



Q3 22

INDUSTRIAL

COMMERCIAL REAL ESTATE

COLUMBIA MARKET HIGHLIGHTS

The overall vacancy rate in the Columbia industrial market holds steady at 3.3% compared to 3.2% in the previous quarter. Average asking rental rates have continued to rise due to heightened demand and increasing construction costs. The \$4.52/SF average sits approximately \$1.00 to \$1.50 below many of Wilson Kibler's listings.

Though population growth in Columbia is slower than comparable Southeastern markets, the market's connectivity should continue to boost demand and construction. Columbia's industrial market benefits from direct access to interstates 20, 77, and 26, which connect the region to major Southeastern population centers.

The Columbia market saw approximately 1.3 million SF of Industrial space delivered in Q3. There are currently 7 Industrial buildings under construction in the Columbia market totaling 2.27 million SF. 26.2% of the space under construction is pre-leased which continues to drive the vacancy rates down.

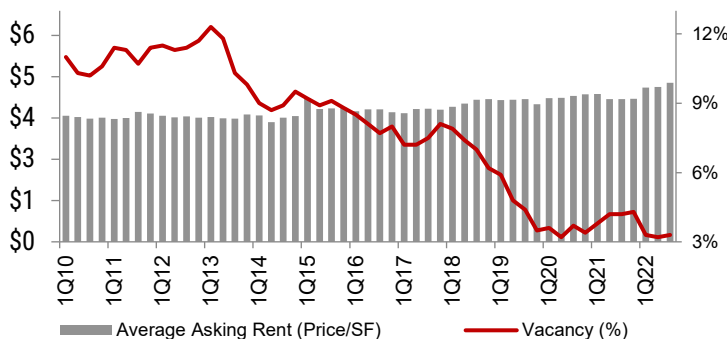
Historic Comparison

	Current Quarter	Prior Quarter	Year Ago Period	Forecast
Total Inventory	70.2 MSF	68.9 MSF	68.7 MSF	↔
Vacancy Rate	3.3%	3.2%	3.9%	↔
Quarterly Net Absorption	1.19 MSF	281,778 SF	1.16 MSF	↑
Average Asking Rent	\$4.52	\$4.46	\$4.23	↑

Net Absorption (SF)



Asking Rent & Vacancy Trends



3.3%

VACANCY RATE (%)



1.19 MSF

NET ABSORPTION (SF)



\$4.52

ASKING RENT (\$/SF)



70.2M

INVENTORY (SF)

INDUSTRIAL HIGHLIGHTS

In the United States, Warehouse and Distribution vacancies have hit a record low at 3.9% and there have been 100 million square feet in positive net absorption across the country in Q3 2022. An increase of 14 million SF from Q2, but nowhere near as much as the 204 million SF during Q3 of 2021.

The Industrial story in the Midlands does not stray far from that of what is going on nationally. Nationally, Flex vacancies fell to 5.1% in Q3 of 2022. A year ago, Flex vacancies sat at 7% so there is a continuing trend of decreasing vacancy rates and increased rent. Rents increased by 1.2% since last quarter.

Flex properties consist of 20% or more office space of the total warehouse. Flex construction appears to be slow, however nationally there is a decent amount of space in the pipeline to deliver in Q4 and the beginning of 2023.

Due to the uncertainty of the economy, new construction is expected to slow down in 2023. National banks are beginning to slow down on lending for Commercial construction due to a surge in interest rates and unprecedented previous loaning activity.

According to the Federal Reserve, US-regulated banks financed a record \$316 billion of new commercial real estate loans in months leading up to Q3 beginning in Q3 of 2021. Because of this record lending, financing should slow in the coming months.



3.3%

VACANCY RATE (%)



1.19 MSF

NET ABSORPTION (SF)



\$4.52

ASKING RENT (\$/SF)



70.2M

INVENTORY (SF)

NOTABLE TRANSACTIONS

Select Lease Transactions

803 Industrial Park Dr



Submarket	Tenant	Type	Square Feet
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Cayce/West Columbia	Givens Distribution	New	±252,720 SF
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185 McQueen St



Cayce/West Columbia	DSV Global Transport & Logistics	Renewal	±273,280 SF
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Select Sales Transactions

4400 12th St Ext



Submarket	Square Feet	Sales Price	Price/SF
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Cayce/West Columbia	±1,016,148 SF	\$90,000,000	\$88.57
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1091 Carolina Pines Dr



Northeast Columbia	±350,563 SF	\$32,770,163	\$93.48
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COLUMBIA MARKET HIGHLIGHTS

Q3 2022 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	17,854,029	1.2%	7.4%	31,778	517,814	\$5.83	\$9.23	\$6.05
Downtown (CBD)	654,647	12.4%	12.4%	-32,000	-	\$5.39	-	\$5.39
Dutch Fork / Irmo	1,539,314	14.4%	14.3%	-9,300	4,000	\$3.50	\$10.43	\$4.46
Fairfield County	2,388,913	0.4%	1.6%	-	-	\$2.50	-	\$2.50
Kershaw County	7,248,181	8.2%	7.0%	-305,673	-229,480	\$2.95	-	\$2.95
Lexington	6,176,906	0.8%	1.3%	-2,600	-33,908	\$3.57	\$9.46	\$5.03
North Columbia	3,867,139	1.7%	1.8%	36,346	4,532	\$4.49	\$8.50	\$4.63
Northeast Columbia	9,094,211	7.9%	9.4%	9,799	166,949	\$4.39	\$8.78	\$4.61
Southeast Columbia	16,545,751	1.8%	3.2%	1,336,995	1,359,005	\$4.98	\$8.43	\$5.15
Saint Andrews	1,711,382	3.1%	6.1%	48,420	17,206	\$6.00	\$7.25	\$6.19
Market	70,156,646	3.3%	5.3%	-	-	\$4.25	\$8.91	\$4.52

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

* Asking rents are NNN

* YTD Absorption is as of 10/18/2022

SAM GAMBLE

Director of Marketing and Research

803.255.8611

Sam.Gamble@wilsonkibler.com

WILSON KIBLER COLUMBIA

803.779.8600

1545 Sumter Street

Columbia, SC 29201

WILSON KIBLER GREENVILLE

864.679.8600

13 E Coffee Street

Greenville, SC 29601

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