

COLUMBIA MARKET HIGHLIGHTS

The overall vacancy rate in the Columbia industrial market holds steady at 4.3% compared to 4.2% in the previous quarter. At \$4.32/SF, average asking rental rates were also largely unchanged this quarter, but many forecasters say to expect an increase moving forward due to heightened demand and increasing construction costs. The Society of Office and Industrial Realtors (SIOR) recently predicted rents could rise anywhere from 15 to 40 percent in the next 18 months.

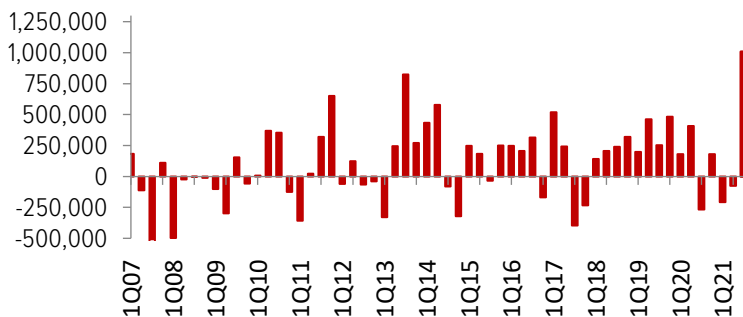
One of the largest economic investments in Richland County, Mark Anthony Brewing's \$400 million state-of-the-art brewing and production facility in the Pineview Industrial Park delivered this quarter, adding another 1.3 million square feet of industrial inventory to the market. The new brewery is one of the largest built in the U.S. in more than 25 years.

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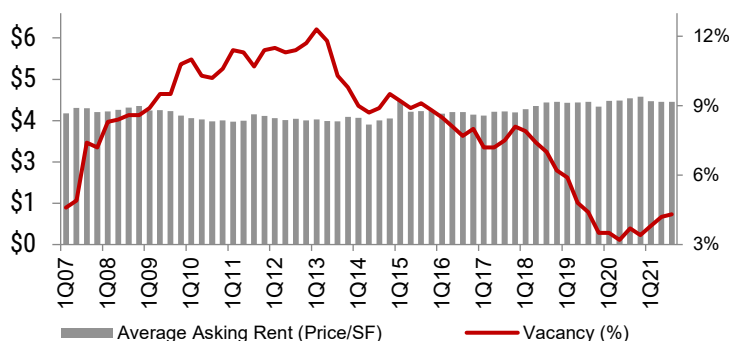
Historic Comparison

	Current Quarter	Prior Quarter	Year Ago Period	Forecast
Total Inventory	64.25 MSF	64.16 MSF	62.90 MSF	↑
Vacancy Rate	4.3%	4.2%	3.7%	↔
Quarterly Net Absorption	1,008,714	-76,702	-266,967	↑
Average Asking Rent	\$4.32	\$4.32	\$4.35	↑

Net Absorption (SF)



Asking Rent & Vacancy Trends




4.3%

VACANCY RATE (%)



1.00M

NET ABSORPTION (SF)



\$4.32

ASKING RENT (\$/SF)



64.2M

INVENTORY (SF)



COLUMBIA MARKET HIGHLIGHTS

Going into the last quarter of 2021, with more than 96% of the market's industrial product currently occupied, many developers are interested in building new industrial space in the region but have been hindered by the ongoing rising cost of construction, and the lack of new inventory is putting upward pressure on rents as tenants compete for space. In turn, construction costs for building materials continue to increase due to demand, as have delivery times.

Scrap metal costs are up 50% YOY and hot rolled coil steel is has risen as much as 300%. The cost of structural steel has increased \$0.75/SF, while joist/deck costs are up an average of \$9.25/SF. The average delivery time for some materials are up years – joist/deck deliveries are seeing lead times as long as 40-45 weeks versus the eight-week average just one year ago.

The current average asking rate for flex and industrial space in the market sits at \$4.32/SF – a 3% increase year-over-year. Lease rates will need to continue increasing in order to justify the cost of labor and building materials.

In the meantime, current flex/industrial tenants planning to relocate, expand or acquire new space in the market are severely limited. Current tenants are – or should be – looking ahead toward upcoming renewals and renegotiations well ahead of the date their current lease is set to expire.



VACANCY RATE (%)



NET ABSORPTION (SF)



ASKING RENT (\$/SF)



INVENTORY (SF)

Q3 2021 Industrial Market Summary | Columbia

	Inventory (SF)	Vacancy Rate	Availability Rate	Qtr Absorption (SF)	YTD Absorption (SF)	INDUSTRIAL Asking Rent (Price/SF)	FLEX Asking Rent (Price/SF)	Total Asking Rent (Price/SF)
Cayce/W Columbia	17,022,904	2.5%	3.1%	39,060	299,901	\$4.68	\$9.18	\$4.79
Downtown (CBD)	660,227	12.8%	13.1%	-	-28,000	\$4.95	\$13.50	\$5.58
Dutch Fork / Irmo	1,409,369	13.1%	16.3%	4,400	-131,000	\$3.61	\$10.48	\$4.24
Fairfield County	2,390,509	0.4%	1.6%	63,156	55,328	\$3.00	-	\$3.00
Kershaw County	7,158,486	5.1%	5.2%	66,024	-147,176	\$3.00	-	\$3.00
Lexington	6,077,137	0.5%	2.5%	3,988	135,388	\$4.02	\$9.12	\$4.67
North Columbia	3,820,235	4.0%	2.7%	-41,981	26,295	\$4.62	\$8.21	\$4.96
Northeast Columbia	8,854,786	9.7%	9.6%	8,700	-379,164	\$3.78	\$7.08	\$3.92
Southeast Columbia	15,162,441	2.8%	3.5%	867,579	931,548	\$5.09	\$6.98	\$5.25
Saint Andrews	1,698,443	5.7%	8.3%	-2,212	11,447	\$5.27	-	\$5.27
Market	64,254,537	4.3%	4.7%	1,008,714	723,567	\$4.12	\$8.18	\$4.32

* Data set includes all known existing industrial properties over 5,000 SF in the Columbia MSA

* Asking rents are NNN

Notable Transactions



Sale

Midway Logistics VI

±192,780 SF | W Columbia
\$14,500,000 | \$75.22/SF



Sale

110 Archive Court

±60,000 SF | W Columbia
\$4,280,000 | \$71.25/SF



Lease Renewal

120 Pine Plain Road

±80,775 SF | Gaston
Copart of Connecticut



New Lease

825 Garland Street

±63,500 SF | SE Columbia
Nationwide Products