

# 4Q 2023 | OFFICE MARKET REPORT



Inventory  
**35,872,427 SF**



Market Rent/SF  
**\$19.76**



Vacancy  
**8.0%**



Availability  
**3,366,623 SF | 9.4%**



Net Absorption  
**203,165 SF**



Under Construction | Delivered  
**10,523 | N/A**

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

County	Inventory	Rental Rate	Vacancy	Availability	Net Absorption	Under Construction
Calhoun	91K SF	\$9.00	-	-	-	-
Fairfield	297K SF	\$14.40	-	-	-	-
Kershaw	936K SF	\$12.00	-	-	-	-
Lexington	8.6 MSF	\$17.96	3.3%	3.2%	1,821 SF	4,833 SF
Richland	25.8 MSF	\$18.87	9.9%	9.5%	299K SF	5,690 SF
Saluda	33K SF	\$10.00	-	-	-	-



COLUMBIA CBD | INVENTORY 9.8 MSF

VACANCY Q4: 8.6% Q3: 8.5%      RENTAL RATE Q4: \$21.45 Q3: \$20.35      ABSORPTION Q4: 148K SF Q3: 85K SF

FOREST ACRES | INVENTORY 2.0 MSF

VACANCY Q4: 6.7% Q3: 7.6%      RENTAL RATE Q4: \$17.36 Q3: \$16.87      ABSORPTION Q4: 19K SF Q3: (2,641) SF

CAYCE/WEST COLUMBIA & LEXINGTON | INVENTORY 5.8 MSF

VACANCY Q4: 2.1% Q3: 2.3%      RENTAL RATE Q4: \$18.08 Q3: \$18.73      ABSORPTION Q4: 11K SF Q3: 112K SF

Source: CoStar

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## MIDLANDS MARKET REVIEW

Office demand had been negative for eight out of nine quarters before rebounding in 23Q3. That, coupled with a small uptick of around 290,000 SF of new office space that has come on line over the past three years, has put upward pressure on vacancy in the market thus, affecting rent growth. Rents in the Columbia market have been structurally less expensive than most markets in South Carolina. With the market largely supported by the public sector, the recent trend of right-sizing and movement stemming from government agencies and the shifts in hybrid/remote working conditions in the area have put even more of a strain on the market's historically stable fundamentals.

Rents in the Columbia metro average roughly \$21.00/SF, similar to South Carolina peer metros such as Greenville and Spartanburg but much lower than markets such as Charlotte or Charleston, where rents are upward of \$30/SF. Premium space comes at a significant discount to national rates here, and rents here have been structurally affordable for some time. At \$23.00/SF, 4 & 5 Star assets rent for about half the national asking rate.

Office properties in the city's central business district have historically commanded the highest rents in the metro; however, more recent trends have pushed rents higher in districts adjacent to the city's core such as the Dutch Fork/Irmo Submarket, where rents are just slightly above the CBD average.

Limited supply growth had initially led to relatively strong annual rent gains over the past three years, peaking at an average of more than 7% annually in the early parts of 2022. Still, the lack of new, highly amenitized office space has also put a cap on rents, with few spaces advertising higher than \$23/SF. Rent growth trends have since returned to pre-pandemic levels after reaching record levels in 2022. Rents are now growing at around 1.4% over the past year, in line with the market's all time average of 1.6% growth annually and more than double the national average in terms of rent growth.

Source:  CoStar

## NOTABLE 4Q TRANSACTIONS



**7909 Parklane Road | Columbia, SC**  
115,180 SF  
Jeff Hein, SIOR | Will DuPree



**1441 Main Street | Columbia, SC**  
5,902 SF  
John Gregory, PE, CCIM



**3710 Forest Drive | Columbia, SC**  
3,153 SF  
Jeff Hein, SIOR | 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](http://www.naicolumbia.com).