

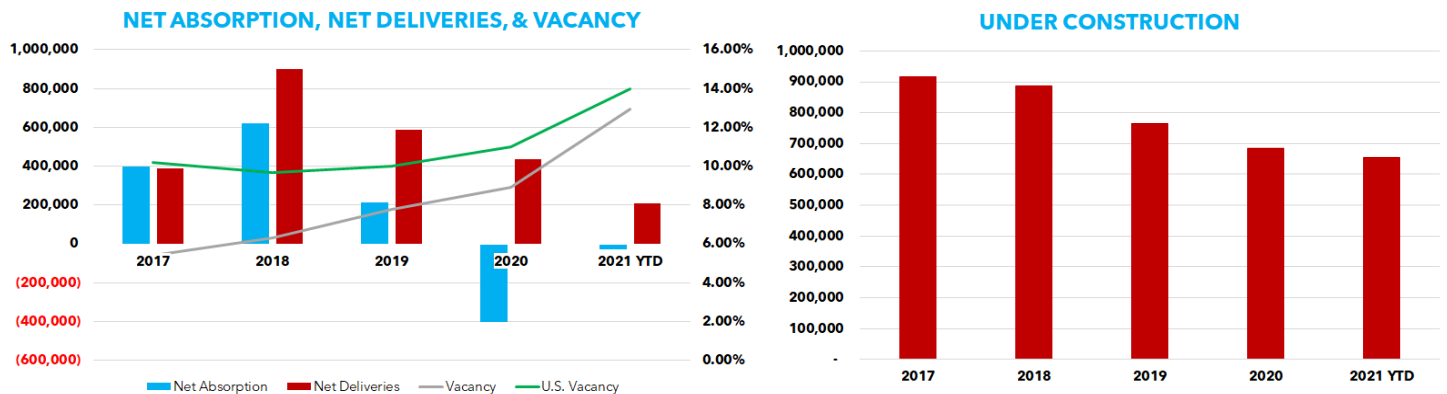


### OFFICE MARKET OVERVIEW

PETE HARPER, CCIM, *Principal*

Charleston is seeing the light at the end of the Covid tunnel! By mid-May everyone over age 16 will be vaccine eligible. Tourism is back and most businesses are open. Charleston Metro leads the state with 647K SF under construction of which 20% is pre-leased. Office sales volume reached an all-time high in 2020 with roughly \$360M traded. That momentum has carried into 2021. Unfortunately, vacancy rates have increased 50% from Q1 2020 to Q1 2021 (8.6% to 13.0%). We believe the increase in available SF will be absorbed over the next two quarters, starting with the B & C class product while the Class A under construction buildings will see solid activity starting in late 2021 and early 2022.

MARKET INDICATORS	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
▲ Net Absorption	(57,184) SF	(269,098) SF	24,917 SF	128,383 SF	(143,326) SF
▲ Vacancy Rate	12.96%	11.95%	11.07%	8.80%	8.90%
▲ Avg NNN Asking Rate	\$24.17 PSF	\$21.25 PSF	\$21.28 PSF	\$21.77 PSF	\$26.81 PSF
▲ Under Construction	647,368 SF	553,802 SF	350,790 SF	986,663 SF	1,004,838 SF
▲ Inventory	22,766,061 SF	22,533,061 SF	21,711,797 SF	20,499,826 SF	20,148,995 SF



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
201 Sigma Drive Summerville, SC	97,448 SF	\$26,125,000.00 \$268.09 PSF	LMHT Capital Westport Capital Partners	Class A
3800 Paramount Drive North Charleston, SC	50,000 SF	\$8,250,000.00 \$165.00 PSF	ECPI University Cobalt Property Group	Class A
89 Old Trolley Road Summerville, SC	14,251 SF	\$1,954,457.00 \$137.15 PSF	John Steel David Dick	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1280 Hospital Drive Mount Pleasant, SC	23,379 SF	Healthcare Trust of America	MUSC	Healthcare
850 Morrison Drive Charleston, SC	12,000 SF	Origin Development Partners	Parker Poe Adams & Bernstein	Legal Services
229 Huger Street Charleston, SC	7,534 SF	Michael Zinn	Charleston Hospitality Group	Hospitality