

Charleston

Office market snapshot | Q2 2024

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

28.9%

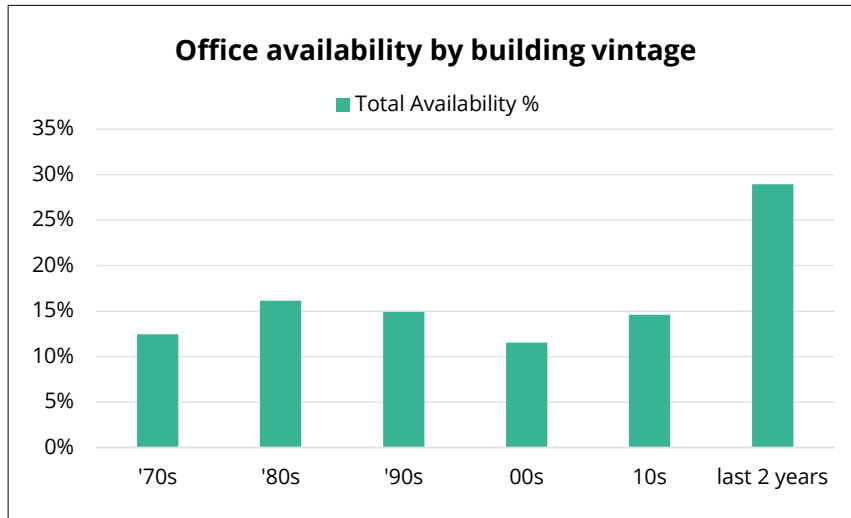
Office properties built in the last 2 years are experiencing **28.9% availability**.

130 bps

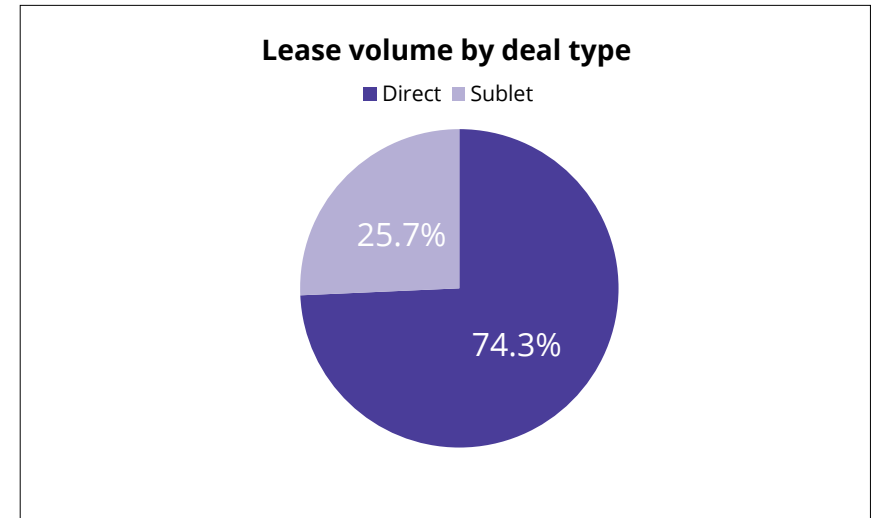
The amount of subleased space in Q2 2024 has **increased by 130 basis points** since Q1 2024.

1.8%

In 2024 YTD, Class C offices saw the highest absorption rate at **1.8%**.



Office buildings delivered in the last two years hold the highest availability compared to more established properties. Recently delivered offices account for nearly 29% of the market's overall available space.

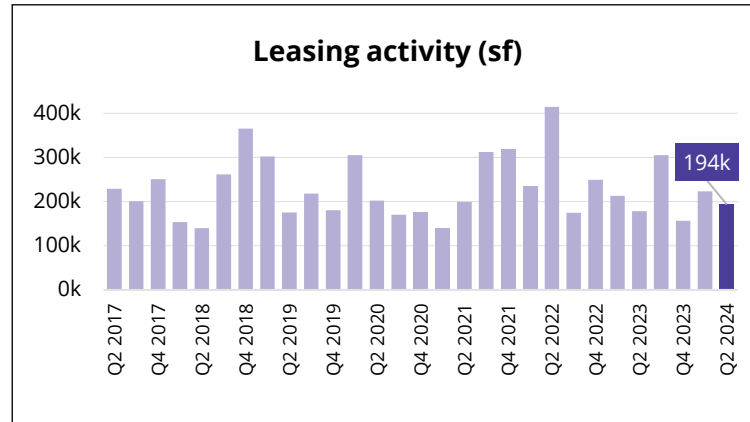


Nearly 26% of deal volume in Q2 2024 is due to subleased space, with a 32k sf sublease at 1505 King St Ext driving office activity.

