

# MIDLANDS SOUTH CAROLINA

## 3Q19 | OFFICE SNAPSHOT

### VACANCY

Q3: 12.0%  
Q2: 10.8%

### ABSORPTION

12 Month Net Absorption SF

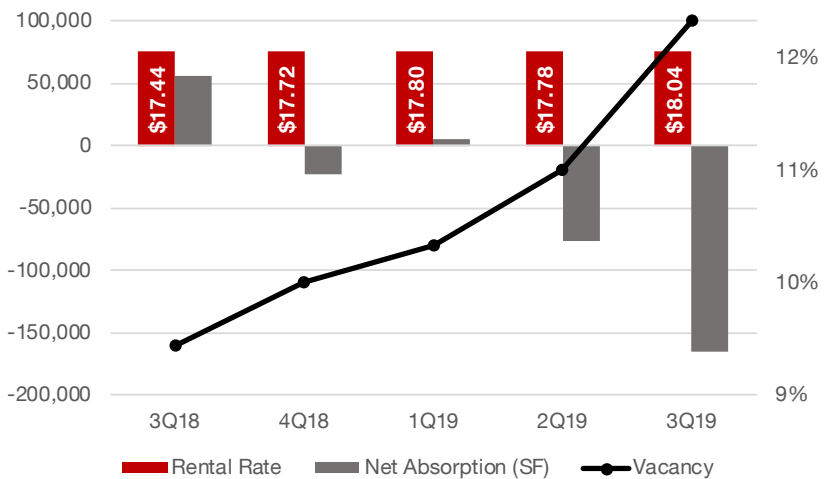
Q3: -164,963  
Q2: -76,309

### RENTAL RATE

Q3: \$18.04  
Q2: \$17.78

## MARKET OUTLOOK

In the Columbia office market, rental rates have risen approximately 0.7% in the past four quarters. Downtown absorption has been strong resulting in a vacancy rate slightly over 6%. Columbia has a diverse economic base with government, military, healthcare and education. Several factors including low business and living cost, tax incentives and its proximity to major Interstates have attracted businesses to the area. Columbia is becoming an increasingly attractive location for tech companies in search of talent, particularly graduates of the University of South Carolina. Its established long-term tenant base should keep occupancy at a stable level for the next four years. Columbia's office market vacancy is below the historical average of 6.9%. After reaching record absorption in 3Q18, demand has slowed. Limited new supply coming on the market will keep vacancies at a stable rate. Columbia's pro business environment has enticed many large firms to the city. Existing corporations including AFLAC, Verizon and Amazon have expanded in the market, adding approximately 4,000 jobs over the past few years. USC has attracted the attention of big-name corporations to the area's highly educated work force. The IBM Innovation Center, a 25 million dollar investment involving USC, IBM and Fluor, opened in May 2016 in Columbia's Central Business District. The 100,000 square foot building was developed by Holder Properties and was designed to allow students to work along side professional researchers to improve analytics and education. The building is fully occupied with USC, IBM and Electric Guard Dog as tenants. Nearly one million square feet has leased in Columbia in the past year, with the majority of the lease deals signed within the Central Business District. This submarket traditionally witnesses the largest deals, averaging more than 5,000 SF compared to the metro-wide average of roughly 3,500 SF in 2018.



## NOTABLE TRANSACTIONS



**SOLD: COLUMBIA**  
7 TECHNOLOGY CIRCLE  
±88,000 SF CLASS A OFFICE  
SALE DATE: 07/12/2019  
Price: \$6,250,000  
Price per SF: \$71.02



**SOLD: COLUMBIA**  
1813 MAIN STREET  
±27,309 SF  
CLASS B OFFICE  
SALE DATE: 08/09/2019  
Price: \$1,450,000  
Price per SF: \$53.10

