

3Q18:

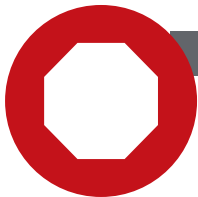
Columbia Office Market Report



VACANCY

10.9%

Rates decreased in the third quarter from 11.6%



NET ABSORPTION

53,047 SF

-48,495 SF in 2Q18



OVERALL RENTAL RATE

\$17.38

Up from \$17.31 in 2Q18



VACANCY: CBD

10.6%

Vacancy increased in the third quarter from 10.2%



RENTAL RATES: CBD

\$20.72

Highest submarket rental rate

Healthy Columbia Market Mimics Larger Market Trends

The Columbia Office market remains healthy as we approach year end 2018. Vacancy continues to decline and the rental rates for Class A and B space continue to rise. “We could potentially see a dip in the overall rental rate largely because the quality product is limited and most of the offerings will exist within Class B and C properties,” says NAI Avant broker Peyton Bryant.

Furthermore, Columbia is starting to see some of the office trends that have existed this year in larger markets—trends such as co-working space (increasing), largely open floor plans to cultivate collaboration and teamwork, and floating desks that allow employees to work at a different spot each day. These trends targeted at the millennial office user have driven the demand for open space that often has a historic/adaptive reuse element to further impact the working experience.

There are currently no cranes moving around in downtown Columbia building new office product. This is potentially due to surging construction costs, rising interest rates, and increasing land costs. The rising land cost downtown has been primarily driven by the explosive growth of the amenity rich student apartments and sustained hotel development. Top of the market Class A rates do not justify new project feasibility at this time.

However, with the expanding population and increasing university enrollment, new construction and continued renovation projects are a must if Columbia plans to retain a talented office workforce. Columbia’s business-friendly environment should continue to attract new firms further solidifying the promising outlook. The Central Business District continues to evolve as the revitalization of historic buildings creates unique opportunities for office seekers. Demand for the limited product of Class A available space will remain intense and highly competitive in particular in the CBD.

Overall Market Indicators

Vacancy ▼

Rental Rate ▲

Net Absorption ▲

Construction ◀▶

Prior Quarter Indicator | ▲ Up ▼ Down ◀▶ Flat Prior Year Indicator | ▲ Up ▼ Down ◀▶ Flat

Vacancy Rates

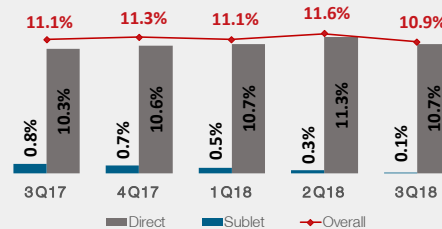
Central Business District watches as vacancy drops for 2nd straight quarter, lowest mark in nearly a year.

Direct Available | Building Class

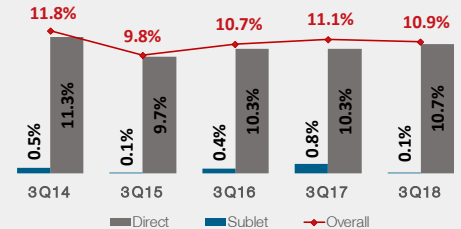
Class A	8.6%	▼	▼
Class B	10.7%	▲	▲
Overall	10.7%	▲	▲

Direct Available | Class A Buildings

CBD	6.1%	▼	▼
Suburban	12.7%	▼	▼



Quarterly Overall Trend



Annual Overall Trend

Rental Rates

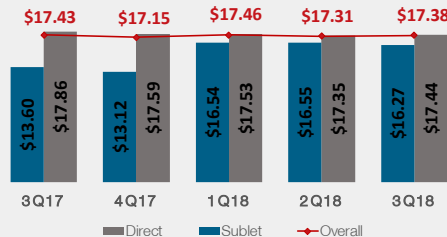
Ebbs and flows continue, rental rates in the Central Business District reach new heights.

