



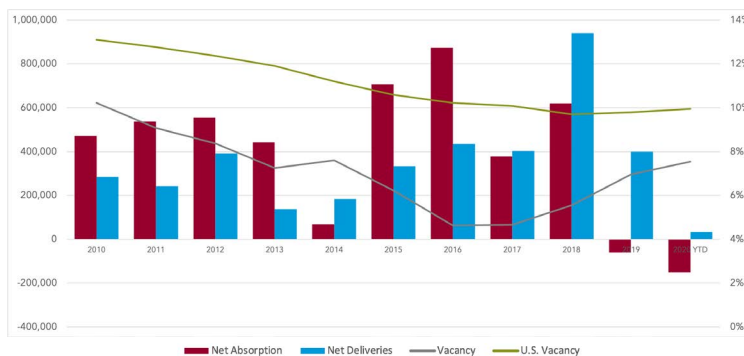
OFFICE MARKET OVERVIEW

PETE HARPER, CCIM, *Principal*

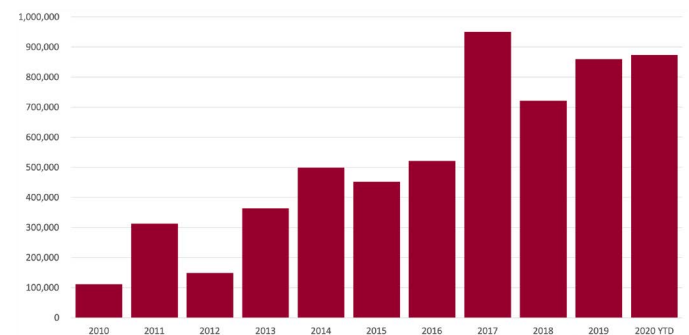
The Charleston Office market continues to remain strong with the highest average rental rates in the state at \$26.80/SF. This growth has pushed new construction into the neck of Charleston as well as the Summerville/Nexton area. Tech companies continue to flock to these booming areas, especially the neck, which has been aptly named the Charleston technology corridor. Net absorption has improved nearly 36,000 SF since Q4 2019, indicating that office vacancy rates will level out and stop growing as they have been since Q2 2019. Regardless, Charleston's vacancy rate is still well below the national average and surrounding metros such as Greenville, Columbia, and even Charlotte. The advent of the coronavirus is expected to have an impact on rental rates and absorption moving into Q2 2020 but its true effects will not be known for another 3 to 6 months.

MARKET INDICATORS	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
▼ Net Absorption	(505,819) SF	(60,319) SF	214,120 SF	117,342 SF	740,242 SF
▲ Vacancy Rate	7.60%	7.00%	6.10%	5.80%	5.00%
▲ Avg NNN Asking Rate	\$26.80/SF	\$26.74/SF	\$26.70/SF	\$26.65/SF	\$26.40/SF
▲ Under Construction	873,368 SF	859,335 SF	862,782 SF	851,462 SF	826,381 SF
▲ Inventory	31,130,665 SF	31,097,731 SF	31,042,447 SF	30,872,459 SF	30,804,540 SF

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
49 Immigration St Charleston, SC	14,293 SF	\$5,467,334 \$382.52/SF	Colony Commercial Real Estate Seabreeze Dev of Charleston	Class B
133 River Landing Dr Daniel Island, SC	8,900 SF	\$2,000,000 \$224.72/SF	Coastal Asset Management, LLC Counter Balance Properties LLC	Class B
515 Saint James Ave Goose Creek, SC	4,886 SF	\$3,936,339 \$805.64/SF	Holm and Ohara LLP DS Bronco Realty LLC	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
8440 Dorchester Rd North Charleston, SC	52,583 SF	Conklins Construction	Iqor	Services Provider
1460 Tobias Gadson Blvd Charleston, SC	18,086 SF	Lexington Realty Trust	RMS	Wholesaler
3860 Faber Place Dr North Charleston, SC	15,000 SF	UEC Properties, LLC	Cambridge International Systems	Information Services