Q2 2026 Office Market Outlook

THE MIDLANDS

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ROBBIE PERKINS, CCIM, SIOR
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

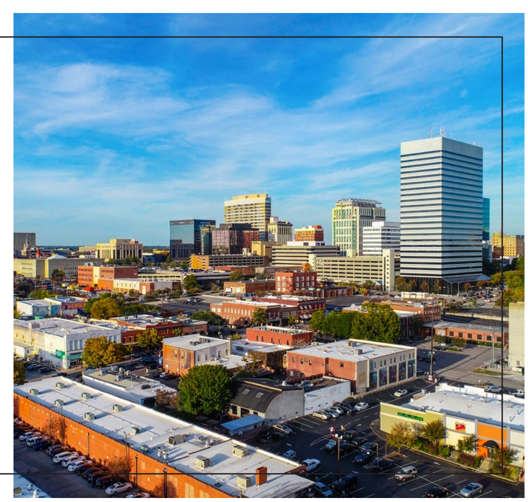
Industrial demand across the combined footprint remains robust, with net absorption continuing to outpace new deliveries as automotive OEMs, tier-one and tier-two suppliers, and logistics users backfill existing inventory. Speculative development, which slowed sharply over the past two years as developers 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 OFFICE MARKET REPORT

MARKET INDICATORS
Columbia MSA*

	Inventory	Vacancy	Net Absorption	Market Rent	Availability	Under Construction	Delivered
Current Quarter 2Q26	36,204,462 SF	6.6%	66,529 SF	$18.87	7.0%	122,451 SF	22,300 SF
Previous Quarter 1Q26	36,182,162 SF	6.7%	(1,717) SF	$18.70	7.0%	144,751 SF	-
Previous Year 2Q25	36,169,318 SF	6.6%	(96,988) SF	$19.29	7.2%	153,522 SF	-

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

Source: CoStar

SUBMARKET TRENDS

COLUMBIA CBD | INVENTORY 9.9 MSF

VACANCY		RENTAL RATE		ABSORPTION	
Q2: 5.2%	Q1: 5.8%	Q2: $20.84	Q1: $20.74	Q2: 60.1K SF	Q1: 44.4K SF

FOREST ACRES | INVENTORY 1.8 MSF

VACANCY		RENTAL RATE		ABSORPTION	
Q2: 9.1%	Q1: 9.5%	Q2: $20.49	Q1: $19.73	Q2: 8,490 SF	Q1: 12.8K SF

ST ANDREWS | INVENTORY 5.2 MSF

VACANCY		RENTAL RATE		ABSORPTION	
Q2: 9.4%	Q1: 8.2%	Q2: $17.25	Q1: $17.56	Q2: (59.8K) SF	Q1: 88.1K SF

Source: CoStar

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KEY TAKEAWAYS

The Columbia office market continues to demonstrate stability and steady growth, with healthy leasing activity in both the Central Business District (CBD) and the surrounding submarkets. Downtown continues to benefit from tenant demand for Class A office space and the amenities that come with it, while activity in the suburban submarkets reflects a growing emphasis on cost efficiency. These tenants seem to be prioritizing lower occupancy costs, specifically with regard to reduced parking expenses and lower operating costs associated with maintaining amenity-rich properties.

SIGNIFICANT TRANSACTIONS

1600 WILLIAMS STREET
COLUMBIA, SC

±24,409 SF New Office Lease
Jeff Hein, SIOR, Will DuPree, & Hope Andrews

2571 FOREST DRIVE
COLUMBIA, SC

±12,641 New Medical Lease
Jeff Hein, SIOR, Will DuPree, & Hope Andrews

2611 FOREST DRIVE
COLUMBIA, SC

±5,004 New Office Lease
Jeff Hein, SIOR, Will DuPree, & Hope Andrews

DEAL HIGHLIGHT *Following a major lease transaction of 24,409 square feet to the federal government—setting up a 2027 occupancy post-construction—1600 Williams Street has reached an 88% occupancy rate. Select premium opportunities remain, offering flexible layouts from 5,000 to 17,020 square feet at $21 per square foot.*

(Shareholder Jeff Hein, SIOR)

PROJECTS SHAPING OUR MARKET

1441 Main Street Changes Hands

The biggest splash of the quarter was the milestone investment sale of this prominent Class A downtown tower. It marked the market's first major central business district (CBD) office transaction since 2020, signaling that national investor confidence is trickling back into Columbia's tightest premium corridors.

