

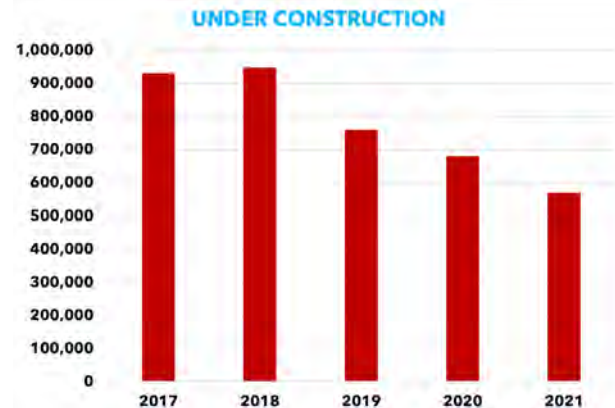
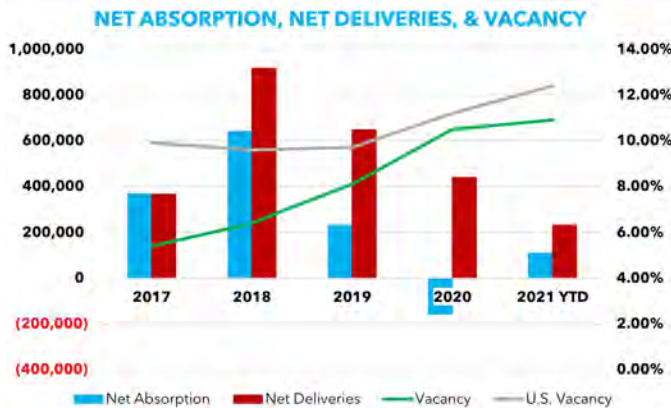


### OFFICE MARKET OVERVIEW

REID DAVIS, *Managing Principal*

Charleston's Office market continues to rebound as corporate America gets back to the office. Office leasing and sales has been steady since late 2020 and Q2-2021 marks the first period of positive absorption since Q3-2020. With new buildings opening, vacancy remains at 10%, but positivemomentum will improve absorption over the next year. While efficiency is a priority, tenants still recognize the value of the in-person office experience and its role in company sustainability and growth. After wobbling during the pandemic, office cap rates have stabilized and are providing investors with great returns in comparison to other asset classes.

MARKET INDICATORS	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
▲ 12 Mo. Net Absorption SF	110,272	(57,184)	(269,098)	24,917	128,383
▼ Vacancy Rate	10.90%	12.96%	11.95%	11.07%	8.80%
▲ Avg NNN Asking Rate	\$24.54	\$24.17	\$21.25	\$21.28	\$21.77
▼ SF Under Construction	567,617	647,368	553,802	350,790	986,663
▲ Inventory SF	23,426,399	22,766,061	22,533,061	21,711,797	20,499,826



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
4340 Corporate Road North Charleston, SC	40,000 SF	\$7,500,000 \$187.50 PSF	Atlantic Properties LLC Mountain Shore	Class B
4230 Faber Place Drive North Charleston, SC	33,250 SF	\$5,700,000 \$175.99 PS	Undisclosed Julie E. Bradham	Class B
2165 Ashley Phosphate Road North Charleston, SC	30,262 SF	\$3,160,000 \$104.42 PSF	Ashley Office Park LLC Caulder Realty	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
100 Benefitfocus Way Daniel Island, SC	32,500 SF	Holland Properties	Undisclosed	Undisclosed
5880 Rivers Avenue North Charleston, SC	8,867 SF	Temisan Etikerentse	Premier Medical	Health Care
1505 King Street Ext Charleston, SC	6,633	Raven Cliff Company	PhishLabs	Cyber Security