

MARKET FUNDAMENTALS

	YOY Chg	Outlook
6.8% Vacancy Rate	▼	▬
100.9K YTD Net Absorption, SF	▼	▲
\$30.75 Asking Rent, PSF (Overall, All Property Classes)	▲	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
435.7K Charleston Employment	▲	▲
3.6% Charleston Unemployment Rate	▼	▲
4.2% U.S. Unemployment Rate Source: BLS	▲	▲

ECONOMY

Charleston’s economic expansion continued in Q3, as the unemployment rate declined to 3.6% and the metro added more than 4,100 jobs year-over-year (YOY). Notably, nonfarm employment increased 0.9% YOY, three times the national growth rate.

SUPPLY AND DEMAND

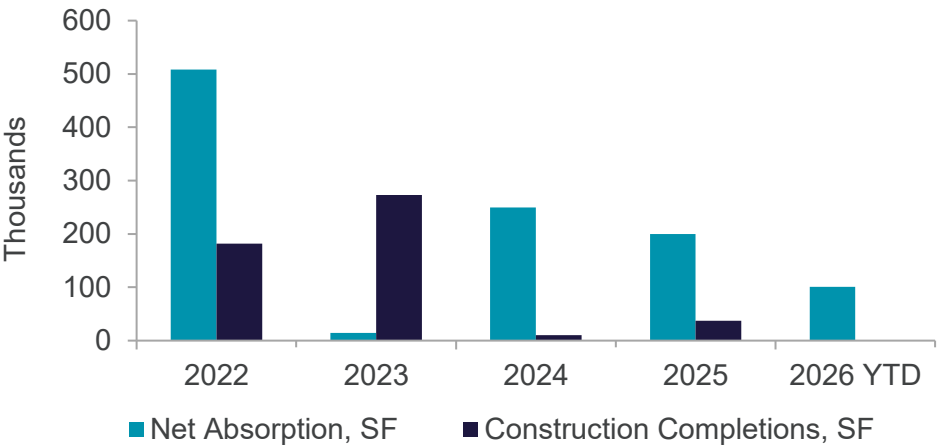
Charleston remained the nation’s tightest office market among those with more than 10 million square feet of inventory, with overall vacancy declining 20 basis points (bps) quarter-over-quarter (QOQ) to 6.8%, its lowest level since Q3 2019. The market recorded more than 25,000 square feet (sf) of occupancy gains during the quarter, bringing the year-to-date (YTD) total to more than 100,000 sf. Much of the improvement reflected declining sublease vacancy, which fell 90 bps YOY to 1.2%, its lowest level since Q1 2023, while direct vacancy held at 5.6%. Daniel Island led occupancy improvement as tenants moved into sublease space leased in Q2, lowering the submarket’s overall vacancy 190 bps QOQ to 16.4%. Class A buildings also recorded more than 52,000 sf of occupancy gains, reducing Class A vacancy 70 bps QOQ to 10.3%. New supply remained limited, with Magnolia Landing in North Charleston the market’s only office project under construction. With minimal new development and sustained occupier demand, vacancy is expected to continue trending lower.

New leasing totaled more than 212,000 sf in Q3, bringing YTD activity to more than 744,000 sf, up 30.1% from the same period in 2025 and the strongest three-quarter total since 2022. Activity was more evenly distributed across the market in Q3; Downtown and Mt. Pleasant/East Charleston together accounted for 45.4% of quarterly leasing, up from 29.5% in Q2. Renewals totaled more than 59,000 sf, lifting YTD renewal activity to more than 166,000 sf, already more than 2.6 times the full-year 2025 total.

