

The Midlands | Q4 2024

RETAIL MARKET REPORT



The Midlands | Q4 2024

RETAIL MARKET REPORT

Market Indicators	Current Q4 2024		Prior Q3 2024	Year Ago Q4 2023
Inventory	54,341,829 SF	▼	54,370,881	54,300,359 SF
Vacancy	3.2%	▼	3.3%	2.8%
Net Absorption	30,903 SF	▲	(177,394) SF	130,339 SF
Market Rent/SF	\$14.93	▼	\$15.16	\$15.79
Availability	1.6 MSF 3.7%	▼	1.6 MSF 4.0%	1.4 MSF 3.6%
Under Construction Delivered	60,509 SF 0 SF	= ▼	60,506 SF 11,965 SF	125,949 SF 58,414 SF

RETAIL OVERVIEW

Sales volume has remained slow across all property types in Columbia, though retail has held investor interest better than some other asset classes heading into 2025. Annual retail volume of roughly \$179 million is less than half the peaks reached in 2022. However, a handful of larger deals increased investment volume in the second half of 2024.

Freestanding properties with single tenants on long-term net lease deals have made up the bulk of transaction volume. The exception has come from well-leased power centers in high-income areas that have attracted private equity and institutional buyers. For example, Seattle-based Bridge33 Capital purchased the 2003-built Columbian Station from Nuveen for \$43.69 million or \$98/SF.

More common deals have closed for less than \$4 million. While cap rates on the newest of these properties with the highest-credit tenants have dipped into the high 4% range, older and less well-located properties have touched 6.5%.

Texas fast-food chain Whataburger entered the South Carolina market with one of its first locations in the Irmo area of the Columbia market. The 2024-built, 1,500 SF outparcel it signed a 10-year lease for in Irmo sold in June 2024 for \$1.9 million for \$1,267/SF. The deal, which included seller Magnolia Property Group, a Greenville-based developer, and a New York-based private buyer, traded at a 4.7% cap rate. By contrast, 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.

Source:  CoStar

"The Columbia retail market is indeed heading in a promising direction, with 2025 shaping up to be a transformative year. As Northeast Columbia and Lexington experience robust growth with the addition of national retailers like Publix and Lowes Foods, the positive impact on these communities will be significant, both in terms of retail offerings and overall economic vitality. Additionally, the anticipation of exciting announcements in the Bull Street District in Downtown Columbia only adds to the optimism. As this area evolves, it has the potential to become a dynamic hub for both shopping and entertainment, further enhancing the downtown experience. With these strategic developments, Columbia is set to become an even more attractive destination for both businesses and residents in the years to come."

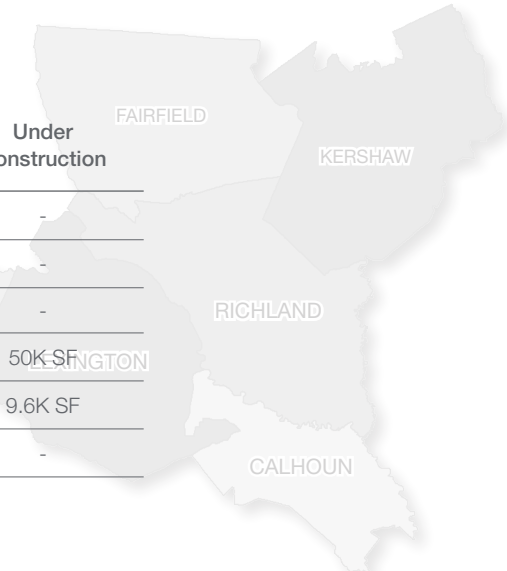


SAM EDENS
 Brokerage Associate
 sedens@naicolumbia.com
 803.744.9832

The Midlands | Q4 2024

RETAIL MARKET REPORT

	Inventory	Rental Rate	Vacancy	Availability	Net Absorption	Under Construction
Calhoun	407K SF	\$10.00	0.3%	1.4%	21K SF	-
Fairfield	758K SF	\$7.50	1.6%	2.3%	-	-
Kershaw	3.5 MSF	\$15.18	2.2%	2.5%	3.6K SF	50K SF
Lexington	20.3 MSF	\$15.46	2.7%	3.2%	(15.8K) SF	9.6K SF
Richland	28.7 MSF	\$15.46	3.6%	4.2%	21.6K SF	-
Saluda	519K SF	\$6.48	8.3%	9.5%	-	-



COLUMBIA CBD & FOREST ACRES | INVENTORY 6.1 MSF

VACANCY Q4: 3.9% Q3: 4.1% RENTAL RATE Q4: \$17.79 Q3: \$18.03 ABSORPTION Q4: 11.6K SF Q3: 16.7K SF

CAYCE/WEST COLUMBIA & LEXINGTON | INVENTORY 12.9 MSF

VACANCY Q4: 1.8% Q3: 1.6% RENTAL RATE Q4: \$17.29 Q3: \$17.38 ABSORPTION Q4: (16.6K) SF Q3: 23.7K SF

DUTCH FORK/IRMO & ST ANDREWS | INVENTORY 10.2 MSF

VACANCY Q4: 4.1% Q3: 3.9% RENTAL RATE Q4: \$13.92 Q3: \$14.20 ABSORPTION Q4: (19.5K) SF Q3: (1,059) SF

Source: CoStar

NOTABLE TRANSACTIONS



Woodberry Plaza | West Columbia, SC
84,110 SF | \$4,200,000
Patrick Palmer, CCIM | Bobby Balboni, CCIM



Platt Springs Crossing | Lexington, SC
8,300 SF
Ben Kelly, CCIM | Patrick Chambers



2580 North Road | Orangeburg, SC
2.24 Acres | \$1,200,000
Mac Fanning

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.