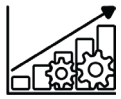


4Q 2023 | INDUSTRIAL MARKET REPORT



Inventory
71,997,214 SF



Market Rent/SF
\$5.40



Vacancy
4.6%



Availability
5,312,858 MSF | 7.2%



Net Absorption
(182,942) SF



Under Construction | Delivered
2,197,028 SF | 350,000 SF

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

| County | Inventory | Rental Rate | Vacancy | Availability | Net Absorption | Under Construction |
|-----------|-----------|-------------|---------|--------------|----------------|--------------------|
| Calhoun | 2.1 MSF | \$6.91 | 14.5% | 42.1% | 1,000 SF | 1,387,888 |
| Fairfield | 3.0 MSF | \$2.50 | 0.3% | 1.3% | - | 91K SF |
| Kershaw | 6.9 MSF | \$3.69 | 17.2% | 16.1% | (709K) SF | - |
| Lexington | 25.3 MSF | \$6.18 | 3.1% | 2.8% | 334K SF | 156K SF |
| Richland | 33.9 MSF | \$5.59 | 3.1% | 5.7% | 192K SF | 562K SF |
| Saluda | 607K SF | - | - | - | - | - |



SOUTHEAST COLUMBIA | INVENTORY 19.1 MSF

VACANCY **=** Q4: 2.4% Q3: 2.4% RENTAL RATE **=** Q4: \$5.20 Q3: \$5.20 ABSORPTION **↓** Q4: 9.1K SF Q3: 144K SF

CAYCE/WEST COLUMBIA & LEXINGTON | INVENTORY 24.0 MSF

VACANCY **=** Q4: 3.3% Q3: 3.3% RENTAL RATE **↑** Q4: \$7.44 Q3: \$7.38 ABSORPTION **↓** Q4: 333K SF Q3: 455K SF

NORTH COLUMBIA & NE COLUMBIA | INVENTORY 12.5 MSF

VACANCY **↓** Q4: 4.1% Q3: 5.5% RENTAL RATE **↑** Q4: \$5.94 Q3: \$4.94 ABSORPTION **↓** Q4: 178K SF Q3: 281K SF

Source: CoStar

MIDLANDS MARKET REVIEW

Columbia's overall affordability, and consistent demographic trends over the past three years have helped boost demand for Columbia's industrial stock, which in turn, helped industrial owners push rents in recent years. Tight vacancies and minimal construction over the past decade have allowed for strong rent growth. Rents have increased by about 7.5% over the past year and 31.6% cumulatively over the past three years. Logistics rent growth is the strongest, at 8.5% annually, surpassing the national trend of 7.1%. Rents in the market are in line with the statewide average, at roughly \$7.60/SF, but are still more affordable than nearby metros such as Charleston and Charlotte. Logistics rents run a bit lower, depending on the total space rented and the length of the lease. Unsurprisingly, properties closer to Columbia's major interstates, such as I-26 and I-77, command slight premiums in rent compared to the rest of the inventory.

Many of the submarkets in the Columbia MSA are experiencing double-digit rent growth at a time when much of the post-pandemic fast-paced growth in the Sun Belt has slowed significantly. Rents in the Outlying Richland County Submarket are atop the market in terms of rent gains

and have grown over 10% year over year. Kershaw along with Fairfield County have seen rents grow around 9% in the past year.

However, headwinds stemming from the macroenvironment threaten to stymie growth in the near term, as rising interest rates and a period of potentially slower growth affect the production of goods and industrial users reconsider the necessary space needed for their operations. However, the growing EV sector has the opportunity to support demand for industrial space here as the trend of reshoring industrial-related jobs becomes more prominent in the Southeast, which will likely continue bolstering demand and keeping rent gains steady.

Source:  CoStar

NOTABLE 4Q TRANSACTIONS



1025/1035 Dreyfuss Road | Columbia, SC
22,000 SF
John Gregory, PE, CCIM | Bill Lamar |
Tristan Lee



900-905 Garland Street | Columbia, SC
20,160 SF
John Gregory, PE, CCIM | Tristan Lee
Mike Johnson | Bill Lamar



720 Old Clemson Road | Columbia, SC
8,780 SF
Jeff Hein, STOR | Will DuPree

MIDLANDS SC DEMOGRAPHICS



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.