Q2 2026 Retail Market Outlook

THE MIDLANDS

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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

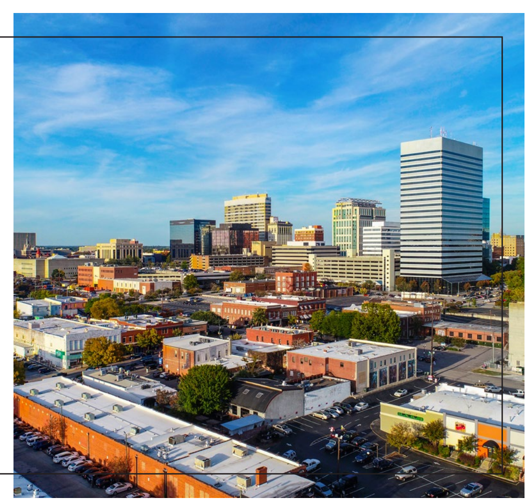
Industrial demand across the combined footprint remains robust, with net absorption continuing to outpace new deliveries as automotive OEMs, tier-one and tier-two suppliers, and logistics users backfill existing inventory. Speculative development, which slowed sharply over the past two years as developers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

MARKET INDICATORS Columbia MSA*	Inventory	Vacancy	Net Absorption	Market Rent	Availability	Under Construction	Delivered
Current Quarter 2Q26	53,623,969 SF	3.6%	(33,560) SF	$15.33	3.3%	682,507 SF	23,560 SF
	▲	=	▲	▲	▼	▲	▼
Previous Quarter 1Q26	53,610,849 SF	3.6%	(86,169) SF	$15.23	3.9%	478,564 SF	130,460 SF
	▲	▲	▼	▲	▼	▲	▼
Previous Year 2Q25	53,444,894 SF	3.0%	51,588 SF	$14.77	3.5%	243,399 SF	103,344 SF

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

Source: CoStar

SUBMARKET TRENDS

COLUMBIA CBD & FOREST ACRES | INVENTORY 5.4 MSF

VACANCY ▲ Q2: 5.2% Q1: 5.1%

RENTAL RATE ▼ Q2: $17.83 Q1: $18.55

ABSORPTION ▲ Q2: (5,270) SF Q1: (15,011) SF

LEXINGTON | INVENTORY 5.7 MSF

VACANCY ▼ Q2: 1.3% Q1: 1.6%

RENTAL RATE ▲ Q2: $22.45 Q1: $19.72

ABSORPTION ▲ Q2: 20.7K SF Q1: (12.1K) SF

DUTCH FORK & IRMO | INVENTORY 4.0 MSF

VACANCY ▼ Q2: 1.3% Q1: 1.6%

RENTAL RATE ▲ Q2: $18.96 Q1: $18.95

ABSORPTION ▲ Q2: 19.8K SF Q1: 10.5K SF

Source: CoStar

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KEY TAKEAWAYS

The Columbia MSA retail market remains healthy, with the suburban ring growing out and the urban core growing up. Vacancy stays low region-wide, driven by sustained in-migration to South Carolina — Lexington and Richland Counties are among a small group of counties capturing the bulk of the state's population growth.

On the suburban side, two proposed Walmart Supercenters underscore continued outward expansion: one in West Lexington, joining a Target and Academy Sports already under development, and one near the Lake Carolina entrance on Hardscrabble Road in Blythewood. Both reflect retail following rooftop growth at the region's edges.

Downtown, growth is trending vertical rather than outward. A new Publix on Bull Street is underway and several mixed-use projects in the pipeline are delivering ground-floor retail to complement residential and office uses, densifying the core.

More than 80% of South Carolina's population gain since the 2020 Census has come from just 10 counties, including Lexington and Richland — a trend expected to keep both submarkets tight through the rest of 2026.

