

Charleston

Office market snapshot | Q3 2024

Charleston's asking rental rates have begun to stabilize, with office availability nearing pre-pandemic levels. The market is seeing an uptick in subleasing activity, but overall leasing volume is down significantly from last year. Tenant demand remains strong for properties in Downtown Charleston, as the submarket boasts the lowest availability.

34.2k

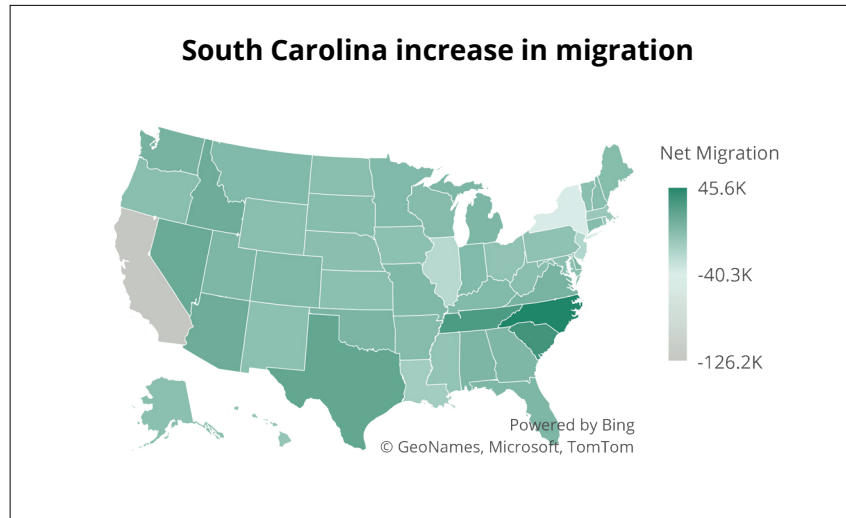
South Carolina has seen **34.2k new residents** move to the state since August of last year.

12.5%

Office buildings delivered in the last few years have a **12.5% availability rate**.

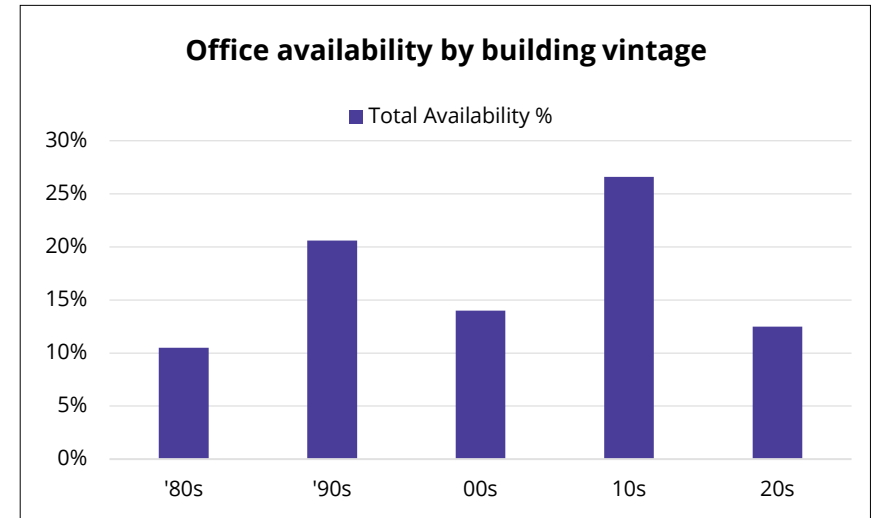
2.1%

In 2024 YTD, Class C offices saw the highest absorption rate at **2.1%**.



The south region continues to attract new businesses and residents in large part due to the lower cost of living and doing business. South Carolina has seen 34.2k new residents move to the state since August of 2023 and is ranked 2nd in the U.S. for relocations.

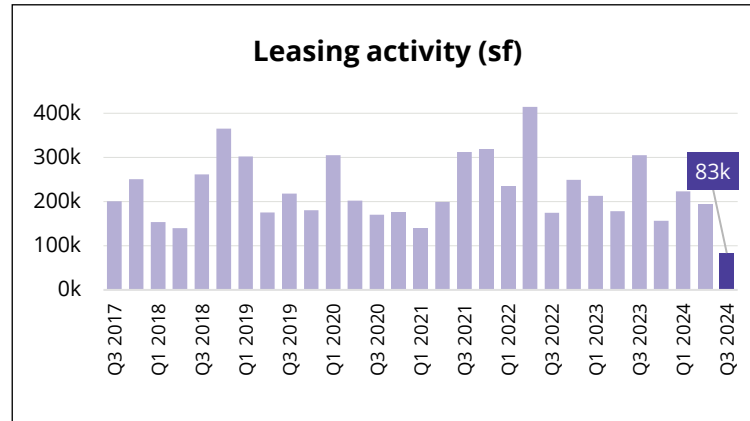
Note: Tracking office buildings 10,000 sf and up
Source: AVANT by Avison Young, CoStar, Placer.ai



Office buildings delivered in the last few years hold the second lowest availability compared to more established properties. This is due to tenants wanting updated amenities as well as limited inventory due to the slow down in new construction.

