Will DuPree
Hope Andrews



113 Barton Creek Court | Columbia, SC
5,284 SF | \$900,000
Jeff Hein, SIOR | Will DuPree
Hope Andrews | Jack Springs



3710 Forest Drive | Columbia, SC
3,900 SF
Jeff Hein, SIOR | Will DuPree
Hope Andrews

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.