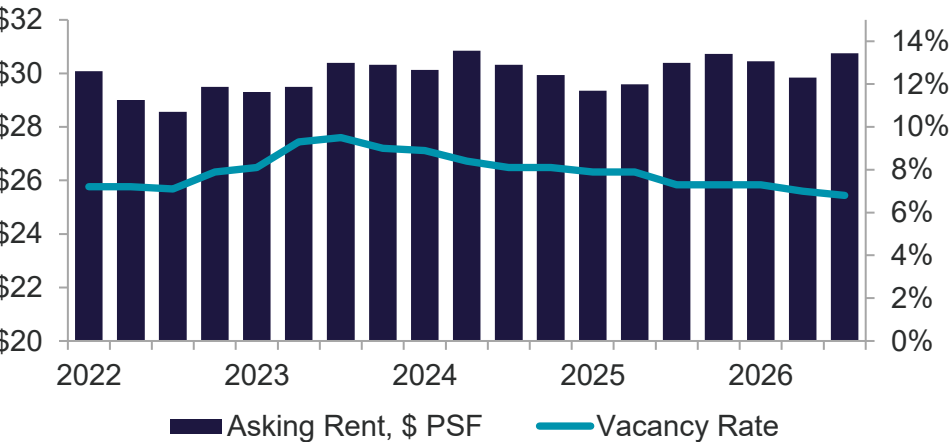
PRICING

Overall asking rents rose \$0.91 QOQ to \$30.75 per square foot (psf) in Q3, up 1.2% YOY and reaching their highest average since Q2 2024. Limited high-quality availability supported higher asking rates, with select Class A spaces marketed at \$70.00 psf. This helped drive Class A rents up 8.9% YOY to \$36.65 psf and CBD rents 5.5% in just one quarter to \$41.77 psf. Suburban asking rents remained stable at \$27.58 psf, largely unchanged for the past four years. As vacancy tightens and quality space remains limited, landlords are expected to maintain pricing leverage, particularly for Class A product.

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	281,977	2,638	5.2%	19,234	-30,143	166,856	128,000	\$41.77	\$42.67
Daniel Island	1,821,440	121,984	177,342	16.4%	33,931	82,651	145,673	0	\$34.25	\$35.46
Dorchester County	1,047,699	22,758	0	2.2%	-13,948	-10,282	7,889	0	\$23.01	\$29.00
James Island / Johns Island	253,464	0	0	0.0%	0	0	0	0	-	-
Mt. Pleasant / East Charleston	2,990,791	118,564	3,880	4.1%	-1,048	-18,968	93,434	0	\$28.12	\$31.17
North Charleston	6,779,565	584,265	69,527	9.6%	-22,338	40,161	291,920	0	\$24.84	\$30.81
Outlying Berkeley	1,401,957	8,396	0	0.6%	-1,056	2,554	4,966	0	\$50.93	\$68.00
West Ashley	1,298,754	49,672	4,064	4.1%	10,574	34,942	33,356	0	\$27.11	\$28.29
CHARLESTON TOTALS	21,115,872	1,187,616	257,451	6.8%	25,349	100,915	744,094	128,000	\$30.75	\$36.65

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE*
Marshside at Nowell Creek Village	Daniel Island	Total Quality Logistics	40,589	Renewal
Aviation Business Park - Building VII	North Charleston	Powerhome Remodeling	24,268	New Lease
Marshside at Nowell Creek Village	Daniel Island	Sonepar	18,099	New Lease
Portside at Ferry Wharf	Mt. Pleasant/East Charleston	AmWins	12,036	New Lease
The Morris	Downtown Charleston	Fifth Third Bank	11,025	Sublease

