Q2 2026 Industrial Market Outlook

THE MIDLANDS

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MESSAGE FROM A SHAREHOLDER

Q2 2026 INDUSTRIAL MARKET REPORT

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President, Shareholder

Executive Summary: The Carolina's Commercial Real Estate Market

Regional Growth & In-Migration

The Midlands, Upstate of South Carolina, and North Carolina's Piedmont Triad continue to rank among the Southeast's fastest-growing metro corridors, sustained by a durable in-migration wave rather than a single-quarter spike. Households and businesses relocating from higher-cost, higher-tax markets in the Northeast and West cite a consistent set of drivers: a milder, four-season climate less exposed to coastal storm risk; a strong quality of life anchored by walkable downtowns, outdoor recreation in the nearby Blue Ridge foothills, and revitalized urban cores; South Carolina's and North Carolina's comparatively favorable individual and corporate tax positioning relative to peer states; and a cost of living that remains well below the national average even as home prices climb. Layered on top of these lifestyle drivers is deep and broadening job availability, which is doing as much to pull in new residents as any single tax or climate factor.

Major Job Announcements Driving Demand

Each of the region's three core markets posted headline-grabbing investment news this year. In the Piedmont Triad, the Carolina Core continues to benefit from sustained economic development momentum, most notably JetZero's roughly 14,500-job aviation manufacturing commitment, part of a broader package that pledged 16,000 jobs to the Triad and contributes to a statewide pipeline targeting 59,000 new positions in 2026 across aerospace, biotech, advanced manufacturing, and EVs. In Greenville-Spartanburg, Isuzu North America's $280 million assembly plant in Greenville County anchors a new wave of automotive investment, joined by ZF Chassis Systems' $55.4 million Spartanburg County expansion and Siemens' $165 million data-center and electrical-equipment build-out in Spartanburg — all reinforcing the supplier ecosystem built around BMW's Spartanburg plant. In Columbia, Scout Motors' build-out in Blythewood remains the region's marquee project: a $2 billion production center expected to deliver more than 4,000 permanent jobs, supplemented by a $300 million, roughly 1,000-job Supplier Park announced last fall, with the first assembly workers already training on-site ahead of 2027 vehicle production.

Industrial Absorption & Construction Pipeline

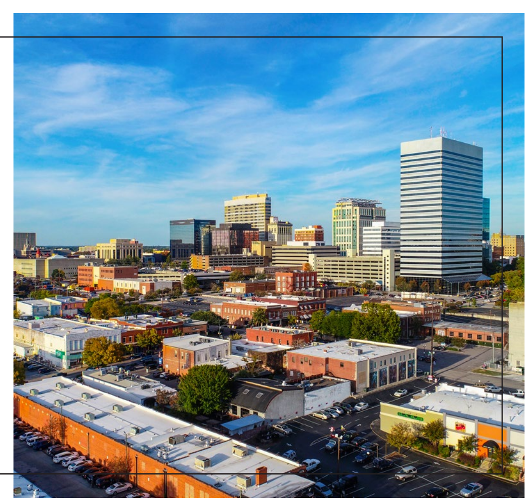
Industrial demand across the combined footprint remains robust, with net absorption continuing to outpace new deliveries as automotive OEMs, tier-one and tier-two suppliers, and logistics users backfill existing inventory. Speculative development, which slowed sharply over the past two years as developers worked through elevated vacancy and financing costs, is expected to resume in 2027, positioning well-located sites in Greenville-Spartanburg, the Piedmont Triad, and the Columbia/Blythewood corridor to capture the next wave of supplier and distribution demand once shovels are back in the ground.

Housing: Challenge and Opportunity

Population and job growth of this magnitude are straining housing supply across every sector — for-sale, market-rate multifamily, workforce, and senior housing all face inventory shortfalls that are pushing prices and rents upward faster than wage growth in some submarkets. For investors and developers, this same imbalance represents one of the region's clearest opportunities: build-to-rent, workforce housing near new manufacturing campuses, and multifamily near urban cores in Greenville, Winston-Salem, Greensboro, and Columbia are each positioned to absorb sustained demand. Bridging this gap will be a defining theme for the region's real estate market through the remainder of the year and into 2027.

