

4Q 2023 | RETAIL MARKET REPORT



Inventory
56,841,548 SF



Market Rent/SF
\$16.00



Vacancy
3.1%



Availability
2,157,621 SF | 3.8%



Net Absorption
139,980 SF



Under Construction | Delivered
46,351 SF | 25,219 SF

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

County	Inventory	Rental Rate	Vacancy	Availability	Net Absorption	Under Construction
Calhoun	407K SF	\$10.00	5.2%	6.3%	-	-
Fairfield	755K SF	\$7.50	1.1%	1.4%	-	-
Kershaw	3.5 MSF	\$15.72	1.3%	2.4%	2,923 SF	28K SF
Lexington	20.6 MSF	\$14.91	2.8%	2.4%	40K SF	1,500 SF
Richland	31.0 MSF	\$17.14	3.4%	4.3%	96K SF	16K SF
Saluda	507K SF	\$6.22	8.5%	12.4%	10K SF	-



COLUMBIA CBD & FOREST ACRES | INVENTORY 6.8 MSF

VACANCY Q4: 3.8% Q3: 4.6% RENTAL RATE Q4: \$19.20 Q3: \$20.50 ABSORPTION Q4: 54K SF Q3: (22K) SF

CAYCE/WEST COLUMBIA & LEXINGTON | INVENTORY 12.7 MSF

VACANCY Q4: 1.9% Q3: 2.0% RENTAL RATE Q4: \$17.67 Q3: \$13.52 ABSORPTION Q4: 26K SF Q3: 19K SF

DUTCH FORK/IRMO & ST ANDREWS | INVENTORY 11.5 MSF

VACANCY Q4: 3.7% Q3: 3.8% RENTAL RATE Q4: \$13.01 Q3: \$12.61 ABSORPTION Q4: 20K SF Q3: 56K SF

Source: CoStar

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MIDLANDS MARKET REVIEW

Strong leasing activity and very little supply side pressure has pushed Columbia's retail vacancy rate to the lowest point on record. The market-wide vacancy rate in Columbia is now at 3.1% and is expected to continue trending downward into late 2023 as little new inventory is on the horizon.

Retailers and employers here benefit from a business-friendly environment, which has helped the state of South Carolina attract a diverse set of new employers. In recent years, large corporations including Aflac, Capgemini, Amazon, and Mark Anthony Brewing have relocated to or expanded in the Columbia market and added several thousand jobs. The University of South Carolina is also here and is home to over 30,000 students, with enrollment growing steadily.

Construction activity has been tepid in Columbia's retail market and construction starts have been relatively non-existent so far this year and very little new inventory is slated to break ground or deliver in the near term. In fact, Columbia has not seen more than 100,000-SF delivered in a quarter since 2017.

Rent growth has continued to outpace national trends here as well and competition among retail owners remains low. Rents in the metro average roughly \$16.90, making space here more affordable than nearby metros such as Charleston or Charlotte, but population and job growth in Columbia is less intense than these other markets, slowing the trajectory of longer-term consumer spending growth.

Still, the University of South Carolina's continued enrollment growth and the relatively steady employment base created by state government agencies in the state capital help produce steady, if slower, returns. Investor interest in the market continues, and roughly \$216 million has traded over the past year with much of the sales activity in the market being focused in the more suburban region of the Northeast Columbia Submarket. However, potential headwinds from the macro environment threaten to stifle deal velocity in late 2023.

Source:  CoStar

NOTABLE 4Q TRANSACTIONS



738 Meeting Street | West Columbia, SC
4,000 SF
Jeff Hein, SIOR | Will DuPree



Village at Sandhill | Columbia, SC
7,013 SF
Patrick Palmer, CCIM | Bobby Balboni, CCIM



452 Killian Road | Columbia, SC
10,500 SF
Ben Kelly, III, CCIM | Patrick Chambers | Jack Springs

MIDLANDS SC DEMOGRAPHICS

	POPULATION	HOUSEHOLDS	MEDIAN HOUSEHOLD INCOME	MEDIAN AGE	UNEMPLOYMENT RATE
	853,294	342,783	\$59,363	38.2	4.2%

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.