*Renewals not included in leasing statistics

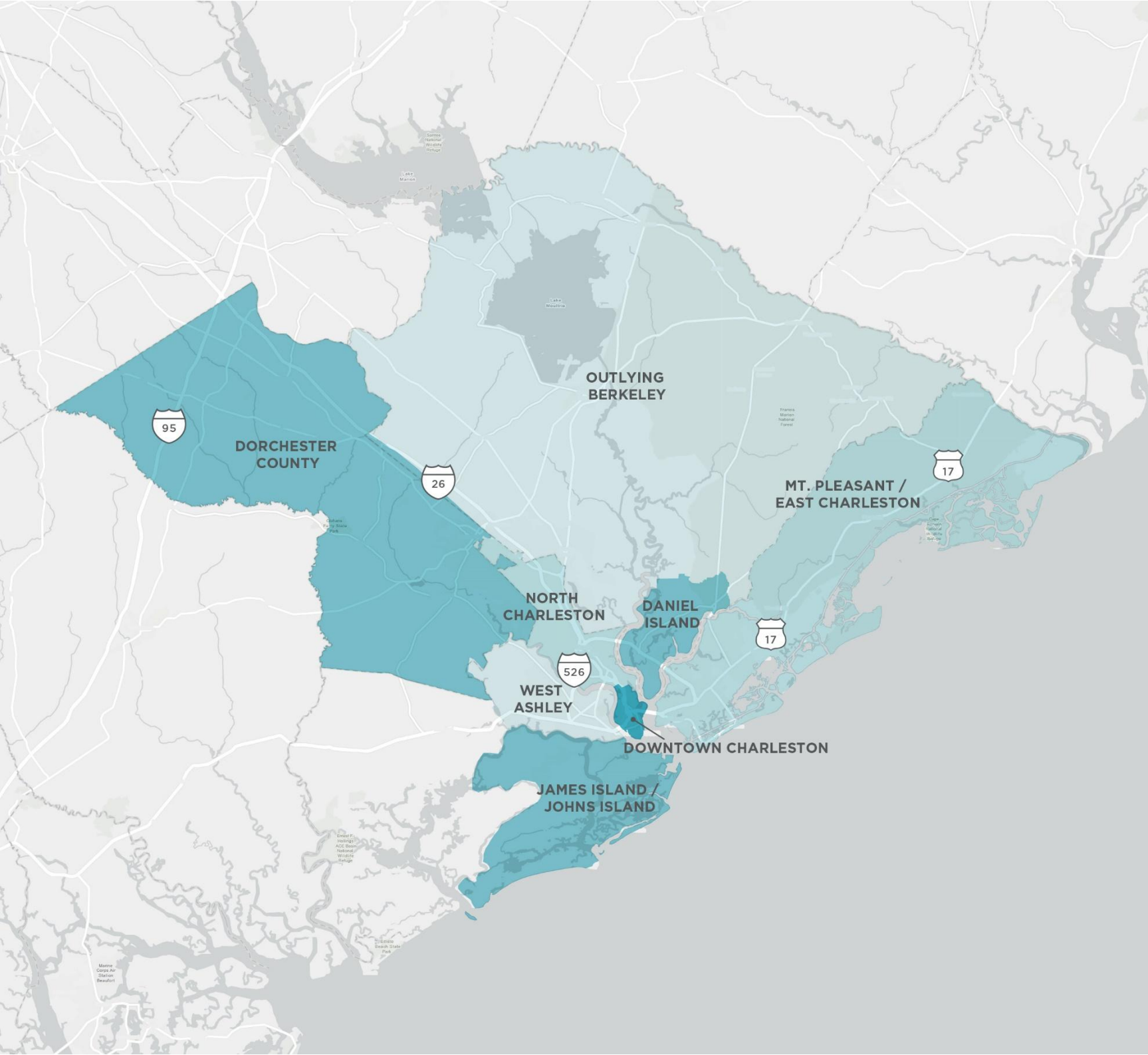
KEY METRIC YOY COMPARISON

QUARTER	INVENTORY (SF)	DIRECT VACANCY RATE	DIRECT ASKING RENTS (ALL CLASSES)*	YTD OVERALL NET ABSORPTION (SF)	YTD NEW LEASING ACTIVITY (SF)	YTD COMPLETIONS (SF)	UNDER CONSTRUCTION (SF)
Q3 2025	21,115,872	5.2%	\$30.60	202,194	572,083	36,957	0
Q3 2026	21,115,872	5.6%	\$30.74	100,915	744,094	0	128,000

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	6,669,510	10.3%	\$36.65	154,103	382,240
Class B	10,704,434	6.8%	\$25.70	-42,450	348,427
Class C	3,741,928	0.9%	\$21.63	-10,738	13,427

OFFICE SUBMARKETS



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