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 South Carolina and beyond. NAI Columbia is broker-owned with over 200 years of combined local experience among its seven partners. Founded in 2019, the firm is a partnership with NAI Earle Furman in Greenville, S.C., along with eight local partners that served as senior brokers with NAI Avant, which derived from national real estate developer Edens and Avant, before its sunsetting and reformation as NAI Columbia under new leadership and a new company structure. NAIC is a member of the NAI Global commercial real estate network providing real estate solutions through 375+ offices worldwide. For more information visit www.naicolumbia.com.



BY THE NUMBERS

Q2 2026 INDUSTRIAL MARKET REPORT

MARKET INDICATORS Columbia MSA*	Inventory	Vacancy	Net Absorption	Market Rent	Availability	Under Construction	Delivered
Current Quarter 2Q26	138,207,042 SF	6.0%	(441,715) SF	$5.29	6.3%	8.1 MSF	34,000 SF
	▲	▲	▼	▼	▲	▲	▼
Previous Quarter 1Q26	138,173,042 SF	5.7%	647,861 SF	$5.34	6.1%	7.8 MSF	1.3 MSF
	▲	▲	▲	▲	▼	▲	▼
Previous Year 2Q25	136,905,295 SF	5.8%	(436,761) SF	$4.99	6.7%	5.6 MSF	225,000 SF

**20,000+ SF Industrial & Flex Properties in Aiken, Calhoun, Clarendon, Darlington, Fairfield, Florence, Kershaw, Lee, Lexington, Newberry, Orangeburg, Richland, & Sumter counties*

Source: CoStar

SUBMARKET TRENDS

CAYCE & WEST COLUMBIA | INVENTORY 18.9 MSF

VACANCY	▼	Q2: 2.5% Q1: 2.7%	RENTAL RATE	▲	Q2: $6.75 Q1: $6.74	ABSORPTION	▼	Q2: 45K SF Q1: 402K SF

SOUTHEAST COLUMBIA | INVENTORY 14.9 MSF

VACANCY	▲	Q2: 6.7% Q1: 4.6%	RENTAL RATE	▲	Q2: $6.34 Q1: $6.06	ABSORPTION	▼	Q2: (308K) SF Q1: (9,294) SF

NORTH & NORTHEAST COLUMBIA | INVENTORY 13.0 MSF

VACANCY	▼	Q2: 6.3% Q1: 8.4%	RENTAL RATE	▲	Q2: $6.93 Q1: $6.78	ABSORPTION	▲	Q2: 298K SF Q1: (493K) SF

Source: CoStar

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KEY TAKEAWAYS

Columbia's industrial market has almost no available space to offer growing companies. Class A industrial vacancy in the Columbia metro stood at roughly 4.5% to 6% in early 2026, among the tightest readings in the Southeast, with more than 90% of the market's limited vacant space concentrated in functionally obsolete buildings built before 2000. Rents for Class A product have climbed alongside that scarcity as tenants compete for a shrinking pool of modern, well-located buildings.

Columbia's roughly 81-million-square-foot industrial base benefits from a central position at the intersection of Interstates 20, 26 and 77, putting it within a few hours' drive of Charlotte, Atlanta, Raleigh and two major East Coast Ports of Charleston and Savannah. South Carolina has ranked among the nation's fastest-growing states for several consecutive years, and that population growth, combined with the Scout Motors investment and a broader wave of manufacturing relocations to the Southeast, has outpaced the market's ability to deliver new speculative industrial space.

SIGNIFICANT TRANSACTIONS

DREYFUSS ROAD
COLUMBIA, SC

$3.00 Million | ±22,000 SF
John Gregory, PE, CCIM, SIOR,
Bill Lamar, & Tristan Lee

2100 COMMERCE DRIVE
CAYCE, SC

$1,830,000
±21,000 SF
Patrick Chambers & Ben Kelly, CCIM

3243 SUNSET BOULEVARD
WEST COLUMBIA, SC

±33,448 SF
John Gregory, PE, CCIM, SIOR,
Bill Lamar, & Tristan Lee

DEAL HIGHLIGHT *The sale of 1025 and 1035 Dreyfuss Road represented an excellent opportunity in one of Columbia's most in-demand corridors. We're proud to have fully leased the property, successfully placing three tenants at a site that was 100% vacant at the start. With tenants now secured and the property's proximity to both the University of South Carolina campus and downtown Columbia, this asset offered the investor immediate income stability paired with strong long-term upside as demand in this submarket continues to grow. (Associate Bill Lamar)*