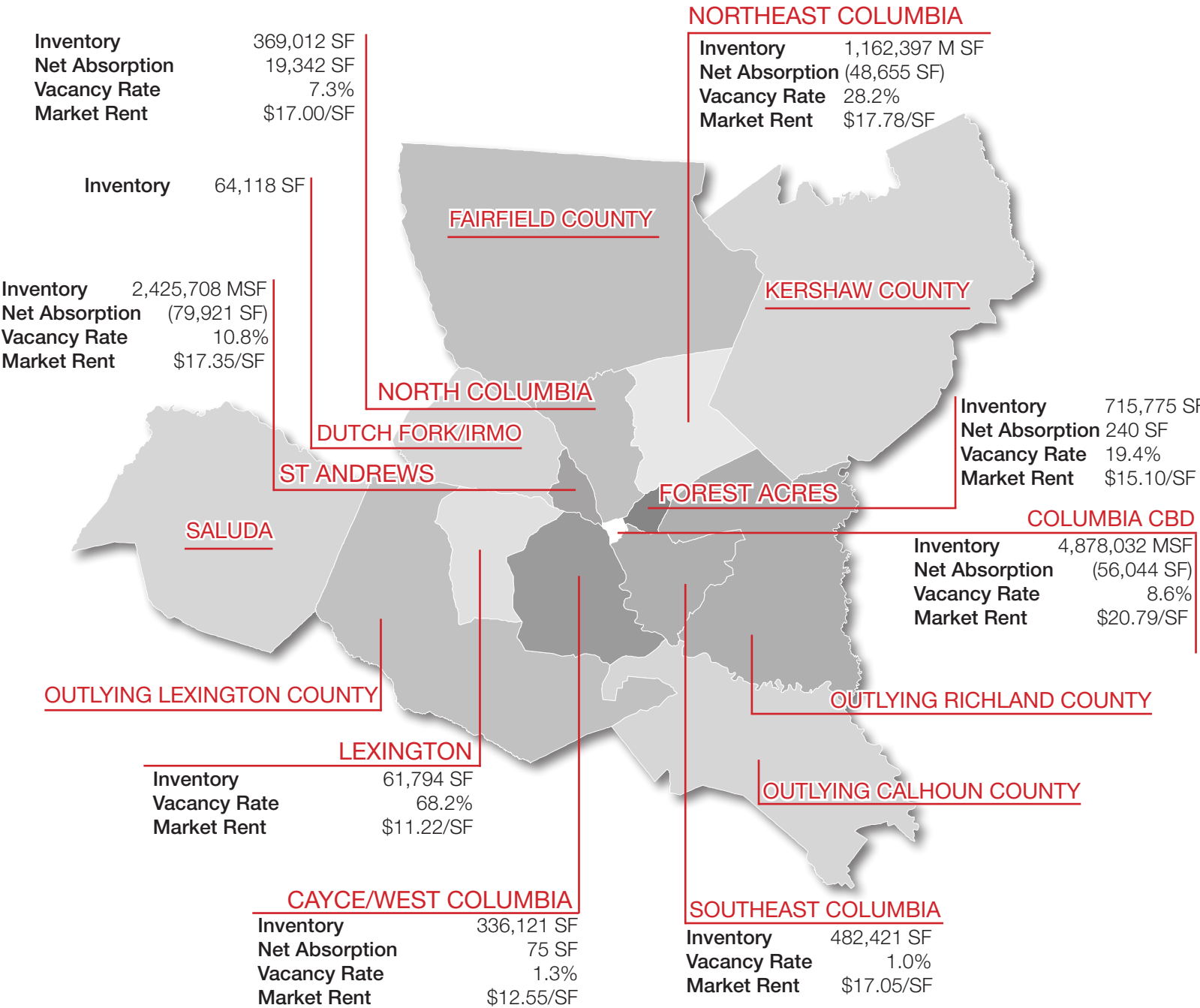


**SOLD: COLUMBIA**  
1520 LAUREL STREET  
±8,780 SF  
CLASS C OFFICE  
SALE DATE: 09/03/2019  
Price: \$750,000  
Price per SF: \$85.42



**Jeff Hein, SIOR**  
Principal & Senior Broker  
jhein@naicolumbia.com

# Q319 MIDLANDS SC OFFICE ANALYTICS



## MIDLANDS SC DEMOGRAPHICS

