

MARKET FUNDAMENTALS

	YOY Chg	Outlook
7.9% Vacancy Rate	▼	▼
-4.4K YTD Net Absorption, SF	▼	▲
\$29.77 Asking Rent, PSF <small>(Overall, All Property Classes)</small>	▼	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
436K Charleston Employment	▲	▲
3.4% Charleston Unemployment Rate	▼	▲
4.2% U.S. Unemployment Rate <small>Source:BLS</small>	▲	▲

ECONOMY

Charleston maintained its standing as one of the top-performing markets nationally. With its strong business climate, quality-of-life appeal, and central regional location, the market remained a magnet for corporate interest and population growth. Nonfarm employment increased 3.4% year-over-year (YOY), the highest rate among 102 tracked U.S. metros. Additionally, Charleston’s gross domestic product grew by 7.1% in 2024, and momentum is expected to continue, fueled by all-time-high tourism and a population growth rate three times the national average.

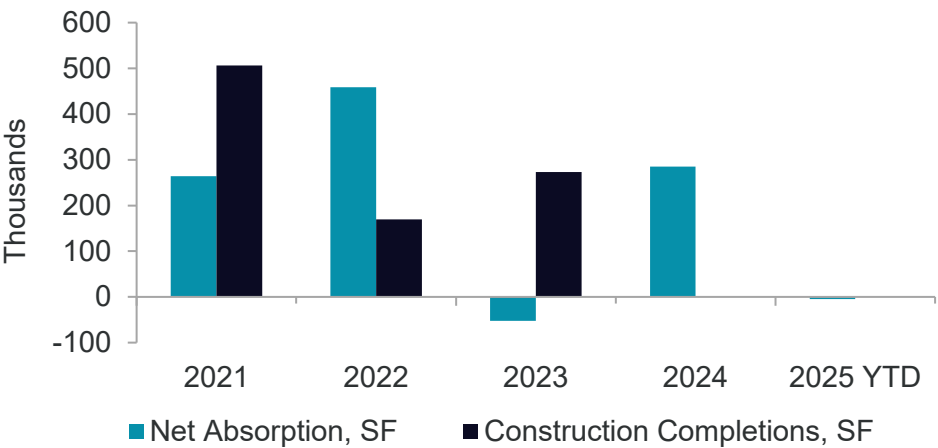
SUPPLY AND DEMAND

Vacancy held relatively steady in Q2, rising by 20 basis points (bps) quarter-over-quarter (QOQ) to 7.9%, while improving 40 bps YOY. Downtown remained the most sought-after submarket, with vacancy at 6.4%, well below the market average, as tenants prioritized proximity to the urban core. Many signed short-term renewals in outlying areas while waiting for downtown availability to open up. Daniel Island reported the highest vacancy at 25.7%, though more than half was sublease space, bringing direct vacancy closer to 11.0%, a figure more aligned with actual market conditions. Despite the elevated headline number, the submarket recorded the third-highest leasing activity in Q2, driven by newly developed Class A product, ample parking, and amenities not often found in tighter submarkets such as Downtown, North Charleston, and Mount Pleasant. Overall leasing remained subdued amid broader office uncertainty. However, year-to-date (YTD) leasing activity showed a slight uptick compared to the same period in 2023 and 2024, suggesting cautious momentum. With limited availability downtown, some tenants are gradually warming to alternative locations. North Charleston led YTD leasing, accounting for 33.4% of the market total, signaling that growth is shifting toward more accessible and developable submarkets.

