



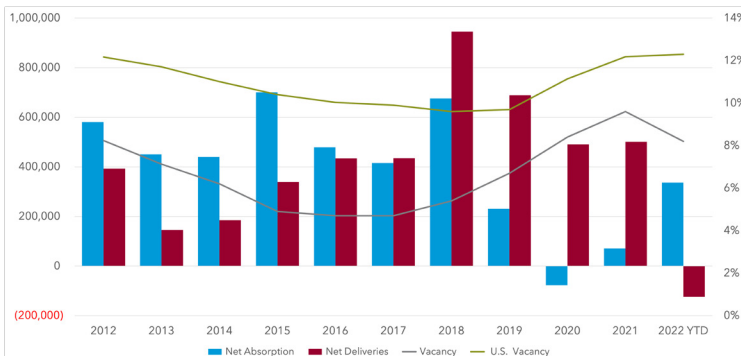
OFFICE MARKET OVERVIEW

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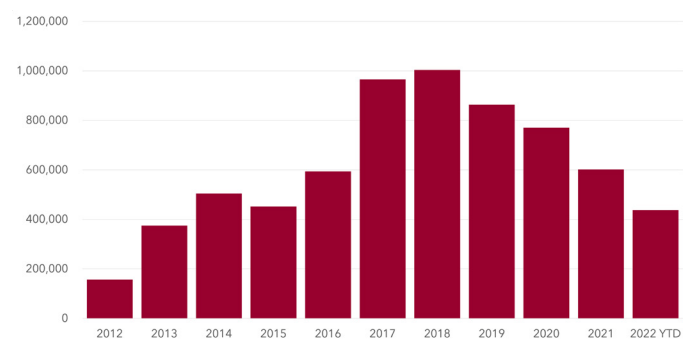
Charleston's office market stabilized in the second half of 2021, and absorption in early 2022 was positive after large, high-profile move-ins. Office leasing activity increased each quarter in 2021 and sublet availability has declined as office users backfilled vacant space. 260,000 SF of sublet space is currently available, well below the Q4 2020 peak of 644,000 SF. An additional 438,000 SF of office space is scheduled to deliver the next few months. Annual rent growth slowed in 2021, but remained positive, up 3.2% year-over-year. Investors have been unfazed by the uncertainty surrounding the office market. In fact, total sales volume reached an all-time high in 2021. Investors closed on \$438 million in office deals over the past 12 months.

| MARKET INDICATORS | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|----------------------------|------------|------------|------------|------------|------------|
| ▼ 12 Mo. Net Absorption SF | 245,334 | 349,371 | 240,042 | 110,272 | (57,184) |
| ▼ Vacancy Rate | 9.93% | 10.9% | 11.0% | 11.0% | 11.3% |
| ▼ Avg NNN Asking Rate PSF | \$25.08 | \$25.82 | \$25.55 | \$25.10 | \$24.95 |
| ▼ SF Under Construction | 437,517 | 659,982 | 497,705 | 567,617 | 647,368 |
| ▼ Inventory SF | 22,852,101 | 23,088,708 | 23,055,079 | 22,950,264 | 22,881,785 |

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|--|-----------|------------------------------|--|----------------|
| 176 Croghan Spur Charleston, SC | 72,788 SF | \$23,838,663 \$327.51 PSF | Porter-Gaud School Insite Properties LLC | Class A |
| 668 Marina Drive Charleston, SC | 16,379 SF | \$406,000 \$24.79 PSF | Nata LLC Grassroots Holdings V LLC | Class B |
| 216 Seven Farms Drive Daniel Island, SC | 12,000 SF | \$4,250,000 \$354.17 PSF | Charleston Industrial Grove Property Fund | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---|-----------|----------------------|---------------|-------------------|
| 1940 Algonquin Road Charleston, SC | 33,000 SF | White point Partners | Amazon | Retailer |
| 4500 Leeds Avenue North Charleston, SC | 13,985 SF | LRC Properties | Undisclosed | Undisclosed |
| 1940 Algonquin Road Charleston, SC | 12,392 SF | White point Partners | Davis & Floyd | Civil Engineering |

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