Direct Available | Building Class

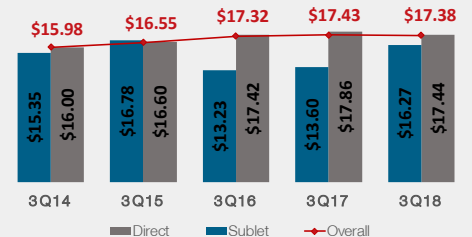
Class A	\$20.01	▲	▼
Class B	\$16.21	▼	▲
Overall	\$17.32	▲	▼

Direct Available | Class A Buildings

CBD	\$22.16	▲	▼
Suburban	\$18.69	▲	▼



Quarterly Overall Trend



Annual Overall Trend

Market Activity

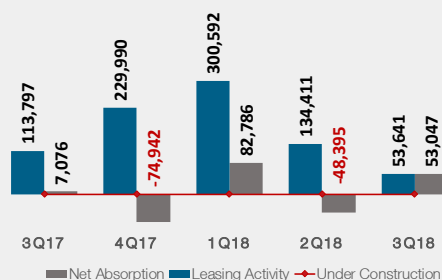
With downtown office space limited, activity in the suburbs continues to gain traction.

Overall Net Absorption | Building Class

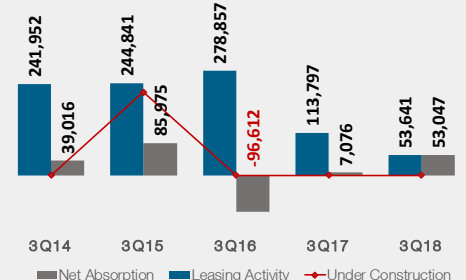
Class A	54,106 SF	▲	▲
Class B	-1,059 SF	▲	▼
Overall	53,047 SF	▲	▲