PROJECTS SHAPING OUR MARKET

Ferrara Candy Company invests $675 Million in Orangeburg County

The Ferrara Candy Company's $675 million investment in Orangeburg County, historically codenamed "Project Panther," represents the largest economic development project in the county's history and will create 1,000 jobs over the next decade. The company is constructing a massive 750,000-square-foot processing, packaging, and distribution complex off Highway 21 that is scheduled to begin initial operations by the first quarter of 2029. South Carolina secured this highly competitive facility by utilizing $85 million in state economic development bonds to fund critical infrastructure, capitalizing on the site's direct Norfolk Southern heavy-rail access for agricultural shipping. Once fully operational, the powerhouse facility will dramatically scale domestic production for Ferrara's iconic portfolio of brands, which includes NERDS, SweeTARTS, and Jelly Belly.

Source: SC Department of Commerce

Scout Motors Milestones

Workforce Training Center Opening: In April 2026, Scout officially opened its new $25 million, 32,500-square-foot CORNERSTONE Economic Development & Workforce Training Center in partnership with readySC. This facility is actively training the initial wave of what will eventually be a 4,000-person workforce.

Production Progress: In June, the plant successfully rolled out its first welded test vehicle body for the upcoming Traveler SUV, with the exterior facility tracking at 80% structural completion.

INDUSTRIAL ACTIVITY SNAPSHOT

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KEY INDUSTRIAL DEMAND DRIVERS IMPACTING OUR REGION

The primary driver of industrial demand across South Carolina is a massive influx of capital targeting domestic supply chain independence and clean energy manufacturing, anchored by multi-billion-dollar projects like the Scout Motors assembly plant in Blythewood. This high-tech manufacturing boom has triggered an immediate secondary demand wave from Tier-1 automotive and battery suppliers who require massive utility infrastructure and advanced logistics access.

Complementing this industrial boom is South Carolina's position as a premier Southeastern distribution hub, fueled by the rapid growth of the South Carolina Ports system and the nation's fastest-growing population. In the central Columbia market, the unique convergence of three major interstates—I-20, I-26, and I-77—provides fluid distribution paths to Charleston, Greenville, and Charlotte, drawing major commitments from national brands like Chick-fil-A, DSV, and Winland Foods. This potent combination of advanced manufacturing and highly interconnected logistics continues to drive robust tenant absorption, keeping industrial vacancy rates compressed to historic lows across the region.

Data provided by: Capital Analytics Associates, ReBusiness Online, Columbia Metropolitan Magazine

FIRST LOOK: NEW INDUSTRIAL OPPORTUNITIES

101 WARNER DRIVE
Columbia, SC

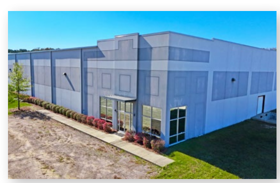
Flex Building
±4,600 SF

Sale Price
$699,000

1627 COLUMBIA COLLEGE DR
Columbia, SC

Industrial Warehouse
±26,508 SF

Sale Price
$1,745,000



36 SIRENS LANE
Gaston, SC

Expandable Warehouse
±50,281 SF

7450 RICHARD STREET
Columbia, SC

For Sale or Lease
±136,600 SF

Lease Rate	Sale Price
$6.50 / SF	$9,000,000

PROPERTY MANAGEMENT SPOTLIGHT

79,246 SF

LEXINGTON PLACE

5454 Sunset Blvd | Lexington

NEW ASSIGNMENT
Acquired in 2026; Anchored by multiple national tenants

CURRENT TENANTS
Ross, TJ Maxx, Five Below, Rack Room Shoes, Great Clips, The Joint Chiropractic

8,400 SF

PLATT SPRINGS CROSSING

5452 Platt Springs Road | Lexington

NEW ASSIGNMENT
Acquired in 2025; Two tenant outparcel

CURRENT TENANTS
PRISMA Urgent Care and Hearthland Dental