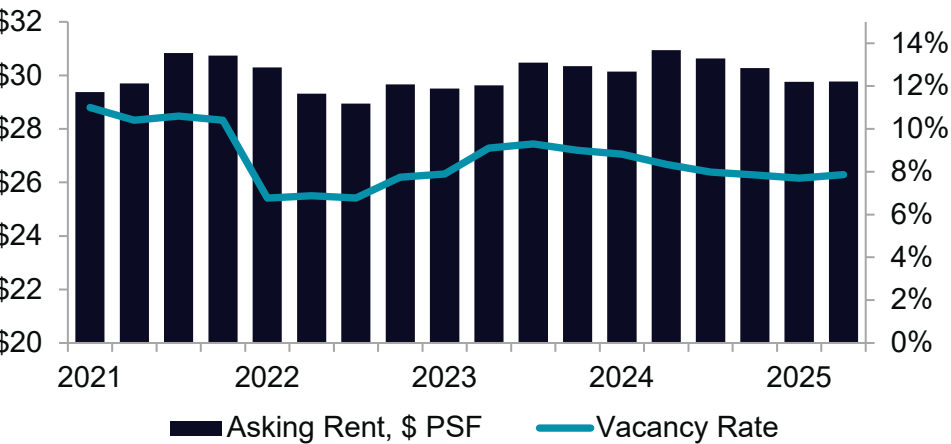
PRICING

Overall asking rents remained stable, with the average rate rising minimally QOQ to \$29.77 per square foot. Downtown rates continued to climb, with a few top-tier buildings reaching the \$60 to \$70 range, underscoring the premium placed on the submarket. However, these increases had limited impact on the average due to low availability. Outlying submarkets held steady as demand remained softer. With the post-pandemic recovery progressing slowly, overall rates are expected to remain flat, aside from the continued strength of premier Downtown assets.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Downtown Charleston	5,522,202	352,591	2,859	6.4%	-17,580	42,735	84,491	0	\$39.45	\$39.64
Daniel Island	1,822,284	220,332	248,446	25.7%	2,599	17,839	54,948	0	\$30.24	\$30.54
Dorchester County	1,036,912	10,128	0	1.0%	-4,583	-6,792	3,384	0	\$22.50	-
James Island/Johns Island	253,464	378	0	0.2%	0	2,895	3,273	0	-	-
Mt. Pleasant/East Charleston	2,980,791	92,002	29,962	4.1%	4,596	17,370	40,817	0	\$30.88	\$33.32
North Charleston	6,730,202	498,072	126,800	9.3%	-16,904	-91,617	112,254	0	\$25.44	\$27.87
Outlying Berkeley	1,382,311	4,356	0	0.3%	0	9,620	13,661	0	\$29.00	-
West Ashley	1,298,462	69,073	0	5.3%	-5,069	3,520	22,970	0	\$27.28	\$27.95
CHARLESTON TOTALS	21,026,628	1,246,932	408,067	7.9%	-36,941	-4,430	335,798	0	\$29.77	\$31.86

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
145 Williman St	Downtown Charleston	FreeFly Apparel Office	11,992	New Lease
880 Island Park Dr	Daniel Island	Jones Trading	11,419	New Lease
1176 Sam Rittenberg Blvd	West Ashley	Confidential	7,523	New Lease
Ice House at Park Circle - Phase II	North Charleston	Confidential	6,665	New Lease
Old Charleston Jail	Downtown Charleston	Garden & Gun Magazine	6,500	New Lease
Blackbaud Campus	Daniel Island	Whiting Turner	6,453	New Lease