Landmark Business Park Investment Sale

In May 2026, Chicago-based Echo Real Estate Capital made its first major move into the South Carolina market by acquiring Landmark Medical Park, a prominent multi-building medical office campus located at 3600 and 3700 Forest Drive in Columbia's Forest Acres neighborhood. The 150,000-square-foot property was purchased from a private partnership—with financing backed by SouthState Bank and Aspen Funds—and stands as a highly stable asset, sitting at 85% occupancy with 28 active tenants. The campus is heavily anchored by major regional healthcare systems like Prisma Health and the Medical University of South Carolina (MUSC), alongside the Columbia Skin Clinic. Echo plans to capitalize on the rapid growth driven by the nearby Richland Mall redevelopment by executing a value-add strategy that includes cosmetic upgrades, property management overhauls, and the build-out of new spec suites.

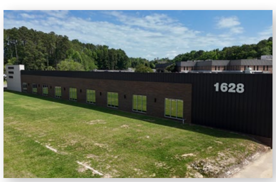
KEY OFFICE DEMAND DRIVERS IMPACTING OUR REGION

Columbia's office market in the second quarter continued to be shaped by the state's exceptional population and workforce growth, which is drawing companies to expand or relocate downtown. Domestic migration remains the primary driver of that growth, with South Carolina netting 66,622 more residents than it lost between July 2024 and July 2025, feeding a labor pool that companies are actively building around. AMAROK's headquarters expansion is a direct example: the perimeter-security firm's $69 million investment in a new 125,000-square-foot headquarters at Freed Street and Boyce Street in the BullStreet District will create 296 new jobs, with company leadership crediting the region's skilled workforce and business-friendly environment for the decision to grow in place rather than relocate elsewhere. That kind of intra-metro growth reflects a broader national pattern — HQ relocation and expansion activity has picked up, with companies increasingly citing labor availability and growth opportunity as their top reasons for choosing a location.

A second driver is the ongoing transformation of downtown Columbia itself, which is making the central business district more competitive for talent-focused employers. The University of South Carolina's roughly 40,000 students, the state government's large downtown employment base, and Fort Jackson's payroll and visitor traffic all continue to anchor office demand in and around the CBD, and public-sector employment alone accounts for a notably larger share of the local workforce than the national average, giving Columbia's office economy an unusually resilient base. Ongoing public investment is reinforcing that pull: continued redevelopment of Finlay Park and build-out of the BullStreet District, alongside a growing supply of downtown housing, are giving employers more reasons to keep or plant offices in the urban core rather than the suburbs. Layered on top of that is a national shift toward "flight to quality," where companies are prioritizing real estate with strong building amenities as a relocation driver, even as many simultaneously look for opportunities to reduce lease costs and reset space needs around hybrid work.

Data provided by: SC Department of Employment, Workforce; S.C. Governor's Office

FIRST LOOK: NEW OFFICE OPPORTUNITIES



1628 BROWNING ROAD
Columbia, SC
Office Building
±11,565 SF - 53,214 SF
Lease Rate
$17.25 /SF

1600 WILLIAMS STREET
Columbia, SC
Office Space
±5,000 SF - 41,429 SF
Lease Rate
$19.75 /SF

200 SPRINGTREE DRIVE
Columbia, SC
Medical Office
±9,675 SF
Sale Price
$1,862,000

14 MONCKTON BLVD
Columbia, SC
Office Space
±3,000 SF
Lease Rate
$20.00 /SF

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