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

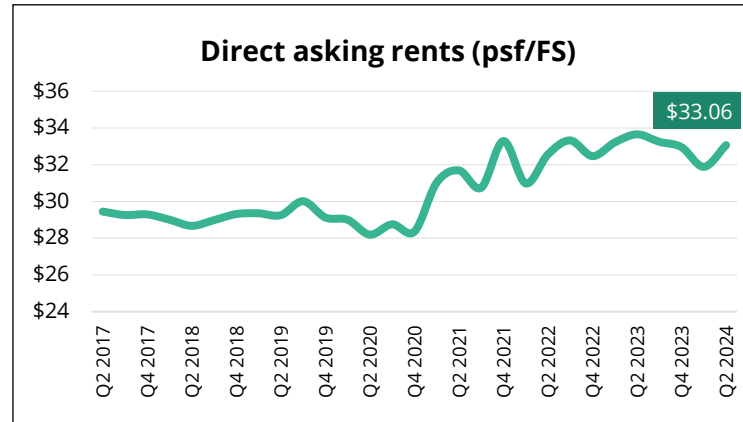
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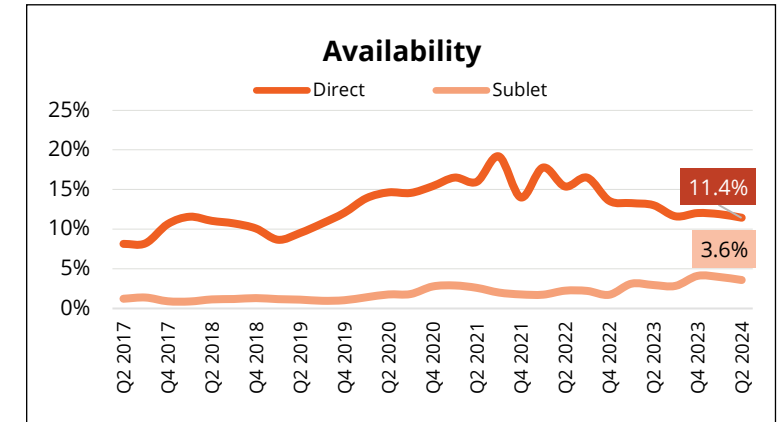
Leasing activity down

Leasing activity in the second quarter has slightly decreased compared to the first quarter, mirroring a trend seen in 2023. However, Q2 2024 leasing volume is up 9% compared to Q2 2023. Tenant demand is particularly strong in the Downtown submarket, with over 88k sf of leasing activity.



Asking rents rise

The cost of trophy and class A space is pushing overall rents for the market. Charleston's asking rental rates are trending upwards, now averaging \$33.06. Although rents peaked at \$33.65 in Q2 2023, they are bouncing back from the dip seen over the past two quarters.



Availability decreases

Office availability in Charleston is closely approaching pre-pandemic levels. Direct office availability is at its lowest point since the second half of 2019. Sublet availability has decreased by 30 basis points since the previous quarter but remains above historical norms.

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

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Get in touch

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	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		14.1%	1.5%	15.6%	0.43%	-1.65%	\$ 28.64
East Suburbs	3,626,603	10,000	11.7%	7.4%	19.1%	-0.64%	-0.33%	\$ 34.62
Downtown Charleston	3,368,325		10.6%	0.4%	11.0%	-1.00%	-1.55%	\$ 38.54
West Suburbs	775,331		4.1%	1.8%	5.9%	-0.23%	0.01%	\$ 27.49
North Suburbs	607,687	18,000	7.3%	12.8%	20.1%	-0.84%	6.46%	\$ 25.67
Market total	12,151,559	28,000	11.4%	3.6%	15.0%	-0.39%	-0.72%	\$33.06

	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	766,000		14.6%	0.6%	15.2%	0.05%	1.10%	\$38.19
Class A	5,218,166		14.7%	5.4%	20.1%	-0.78%	-1.83%	\$34.28
Class B	5,108,591	28,000	8.6%	2.7%	11.3%	-0.39%	-0.37%	\$31.05
Class C	1,058,802		6.8%	0.9%	7.7%	1.17%	1.82%	\$25.57
Market total	12,151,559	28,000	11.4%	3.6%	15.0%	-0.39%	-0.72%	\$33.06

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