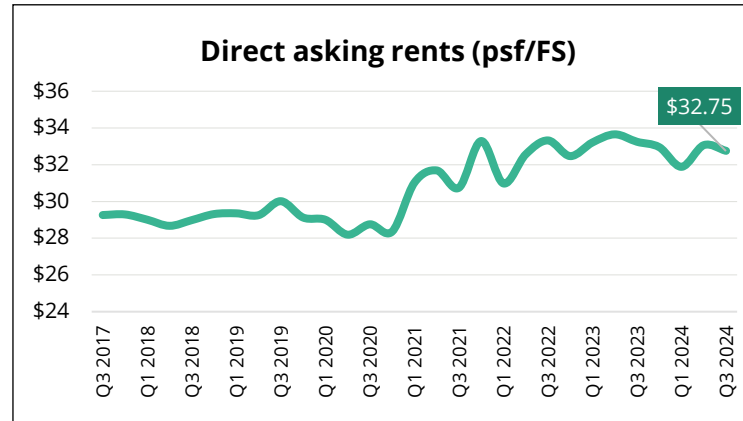
Charleston

Office market snapshot | Q3 2024



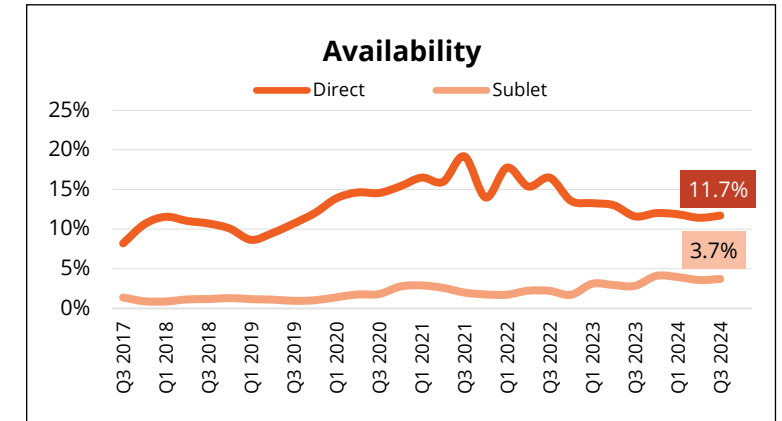
Leasing activity down

Leasing activity in the third quarter has significantly decreased compared to the same time in 2023. However, now that the Fed has made a rate cut, companies may be more willing to make decisions regarding their office space needs. Tenant demand has been the strongest in Downtown Charleston and Mount Pleasant, accounting for 60% of the leases signed during the quarter.



Asking rents stabilize

The cost of trophy and class A space is pushing overall rents for the market although there was a slight decrease year-over-year. Charleston's asking rental rates are averaging \$32.75 in the third quarter and are anticipated to stabilize through the rest of 2024 after seeing a peak at \$33.65 in 2Q 2023.



Availability decreases

Office availability in Charleston is closely approaching pre-pandemic levels. Direct office availability has begun to flatten out over the last several quarters and while sublet availability has slightly increased year-over-year it has started to follow the same trend as direct availability.

Note: Tracking office buildings 10,000 sf and up
Source: AVANT by Avison Young, CoStar

Charleston

Office market snapshot | Q3 2024

Get in touch

Sara Barnes
 Manager, Market Intelligence – Southeast
 Region
 sara.barnes@avisonyoung.com

Chris Fraser, CCIM
 Principal, Regional Managing Director –
 Southern US
 chris.fraser@avisonyoung.com

	Existing inventory sf	Under development sf	Direct availability	Sublet availability	Total availability	Net absorption % of inventory (QTD)	Net absorption % of inventory (YTD)	Annual direct asking rent psf FS
North Charleston	3,773,613		13.9%	1.7%	15.6%	0.6%	-1.09%	\$ 28.65
East Suburbs	3,616,386	10,000	11.8%	7.6%	19.4%	1.0%	0.8%	\$ 33.49
Downtown Charleston	3,457,567		10.6%	0.5%	11.1%	0.0%	-1.5%	\$ 38.57
West Suburbs	775,331		8.6%	1.8%	9.4%	-1.5%	-1.5%	\$ 27.38
North Suburbs	607,687	18,000	6.9%	12.8%	19.7%	-0.3%	6.2%	\$ 29.89
Market total	12,230,584	28,000	11.7%	3.7%	15.3%	0.4%	-0.3%	\$32.75

	Existing inventory sf	Under development sf	Direct availability	Sublet availability	Total availability	Net absorption % of inventory (QTD)	Net absorption % of inventory (YTD)	Annual direct asking rent psf FS
Trophy	705,000		11.0%	0.0%	11.0%	-0.8%	0.5%	\$37.54
Class A	5,383,608	18,000	15.9%	5.5%	21.4%	0.6%	-1.2%	\$34.51
Class B	5,083,174	10,000	8.3%	2.9%	11.2%	0.3%	0.0%	\$29.52
Class C	1,058,802		6.9%	0.5%	7.4%	0.3%	2.1%	\$25.94
Market total	12,230,584	28,000	11.7%	3.7%	15.3%	0.4%	-0.3%	\$32.75

Note: Tracking office buildings 10,000 sf and up
 Source: AVANT by Avison Young, CoStar