The Columbia, SC commercial real estate market is weaker compared to the overall U.S. market.

NAR Commercial Real Estate Market Conditions Index* 39.5

Overall economic conditions are weaker than nationally. The apartment property market is weaker than nationally. The office property market is about the same as nationally. The industrial property market is stronger than nationally. The retail property market is weaker than nationally. The hotel/lodging property market is stronger than nationally.

The commercial real estate market is slowly getting back on track although the rise of Delta variant cases is casting a shadow on the path of the recovery. The multifamily, industrial, and retail property markets will continue to recover more quickly than the office property market where vacancy rates will likely remain elevated in 2021-2022 compared to the pre-pandemic level.

I. Economic and Demographic

<table>
<thead>
<tr>
<th>Economic</th>
<th>Columbia, SC</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y/Y chg. in nonfarm payroll employment (‘000)</td>
<td>10</td>
<td>8,102</td>
</tr>
<tr>
<td>Y/Y % chg. in nonfarm payroll employment</td>
<td>2.7%</td>
<td>5.8%</td>
</tr>
<tr>
<td>Unemployment rate (%)</td>
<td>3.6%</td>
<td>5.9%</td>
</tr>
<tr>
<td>Average weekly wages</td>
<td>$848</td>
<td>$1,059</td>
</tr>
<tr>
<td>Wage growth, year-over-year (data are as of last month of the quarter)</td>
<td>2.1%</td>
<td>4.3%</td>
</tr>
<tr>
<td>GDP growth (%)</td>
<td>1.7%</td>
<td>2.3%</td>
</tr>
<tr>
<td>Median household income</td>
<td>$55,725</td>
<td>$67,470</td>
</tr>
</tbody>
</table>

Demographic

<table>
<thead>
<tr>
<th>Population (‘000)</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net domestic migration (‘000)</td>
<td>4.4</td>
<td>4.4</td>
<td>3.5</td>
</tr>
</tbody>
</table>

II. Multifamily

Demand indicators

<table>
<thead>
<tr>
<th>Area has a lower pace of absorption than nationally</th>
</tr>
</thead>
<tbody>
<tr>
<td>The area has a higher vacancy rate than nationally</td>
</tr>
<tr>
<td>The area is experiencing net domestic in-migration</td>
</tr>
<tr>
<td>Population is growing faster than nationally</td>
</tr>
</tbody>
</table>

Supply indicators

<table>
<thead>
<tr>
<th>Buildings in all formations (in million $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building permits are rising faster than nationally</td>
</tr>
<tr>
<td>Construction activity is slower than nationally</td>
</tr>
<tr>
<td>Building permits are rising faster than nationally</td>
</tr>
</tbody>
</table>

Sales transactions

<table>
<thead>
<tr>
<th>Sales transactions are not rising as fast nationally</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prices are not rising as fast nationally</td>
</tr>
<tr>
<td>Cap rates are lower than nationally</td>
</tr>
</tbody>
</table>

III. Office

Demand indicators

<table>
<thead>
<tr>
<th>Area has a higher vacancy rate than nationally</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area has a faster pace of absorption than nationally</td>
</tr>
<tr>
<td>The area has a higher vacancy rate than nationally</td>
</tr>
<tr>
<td>The area has a faster pace of absorption than nationally</td>
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</tbody>
</table>

Supply indicators

<table>
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<tr>
<th>Buildings in all formations (in million $)</th>
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</thead>
<tbody>
<tr>
<td>Construction activity is slower than nationally</td>
</tr>
<tr>
<td>Construction activity is slower than nationally</td>
</tr>
<tr>
<td>The area has a stronger office job creation creation</td>
</tr>
</tbody>
</table>

Sales transactions

<table>
<thead>
<tr>
<th>Sales transactions are not rising as fast nationally</th>
</tr>
</thead>
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<tr>
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<tr>
<td>Cap rates are lower than nationally</td>
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</tbody>
</table>
NAR Commercial Real Estate Metro Market Report | 2021.Q2
Columbia, SC

Core-Based Statistical Area Code: 17900

IV. Industrial

<table>
<thead>
<tr>
<th>Demand indicators</th>
<th>Columbia, SC</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021 Q2</td>
<td>2021 Q1</td>
</tr>
<tr>
<td>Vacancy rate</td>
<td>3.9%</td>
<td>3.8%</td>
</tr>
<tr>
<td>Absorption in sq.ft. over the quarter</td>
<td>(43,006)</td>
<td>(211,021)</td>
</tr>
<tr>
<td>Asking rent per sq.ft.</td>
<td>$5.7</td>
<td>$6.6</td>
</tr>
<tr>
<td>Asking rent growth, y/y % chg.</td>
<td>5.9%</td>
<td>4.4%</td>
</tr>
<tr>
<td>Leasing activity in sq.ft.</td>
<td>706,000</td>
<td>483,504</td>
</tr>
</tbody>
</table>