SIGNIFICANT TRANSACTIONS

LEASED

WEST SIDE PLAZA
WEST COLUMBIA, SC

Advance Auto Parts
46,649 SF
Patrick Palmer, CCIM, Bobby Balboni, CCIM, & Sam Edens

SOLD

1013-1015 W DEKALB STREET
CAMDEN, SC

$720,000
19,705 SF
John Gregory, PE, SIOR, CCIM, Bill Lamar, & Tristan Lee

LEASED

2550 AUGUSTA HIGHWAY
LEXINGTON, SC

Outparcel
Retail Ground Lease
Ben Kelly, CCIM & Patrick Chambers

DEAL HIGHLIGHT *Advance Auto Parts leased a 46,649 SF former KJ's Grocery Store in West Columbia to serve as its Market Hub Store. Market Hubs not only function as retail stores but also as mini-distribution centers that supply same day parts to traditional stores in a given service area.. (Broker: Bobby Balboni, CCIM)*

PROJECTS SHAPING OUR MARKET

WesCo Brew & Bowl (Cayce)

In late June, this highly anticipated $14 million, 44,000-square-foot mega-venue celebrated its grand opening in the former Piggly Wiggly space at Cayce Crossing. It features immersive-technology bowling lanes, massive arcades, two full bars, and elevated comfort food.

Source: Post & Courier

Bang Back Bar & Grill (Rosewood)

The popular Five Points pinball and arcade bar expanded by opening a massive second location on Rosewood Drive in the historic former Rockaway Athletic Club space, combining retro arcade gaming with a heavier focus on sit-down dining.

Source: Post & Courier

Richland Mall Redevelopment Milestone (Forest Acres)

Demolition of the former 930,000-square-foot mall in Forest Acres officially wrapped up in early May, with crews now moving into site grading and utility work to prepare for the new buildings. The $100+ million project will bring 380 luxury apartments, a new Kroger grocery store, and various freestanding retail storefronts, plus a city-owned park.

Source: Post & Courier

RETAIL ACTIVITY SNAPSHOT

Q2 2026 RETAIL MARKET REPORT

KEY RETAIL DEMAND DRIVERS IMPACTING OUR REGION

During the second quarter of 2026, these retail demand drivers have experienced a distinct shift, transforming from generalized pandemic-era momentum into a more localized, supply-constrained environment. While South Carolina's nation-leading domestic migration has continued to expand the consumer base, real estate dynamics in Q2 2026 have tightened significantly due to a near-universal collapse in speculative commercial construction pipelines. Because very little new retail square footage is breaking ground, active tenant demand is aggressively outstripping available space. This supply cliff has forced national brands and expanding franchises to intensely compete for existing prime real estate, driving vacancy rates down below 5% in the state's major metropolitan submarkets.

Simultaneously, the economic insulation providing local consumer purchasing power has adapted to shifting macroeconomic conditions. While global trade anxieties and localized manufacturing plateaus created temporary headwinds in the broader logistics sectors earlier in the year, South Carolina's labor market rebounded through the second quarter, with the statewide unemployment rate ticking down to a healthy 4.6% in May. Consumer demand has increasingly shifted toward the leisure, hospitality, and experiential sectors, which led the state's job growth through the end of the quarter. This steady consumer activity, coupled with a tight housing market and rising home equity, has successfully maintained robust local retail purchasing power, offsetting broader national economic volatility.

Data provided by: TenantBase, Federal Reserve Bank of Richmond

FIRST LOOK: NEW RETAIL OPPORTUNITIES

1100 MAIN STREET
Newberry, SC

Two-Story Restaurant Space
±6,400 SF

Sale Price
$1,399,000

1100-1132 MACK STREET
Gaston, SC

Gaston Center
±18,700 SF Center

Sale Price
$2,375,000

2567 NORTH ROAD
Orangeburg, SC

Former IHOP
±4,800 SF

Sale Price
$2,600,000

7211 BROAD RIVER ROAD
Irmo, SC

Freestanding Retail/Office
±3,845 SF Available

Sale Price
$850,000

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