



OFFICE MARKET OVERVIEW

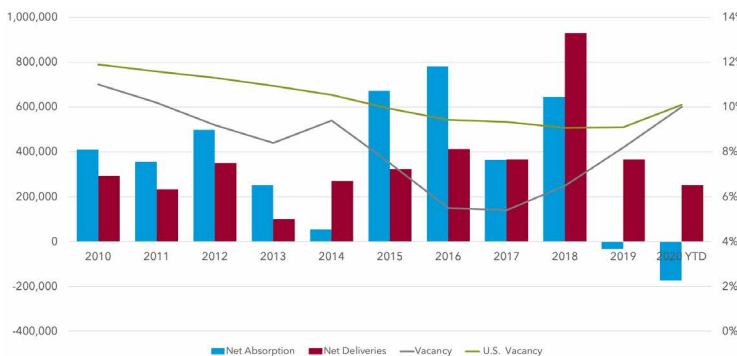
BOB NUTTALL, SIOR, CPM, *Managing Principal*

Slowing demand for Charleston office space reflects the uncertainty among existing and prospective tenants regarding signing new leases as office staffing needs remain unclear for many companies. Part of the uptick in vacancy is caused by Blackbaud vacating 200,000 SF on Daniel Island. There also are several large office projects in various stages of delivery, especially in the upper peninsula. On a positive note, Charleston stands to benefit from the anticipated exodus of companies from larger cities with high-rise properties as tenants favor low-rise buildings where elevators can be avoided.

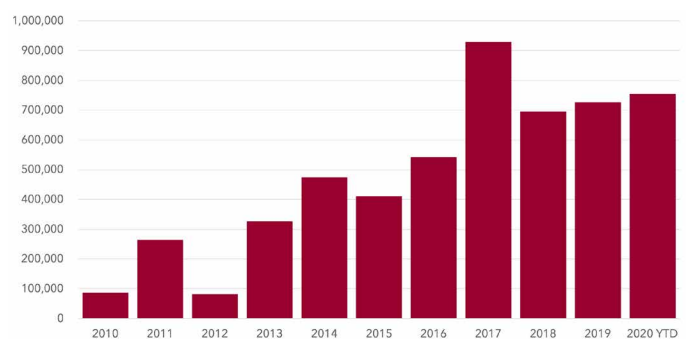
MARKET INDICATORS	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
▼ Net Absorption	24,917 SF	128,383 SF	(143,326) SF	(206,021) SF	65,606 SF
▲ Vacancy Rate	11.07%	8.80%	8.90%	8.20%	7.20%
▼ Avg NNN Asking Rate	\$21.28 PSF	\$21.77 PSF	\$26.81 PSF	\$26.83 PSF	\$26.71 PSF
▼ Under Construction	350,790 SF	986,663 SF	1,004,838 SF	726,838 SF	739,706 SF
▲ Inventory	21,711,797 SF	20,499,826 SF	22,148,995 SF	22,148,995 SF	22,136,127 SF

**Data has been filtered to buildings 10,000+ SF for Q2 & Q3 2020; Previous Quarters include the entire market.

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
65 Fairchild Street Charleston, SC	172,000 SF	\$76,272,480.00 \$443.33 PSF	Blackbaud Holder Properties	Class A
134 Meeting Street Charleston, SC	71,947 SF	\$23,750,000.00 \$330.10 PSF	Longvalley III LLC 134 Meeting CMB, LLC	Class A
346 Seacoast Parkway Mount Pleasant, SC	8,192 SF	\$2,457,000.00 \$300.00 PSF	346 Seacoast Pkwy LLC Belle Street LLC	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
4401 Leeds Avenue North Charleston, SC	22,258 SF	Holder Properties	Nolan Transportation Group	Freight Forwarding Services
4390 Belle Oaks Drive North Charleston, SC	16,660 SF	LRC Properties	Alcami	Pharmaceutical Manufacturing
7410 Northside Drive North Charleston, SC	10,942 SF	The Garrison Group	Undisclosed	Undisclosed

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