Supply indicators

| Inventory in sq. ft. | 6,782,027 | 6,782,027 | 6,732,227 | 26,553,602 | 26,461,805 | 26,166,031 |
| Net delivered over 12 months, in sq.ft. | 94,800 | 131,420 | 911,416 | 385,387,457 | 398,260,005 | 382,527,483 |
| Net delivered units, as % of inventory | 0.1% | 0.2% | 1.3% | 1.5% | 1.5% | 1.5% |
| Under construction in sq.ft. | 1,029,780 | 1,029,780 | 80,000 | 567,307,627 | 521,496,024 | 452,528,658 |
| Under construction, as % of inventory | 1.6% | 1.6% | 0.1% | 2.1% | 2.0% | 1.7% |

Sales transactions

| Total investment acquisitions (in million $) | $298 | $403 | $55 | $27,261,900 | $21,600,700 | $31,731,900 |
| Transaction sale price per sq.ft. | $34 | $34 | $16 | $61 | $56 | $54 |
| Cap rate | 10.0% | 0.0% | 0.0% | 7.4% | 0.0% | 0.0% |

V. Retail

<table>
<thead>
<tr>
<th>Demand indicators</th>
<th>Columbia, SC</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021 Q2</td>
<td>2021 Q1</td>
</tr>
<tr>
<td>Vacancy rate</td>
<td>4.8%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Absorption in sq.ft. over the quarter</td>
<td>$3,773</td>
<td>(94,578)</td>
</tr>
<tr>
<td>Absorption in sq.ft. over 12 months</td>
<td>(365,888)</td>
<td>(512,992)</td>
</tr>
<tr>
<td>Asking rent per sq.ft.</td>
<td>$14.6</td>
<td>$14.5</td>
</tr>
<tr>
<td>Asking rent growth, y/y % chg.</td>
<td>2.1%</td>
<td>1.7%</td>
</tr>
<tr>
<td>Leasing activity in sq.ft.</td>
<td>282,740</td>
<td>230,180</td>
</tr>
<tr>
<td>Y/Y chg in retail trade payroll employment (’000) (as of last month of the quarter)</td>
<td>2.70</td>
<td>(1.50)</td>
</tr>
</tbody>
</table>

Supply indicators

| Inventory in sq. ft. | 55,388,196 | 55,355,271 | 55,301,715 | 15,772,300,719 | 15,764,713,778 | 15,724,204,780 |
| Net delivered over 12 months, in sq.ft. | 86,481 | 89,176 | 769,869 | 46,178,397 | 47,102,191 | 58,535,237 |
| Net delivered units, as % of inventory | 0.2% | 0.2% | 0.3% | 0.3% | 0.3% | 0.4% |
| Under construction in sq.ft. | 49,988 | 54,913 | 72,036 | 55,829,483 | 58,628,746 | 71,303,695 |
| Under construction, as % of inventory | 0.1% | 0.1% | 0.1% | 0.4% | 0.4% | 0.5% |

Sales transactions

| Total investment acquisitions (in million $) | $73.2 | $57.7 | $23.5 | $20,811.7 | $15,469.2 | $8,857.2 |
| Transaction sale price per sq.ft. | $162 | $109 | $120 | $134 | $136 | $134 |
| Cap rate | 7.4% | 7.9% | 7.4% | 6.6% | 6.6% | 6.7% |

VI. Hotel/Lodging

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021 Q2</td>
<td>2021 Q1</td>
</tr>
<tr>
<td>Leisure and hospitality payroll workers (’000)</td>
<td>34.5</td>
<td>34.4</td>
</tr>
<tr>
<td>Y/Y change (’000)</td>
<td>3.1</td>
<td>(4.9)</td>
</tr>
<tr>
<td>% share to nonfarm payroll employment</td>
<td>8.9%</td>
<td>8.9%</td>
</tr>
</tbody>
</table>

The area has lower vacancy rate than nationally
The area has lower price of absorption than nationally
Rents are rising faster than nationally
Leasing volume is not rising as fast as nationally
Relatively fewer units are being delivered than nationally
Construction activity is slower than nationally
Sales transactions are rising faster than nationally
Prices are not rising as fast than nationally
Cap rates are higher than nationally

The area has a higher vacancy rate than nationally
The area has a faster pace of absorption than nationally
Rents are rising faster than nationally
Leasing volume is not rising as fast as nationally
Relatively fewer units are being delivered than nationally
Construction activity is slower than nationally
Sales transactions are rising faster than nationally
Prices are rising faster nationally
Cap rates are higher than nationally
Job creation in the leisure industry is stronger than nationally
The area has a smaller share of leisure jobs than nationally

*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally. NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition. The total points for each local market are divided by the number of variables that are available at the local area, with 46 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g., employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.


For information about this report, email data@nar.realtor.