

SIGNIFICANT LEASE DEALS

Address	Submarket/City	Square Feet	Tenant
1008-1010 Trident St	Hanahan	174,920	Goodwill Services
5870 Core Ave	North Charleston	15,660	Unavailable
1362 McMillan Ave	North Charleston	9,170	Modus21

SIGNIFICANT BUILDING SALES

Address	Sale Value	PPSF	SF	Buyer
City	Type of Sale	Cap Rate	Class	Seller
2000 Daniel Island Dr Charleston	\$35,500,000 Investment	\$154.35 -	230,000 Class A	Holder Properties Duck Pond Creek SPE
281 King St Charleston	\$10,349,869 -	\$256.82 -	40,300 Class B	Stockbridge Capital Grp Rushmark Properties
781 Wentworth St Charleston	\$9,150,131 -	\$228.75 -	40,000 Class B	Stockbridge Capital Grp Rushmark Properties

LARGEST DELIVERIES


Address	Submarket/City	SF	Developer
2265 Clements Ferry Rd	Charleston	32,119	Caliber Construction
Ingleside Blvd	North Charleston	20,000	Tribek Properties
3160 W. Montague Ave	North Charleston	4,800	Kirkland Real Estate


LARGEST UNDER CONSTRUCTION

Address	Submarket/City	SF	Delivery Date
22 Westedge St	Charleston	154,998	Dec. 2019
75 Port City Landing	Mount Pleasant	120,000	Sept. 2019
4920 O'hear Ave	North Charleston	110,000	Jan. 2021

TOTAL OFFICE MARKET STATISTICS

	Vacancy Rate	Avg. SF Rental Rates GRS	Net SF Absorption	SF Inventory	SF Under Construction
Q2 2019	5.9%	\$25.68	(258,358)	30,800,000	874,615
Q1 2019	4.9%	\$25.60	257,937	30,700,000	853,467
Q4 2018	5.3%	\$25.51	97,402	30,500,000	784,693
Q3 2018	5.0%	\$25.51	(50,397)	30,300,000	832,996
Q2 2018	4.7%	\$25.37	359,933	30,300,000	558,771

 **(248,358)** NET ABSORPTION SF

 **5.9%** VACANCY
1,800,000 SF

 **\$25.68** AVG. ASKING RATE PSF GROSS

 **70,852** DELIVERIES
4 Buildings

 **874,615** UNDER CONSTRUCTION
23 Buildings

PETE HARPER, CCIM, Principal

The Charleston Office market continues to see strong rental rate increases. Quoted Rates in the Downtown submarket have grown by close to \$2.00 psf during the past 12 months. These increases are helping to support the start of nearly 600,000 SF of new class A office construction in and around downtown. However, Rising Construction costs make the completion of all 600,000 SF questionable. Class B & C office in the suburban submarkets is continuing to get absorbed but not at the same pace as 2018. The unemployment rate is at an all time low in the MSA which is making it tougher for small office users to hire new employees. For the first time in five years, small office tenants are looking to downsize.