*Renewals not included in leasing statistics

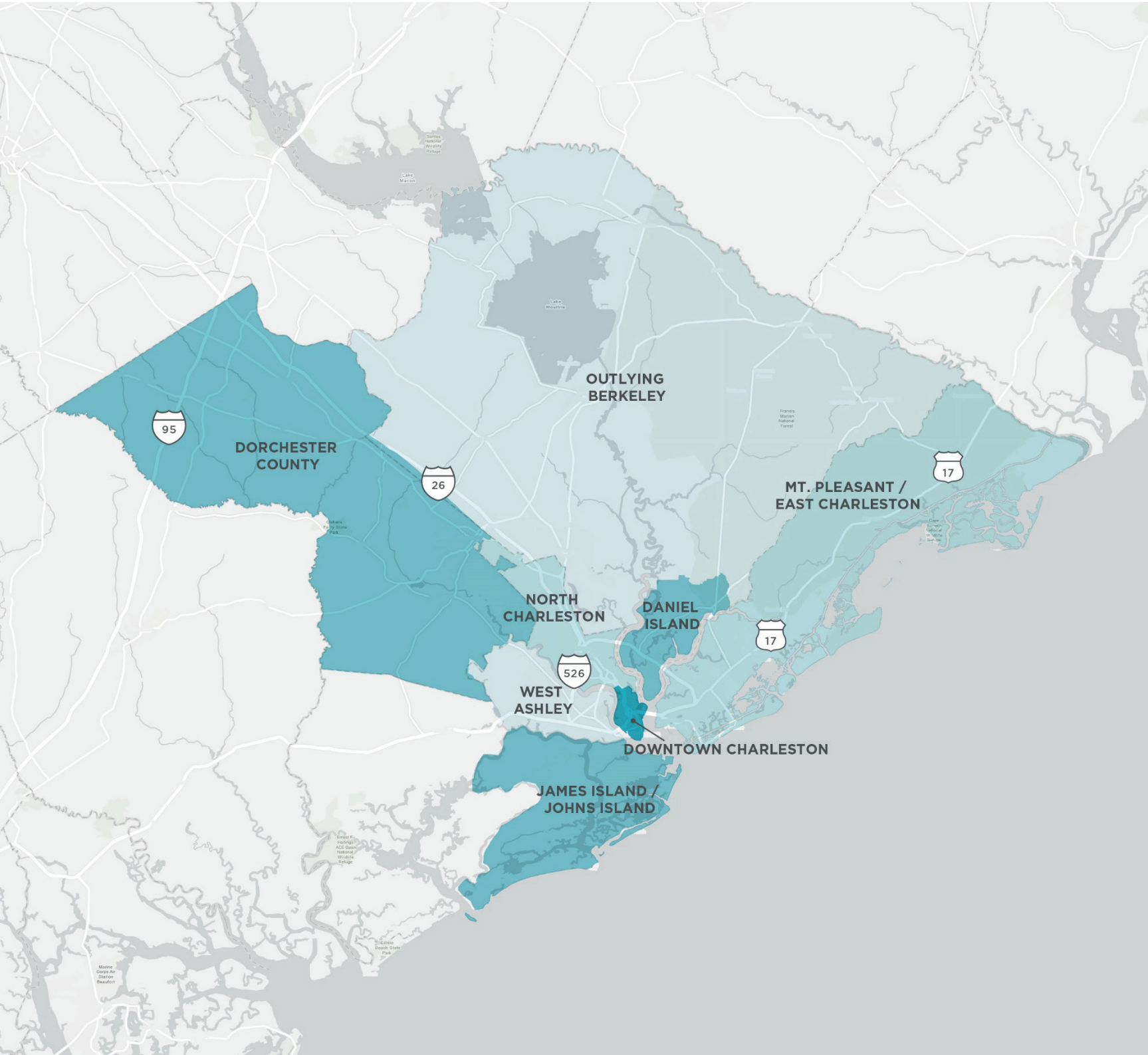
KEY METRIC YOY COMPARISON

QUARTER	INVENTORY (SF)	OVERALL VACANCY RATE	OVERALL ASKING RENTS (ALL CLASSES)*	YTD OVERALL NET ABSORPTION (SF)	YTD NEW LEASING ACTIVITY (SF)	YTD COMPLETIONS (SF)	UNDER CONSTRUCTION (SF)
Q2 2024	20,907,827	8.3%	\$30.95	138,311	388,839	0	0
Q2 2025	21,026,628	7.9%	\$29.77	-4,430	335,798	0	0

KEY METRIC CLASS COMPARISON

CLASS	INVENTORY (SF)	OVERALL VACANCY RATE	OVERALL ASKING RENTS	YTD OVERALL NET ABSORPTION (SF)	YTD NEW LEASING ACTIVITY (SF)
Class A	6,633,971	15.2%	\$31.86	41,388	163,092
Class B	10,652,625	5.8%	\$26.49	-46,213	152,783
Class C	3,740,032	0.7%	\$28.80	395	19,923

OFFICE SUBMARKETS



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