

MIDLANDS SOUTH CAROLINA

3Q20 | RETAIL SNAPSHOT

VACANCY

▲ Q3: 4.69%
Q2: 4.36%

ABSORPTION

▼ Q3: -161,692
Q2: -92,022

RENTAL RATE

▼ Q3: \$14.22
Q2: \$14.24

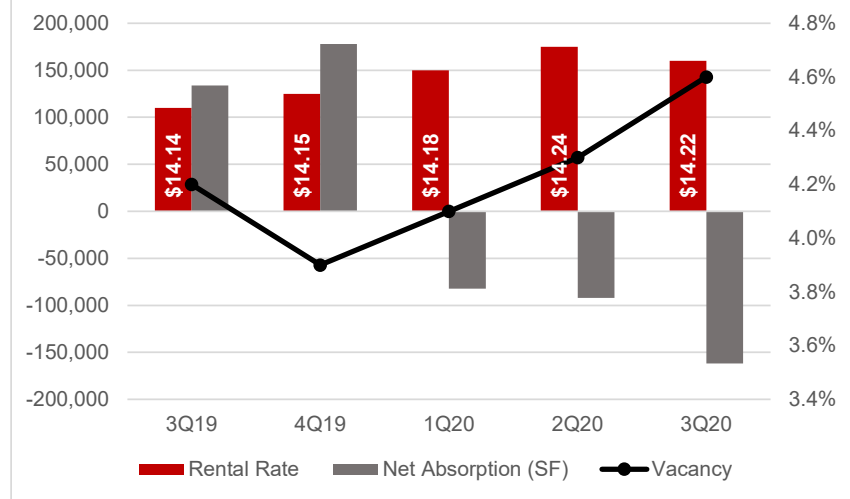
MARKET OUTLOOK

The Columbia Retail Market remains relatively stable through the 3rd quarter 2020, considering the turmoil surrounding the global economy. The vacancy rate is currently sitting around 4.5% across the entire MSA, compared to 4.1% a year ago. There are only 4 projects under construction totaling 26,500 SF. Those projects are 83% pre-leased, primarily build-to-suits for national or regional tenants. Demand continues to limit any speculative retail developments.

Nationally, we are seeing announcements daily of new bankruptcies, aided by the COVID-19 pandemic. Most were experiencing business decline pre-pandemic, and those declines have been amplified, pushing some into reorganization. The decline of the regional malls has continued, with vacancies at a 20-year high, with two large owners recently filing for bankruptcy, CBL and PREIT. Dutch Fork/Irmo, which includes Columbiana Mall and is Columbia's largest retail cluster, currently has a 5.5% vacancy rate, but has negative absorption. We forecast that trend will continue through the end of 2020 and into 2021 as many of the large retailers adjust to life during and after COVID-19.

Rent growth has flattened to near 0% with rents forecasted to decline into 2021. Most economists are predicting that late in 2021 the economy should be getting back to normal. At that time, we will expect to see rents reverse course and begin to rise again. In the meantime, we will likely see additional retailers close their doors, thus giving landlords more vacancy in their shopping centers. New and creative uses of the vacant spaces will have to emerge if landlords wish to fill their buildings in the short-term.

Columbia is in much better shape than some larger primary and secondary markets. The southeast continues to see an influx of new people moving in and job creation. This is keeping the local economy above the national averages. The steady employment in Columbia provided by state government, colleges and universities, Fort Jackson and strong hospital systems continue to support our local market and provide for the stability needed to weather the COVID-19 storm.



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NOTABLE TRANSACTIONS



SOLD: CHAPIN
650 COLUMBIA AVE
±5,000 SF RETAIL SPACE
SALE DATE: 9/29/2020
Price: \$2,440,000
Price per SF: \$488.00



SOLD: CHAPIN
945 CHAPIN RD
±7,396 SF O'REILLYS
SALE DATE: 9/21/2020
Price: \$1,870,000
Price per SF: \$252.84



LEASED: COLUMBIA
1644 MAIN ST
±23,496 SF RETAIL SPACE
SIGN DATE: SEPTEMBER 2020
Class B Retail - Main St District

3Q20 MIDLANDS SC RETAIL ANALYTICS

NORTH COLUMBIA

| | |
|----------------|----------------|
| Inventory | 2.4 Million SF |
| Net Absorption | (15,856 SF) |
| Vacancy Rate | 6.5% |
| Market Rent | \$9.11/SF |

DUTCH FORK/IRMO

| | |
|----------------|----------------|
| Inventory | 4.6 Million SF |
| Net Absorption | (18,439) SF |
| Vacancy Rate | 5.1% |
| Market Rent | \$18.93/SF |

NORTHEAST COLUMBIA

| | |
|----------------|---------------|
| Inventory | 11 Million SF |
| Net Absorption | (33,856) SF |
| Vacancy Rate | 5.3% |
| Market Rent | \$15.28/SF |

KERSHAW COUNTY

| | |
|----------------|----------------|
| Inventory | 3.2 Million SF |
| Net Absorption | 7,960 SF |
| Vacancy Rate | 1.9% |
| Market Rent | \$10.24/SF |

ST ANDREWS

| | |
|----------------|----------------|
| Inventory | 6.8 Million SF |
| Net Absorption | (43,817 SF) |
| Vacancy Rate | 5.3% |
| Market Rent | \$13.47/SF |

FOREST ACRES

| | |
|----------------|----------------|
| Inventory | 4.1 Million SF |
| Net Absorption | (92,855) SF |
| Vacancy Rate | 6.4% |
| Market Rent | \$16.48/SF |

COLUMBIA CBD

| | |
|----------------|----------------|
| Inventory | 2.9 Million SF |
| Net Absorption | 14,412 SF |
| Vacancy Rate | 5.8% |
| Market Rent | \$18.51/SF |

LEXINGTON

| | |
|----------------|----------------|
| Inventory | 5.4 Million SF |
| Net Absorption | 39,980 SF |
| Vacancy Rate | 2.8% |
| Market Rent | \$17.86/SF |

SOUTHEAST COLUMBIA

| | |
|----------------|----------------|
| Inventory | 4.7 Million SF |
| Net Absorption | (1,177) SF |
| Vacancy Rate | 2.6% |
| Market Rent | \$13.63/SF |

CAYCE/WEST COLUMBIA

| | |
|----------------|----------------|
| Inventory | 6.9 Million SF |
| Net Absorption | (254) SF |
| Vacancy Rate | 4.4% |
| Market Rent | \$11.40/SF |

MIDLANDS SC DEMOGRAPHICS



POPULATION
859,753



HOUSEHOLDS
329,373



MEDIAN AGE
37.5



MEDIAN
HOUSEHOLD
INCOME
\$57,735



UNEMPLOYMENT
RATE
10.2%