West Ashley by the numbers

West Ashley Totals
7.2 Million Square Feet of Retail
2.6 Million Square Feet of Office

West Ashley Vacancies
287,186 Square Feet of Retail
122,847 Square Feet of Office

West Ashley Vacancy Rates
4.6% Retail
4.7% Office
Overview

West Ashley Retail

Vacancy rates in West Ashley were slightly elevated relative to the five-year average during the first quarter, but they compressed in the past year. The rate also sits above the overall market's average. Meanwhile, rents have surged in the past 12 months, growing by 4.0% year over year. That is the strongest rate of annual rent growth observed over the past five years.

As for construction, West Ashley does not appear to face a burgeoning wave of supply pressure, and the pipeline is pretty empty.

Retail properties trade with regularity in West Ashley, and that remained the case in the past year. At $202/SF, market pricing is considerably lower than the region's average pricing.

KEY INDICATORS

<table>
<thead>
<tr>
<th>Current Quarter</th>
<th>RBA</th>
<th>Vacancy Rate</th>
<th>Market Rent</th>
<th>Availability Rate</th>
<th>Net Absorption SF</th>
<th>Deliveries SF</th>
<th>Under Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malls</td>
<td>981,446</td>
<td>0%</td>
<td>$24.51</td>
<td>0%</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Power Center</td>
<td>0</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Neighborhood Center</td>
<td>2,603,216</td>
<td>10.3%</td>
<td>$19.40</td>
<td>10.5%</td>
<td>1,581</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Strip Center</td>
<td>423,077</td>
<td>7.0%</td>
<td>$18.20</td>
<td>8.7%</td>
<td>(4,293)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>General Retail</td>
<td>3,134,389</td>
<td>1.0%</td>
<td>$19.05</td>
<td>0.7%</td>
<td>(2,376)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>37,531</td>
<td>0%</td>
<td>$13.34</td>
<td>0%</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Submarket</strong></td>
<td><strong>7,179,659</strong></td>
<td><strong>4.6%</strong></td>
<td><strong>$19.84</strong></td>
<td><strong>4.6%</strong></td>
<td><strong>(5,088)</strong></td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Annual Trends

<table>
<thead>
<tr>
<th></th>
<th>12 Month</th>
<th>Historical Average</th>
<th>Forecast Average</th>
<th>Peak</th>
<th>When</th>
<th>Trough</th>
<th>When</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vacancy Change (YOY)</td>
<td>-1.6%</td>
<td>5.6%</td>
<td>4.6%</td>
<td>9.5%</td>
<td>2008 Q1</td>
<td>1.5%</td>
<td>2018 Q3</td>
</tr>
<tr>
<td>Net Absorption SF</td>
<td>130K</td>
<td>45,032</td>
<td>45,804</td>
<td>332,511</td>
<td>2009 Q2</td>
<td>(252,601)</td>
<td>2020 Q4</td>
</tr>
<tr>
<td>Deliveries SF</td>
<td>19.3K</td>
<td>49,676</td>
<td>49,507</td>
<td>170,925</td>
<td>2009 Q2</td>
<td>0</td>
<td>2014 Q1</td>
</tr>
<tr>
<td>Rent Growth</td>
<td>4.0%</td>
<td>0.9%</td>
<td>2.4%</td>
<td>3.7%</td>
<td>2021 Q4</td>
<td>-4.7%</td>
<td>2009 Q3</td>
</tr>
<tr>
<td>Sales Volume</td>
<td>$34M</td>
<td>$26.7M</td>
<td>N/A</td>
<td>$68.7M</td>
<td>2014 Q4</td>
<td>$2M</td>
<td>2007 Q4</td>
</tr>
</tbody>
</table>

Vacancy rate is **compressed** compared to region as a whole, which leads to West Ashley being desirable.
The West Ashley Submarket in Charleston is a midsized submarket that contains around 2.6 million SF of office space. The vacancy rate has been essentially unchanged over the past year, but at 4.7%, the rate was below the 10-year average as of 2022Q1.

Net absorption over the past year came in at about 11,000 SF, which is positive, but less than half the five-year average. Rents posted a gain of 2.6% over the past 12 months, a solid result, albeit somewhat below the 3.6% average annual increase over the past decade.

There is 25,000 SF underway in West Ashley, representing a 1.0% expansion of the existing inventory. This represents a continuation of new development in the submarket, which had already seen 41,000 SF deliver over the past three years.

Office properties traded with regularity last year, consistent with the generally high level of activity over the past three years.

4-5 star office (Class A) is a very small portion of market. At average price of $25.59/sf, West Ashley is affordable for market growth.
Retail Net Absorption

12 MONTH NET ABSORPTION: **130,000 SF**
PERCENT OF INVENTORY: **1.9%**
Office Net Absorption

Net Absorption, Net Deliveries & Vacancy

Forecast

12 month net absorption: 10,300 SF
Percent of inventory: 0.3%
OVERALL RENT: $19.73/SF
PERCENT GROWTH: 4%
Office Rental Rates

MARKET RENT PER SQUARE FEET

OVERALL RENT: $25.51
4&5 STAR RENT: $30.38 SF
OVERALL PERCENT GROWTH: 2.5%
Northbridge Executive Park -
1176 Sam Rittenberg Blvd

[Image of the Northbridge Executive Park building and an aerial view of the site.]

[Logo of Bello|Garris Architects]
Other Noteable Commercial
Business License - Total 2021

2,314
Registered Businesses

308
Professional and Information Services

120+
Restaurants and Food Trucks

Number of Business Licenses

Retail Trade
Real Estate and Rental/Leasing
Health Care and Social Assistance
Professional, Scientific, and Technical Services
Other Services
Construction
Accommodation and Food Services
Administrative and Support and Waste Management and Remediation Services
Finance and Insurance
Manufacturing
Arts, Entertainment, and Recreation
Information
Wholesale Trade
Educaational Services
Management of Companies and Enterprises
Public Administration
Business License - New 2021

License Description

- Home Occupation (58.3% (263)
- Commercial (non-Food/Beverage Establishment) 32.7% (146)
- Commercial (Food/Beverage Establishment) 4.7% (21)
- Contractor 3.6% (16)
- Charitable Organization .2% (1)
Business License - New 2016-2021

Number of New Businesses


- 2016: 262
- 2017: 920
- 2018: 701
- 2019: 848
- 2020: 642
- 2021: 798
The information contained herein has been obtained from sources deemed reliable. While every reasonable effort has been made to ensure its accuracy, we cannot guarantee it. No responsibility is assumed for any inaccuracies. Readers are encouraged to consult their professional advisors prior to acting on any of the material contained in this report.

Data was sourced from Costar and City of Charleston. Data reflected in the business license section relates only to City licenses.

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