Class A Buildings | CBD vs Suburban

CBD	18,076 SF	▼	▲
Suburban	36,030 SF	▲	▲

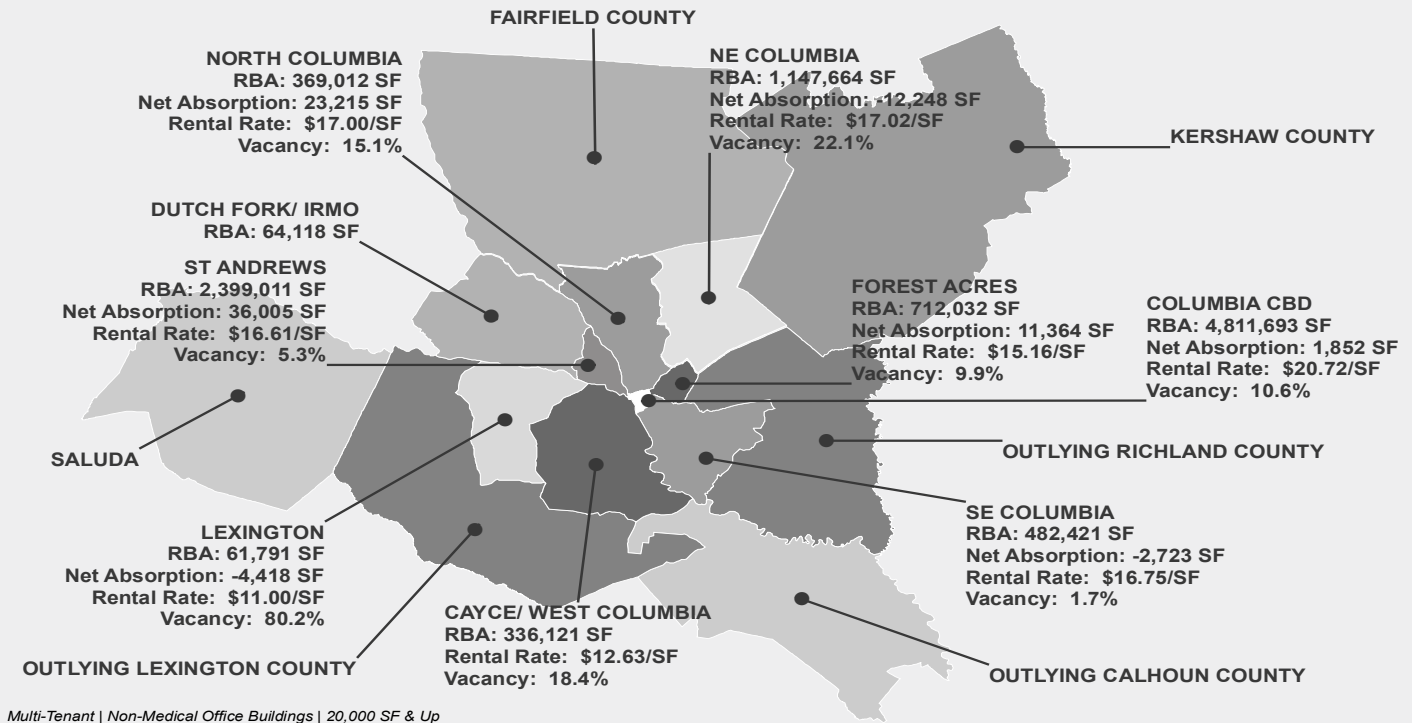


Quarterly Overall Trend



Annual Overall Trend

Submarket Statistics



Significant Transactions



ST ANDREWS
SYNERGY BUSINESS PARK
BUSH RIVER AT I20
315,919 SF
CLASS B OFFICE PORTFOLIO
SALE DATE: 08/27/2018

Price: \$24,249,999
Price per SF: \$82.39



CBD
BROWN BUILDING
1730 MAIN STREET
12,695 SF
CLASS B OFFICE/RESIDENTIAL
SALE DATE: 09/04/2018

Price: \$1,800,000
Price per SF: \$141.79



CBD
1619 SUMTER STREET
18,620 SF
CLASS C OFFICE
SALE DATE: 09/27/2018

Price: \$1,479,000
Price per SF: \$79.43

NAI Avant, At A Glance

Realizing Potential, Delivering Results



For more than 50 years, the NAI Avant team has excelled in delivering superior service and performance for its commercial real estate clients. Through dedicated and knowledgeable professionals backed by quality research, our institutional, corporate, small business and individual clients have achieved maximum results.

As a full-service company, headquartered in Columbia SC, our brokerage, development, management and consulting services are tailor-made to meet the specific needs of each assignment, from single transactions to coordinating the delivery of multiple services over broad geographic areas. As a spin-off of the over \$6 billion EDENS (formerly Edens & Avant), NAI Avant traces its roots back to 1966.

Through our professional and network affiliations, we effectively and efficiently deliver our services at the local, regional, national and global levels.

Creativity and experience combined with quality research and support, have been the hallmark of NAI Avant's brokerage staff that has been South Carolina's leading performer for nearly three consecutive decades.

Our Depth of Experience Includes

- Investment Sales
- Healthcare Real Estate Services
- Retail Sales and Leasing
- Property and Project Management Services
- Office Sales and Leasing
- Industrial Sales and Leasing
- Special Asset and Receivership Services
- Tenant Representation
- Corporate Advisory Services
- Site Selection and Land Sales
- Fee Development and Build-to-Suit Services
- Mixed-Use Urban Infill

NAI GLOBAL

NAI Avant is a member of the NAI Global premier network, the largest independent commercial real estate service provider worldwide. NAI Global member firms span worldwide, with 400 offices and more than 7,000 local market experts on the ground. NAI Avant is a recipient of NAI Global's prestigious Eagle Award, recognizing the top firm in the U.S. secondary markets demonstrating the highest levels of achievement through a combination of leadership, capital resources, commitment to quality and global vision.

NAI Global is a wholly owned subsidiary of C-III Capital Partners, LLC (C-III). C-III Capital Partners is a leading commercial real estate services company engaged in a broad range of activities, including primary and special loan servicing, loan origination, fund management and principal investment. C-III is the primary servicer for approximately \$15 billion and the named special servicer for approximately \$160 billion of commercial real estate loans. At NAI Global, we uniquely combine an agile platform with experienced real estate teams, backed by the institutional strength of one of the world's leading property investment companies.

Featured Listings



FOR LEASE
St. Andrews

SYNERGY BUSINESS PARK
I-20 AT BUSH RIVER ROAD
±1,200-7,336 SF

Lease Rate: \$15.50-\$16.00 PSF FULL SERVICE



FOR LEASE
Northeast Columbia

8910 TWO NOTCH ROAD
±2,757-7,076 SF OF HIGH QUALITY OFFICE
SPACE IN BB&T BUILDING

Lease Rate: \$15.95 PSF FULL SERVICE



FOR LEASE
Forest Acres

LANDMARK OFFICE PARK
3600-3700 FOREST DRIVE, 3710 LANDMARK DRIVE
TURN KEY OFFICE SUITES

Lease Rate: \$17.25 PSF



FOR LEASE
Downtown Columbia

HISTORIC SCHULTE UNITED BUILDING
1624 MAIN STREET
±11,180 SF ON TWO FLOORS

Lease Rate: \$23.00 PSF FULL SERVICE

For more information, contact one of our experienced professionals:



Todd Avant, CCIM
Chief Executive Officer
tavant@naiavant.com



Jeff Hein, SIOR
Senior Broker
jhein@naiavant.com



Peyton Bryant
Broker
pbryant@naiavant.com



John Gregory
Broker
jegregory@naiavant.com