



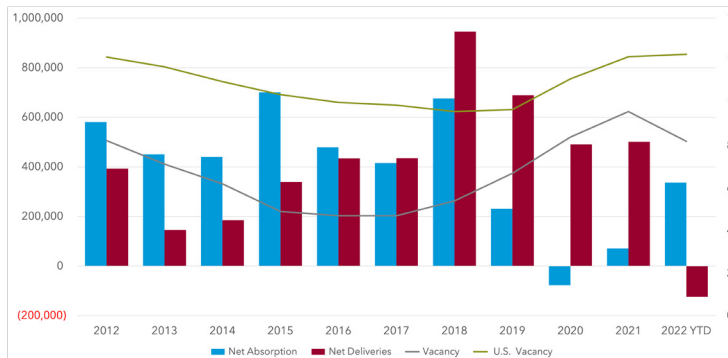
OFFICE MARKET OVERVIEW

HUNTER HARTLEY, CPSP. Associate

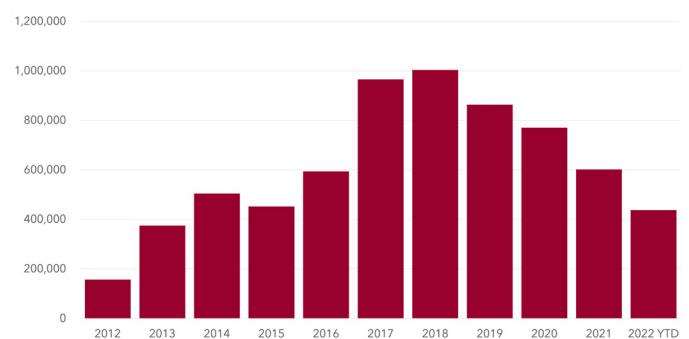
Charleston's office market stabilized in the second half of 2021, and absorption in early 2022 was positive after large, high-profile move-ins. Office leasing activity increased each quarter in 2021 and sublet availability has declined as office users backfilled vacant space. 260,000 SF of sublet space is currently available, well below the Q4 2020 peak of 644,000 SF. An additional 438,000 SF of office space is scheduled to deliver the next few months. Annual rent growth slowed in 2021, but remained positive, up 3.2% year-over-year. Investors have been unfazed by the uncertainty surrounding the office market. In fact, total sales volume reached an all-time high in 2021. Investors closed on \$438 million in office deals over the past 12 months.

MARKET INDICATORS	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
▼ 12 Mo. Net Absorption SF	245,334	349,371	240,042	110,272	(57,184)
▼ Vacancy Rate	9.93%	10.9%	11.0%	11.0%	11.3%
▼ Avg NNN Asking Rate PSF	\$25.08	\$25.82	\$25.55	\$25.10	\$24.95
▼ SF Under Construction	437,517	659,982	497,705	567,617	647,368
▼ Inventory SF	22,852,101	23,088,708	23,055,079	22,950,264	22,881,785

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
176 Croghan Spur Charleston, SC	72,788 SF	\$23,838,663 \$327.51 PSF	Porter-Gaud School Insite Properties LLC	Class A
668 Marina Drive Charleston, SC	16,379 SF	\$406,000 \$24.79 PSF	Nata LLC Grassroots Holdings V LLC	Class B
216 Seven Farms Drive Daniel Island, SC	12,000 SF	\$4,250,000 \$354.17 PSF	Charleston Industrial Grove Property Fund	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1940 Algonquin Road Charleston, SC	33,000 SF	White point Partners	Amazon	Retailer
4500 Leeds Avenue North Charleston, SC	13,985 SF	LRC Properties	Undisclosed	Undisclosed
1940 Algonquin Road Charleston, SC	12,392 SF	White point Partners	Davis & Floyd	Civil Engineering

