

# 1Q 2023 | OFFICE MARKET REPORT



Inventory  
**35,481,460 SF**



Market Rent/SF  
**\$18.58**



Vacancy  
**9.5%**



Availability  
**3,813,944 SF | 10.7%**



Net Absorption  
**(391,876) SF**



Under Construction | Delivered  
**N/A**

Calhoun, Fairfield, Kershaw, Lexington,  
Richland, & Saluda Counties

County	Inventory	Rental Rate	Vacancy	Availability	Net Absorption	Under Construction
Calhoun	91K SF	\$9.00	14.6%	2.0%	-	-
Fairfield	91K SF	\$14.40	3.6%	3.6%	-	-
Kershaw	936K SF	\$11.24	0.2%	0.2%	1,800 SF	-
Lexington	8.4 MSF	\$18.33	4.5%	5.0%	13K SF	-
Richland	25.9 MSF	\$18.65	11.6%	13.1%	(407K) SF	-
Saluda	33K SF	\$10.00	14.0%	19%	-	-



COLUMBIA CBD & FOREST ACRES | INVENTORY 11.9 MSF

VACANCY Q1: 10.7% Q4: 10.9% RENTAL RATE Q1: \$19.80 Q4: \$19.58 ABSORPTION Q1: 20K SF Q4: (23K) SF

CAYCE/WEST COLUMBIA & LEXINGTON | INVENTORY 5.5 MSF

VACANCY Q1: 4.2% Q4: 4.3% RENTAL RATE Q1: \$18.50 Q4: \$18.34 ABSORPTION Q1: 6,949K SF Q4: (3,351) SF

DUTCH FORK/IRMO & ST ANDREWS | INVENTORY 6.6 MSF

VACANCY Q1: 8.2% Q4: 9.0% RENTAL RATE Q1: \$17.93 Q4: \$18.13 ABSORPTION Q1: 56K SF Q4: (21K) SF

Source: CoStar

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## MIDLANDS MARKET REVIEW

Columbia’s office-using sectors are dominated by state government, education, and healthcare-related tenants and professional services supporting those industries. Vacancy rates typically track lower than the national average, and new construction is relatively slow. While Columbia’s vacancy rates remained below the national average through the pandemic, some large move-outs have led to negative absorption. The vacancy rate in Columbia has risen nearly four percentage points since the pandemic but also continues to trail the national average.

Several factors, including low business and living costs, local tax incentives, and a central location near major interstates, have attracted a variety of businesses to the area, including a high concentration of insurance companies. Leasing activity has been relatively stable, and coming move-ins are likely to help absorption

keep pace with the supply that is underway. However, vacancies are likely to remain elevated above pre-pandemic trends as companies reconsider remote work trends.

Even with little institutional-grade inventory available, office investment saw an uptick in the second half of 2022. About \$250 million has closed in the past year.

Source:  CoStar

## NOTABLE 1Q TRANSACTIONS



206 Medical Circle | West Columbia, SC  
8,200 SF  
John Gregory, PE, CCIM | Bill Lamar



3710 Forest Drive | Columbia, SC  
6,806 SF  
Jeff Hein, SIOR | Will DuPree



3710 Forest Drive | Columbia, SC  
10,057 SF  
Jeff Hein, SIOR | Will DuPree

## MIDLANDS SC DEMOGRAPHICS

	POPULATION	HOUSEHOLDS	MEDIAN HOUSEHOLD INCOME	MEDIAN AGE	UNEMPLOYMENT RATE
	829,470	331,048	\$61,913	37.9	3.5%

### ABOUT NAI COLUMBIA

NAI Columbia is a full-service commercial real estate firm located in Columbia, South Carolina, providing customized brokerage, property management, project management, development, research and consulting services throughout the Columbia, S.C., region and beyond. With its commitment to improving the region’s commercial real estate landscape, NAIC does things differently. As a broker-owned firm with over 200 years of combined local experience among its eight partners, NAIC provides creative solutions with an entrepreneurial and flexible approach. NAIC launched on Jan. 1, 2019, and later merged in 2023, as a partnership between NAI Earle Furman in Greenville, S.C., along with eight local principals that served as senior brokers with NAI Avant. NAI Avant derived from national real estate developer Edens and Avant, which was founded in Columbia, S.C. in 1966. NAI Avant continued serving the Midlands before its sunseting and reformation as NAI Columbia under new leadership and a new company structure. NAIC is a member of NAI Global, the single largest, most powerful global network of owner-operated commercial real estate brokerage firms, which includes over 6,000 local market professionals in over 375 offices worldwide. For more information visit [www.naicolumbia.com](http://www.naicolumbia.com).