

Charleston

Industrial market snapshot | Q4 2024

The Charleston industrial market remained active at the end of 2024. Asking rental rates are rising despite an increase in vacancy, and the construction pipeline is cooling with just 2.9 msf currently underway. As construction activity remains limited, and leasing activity picks up, this will allow the vacancy rate to begin to stabilize and put the market in a good position for 2025.

-60.0%

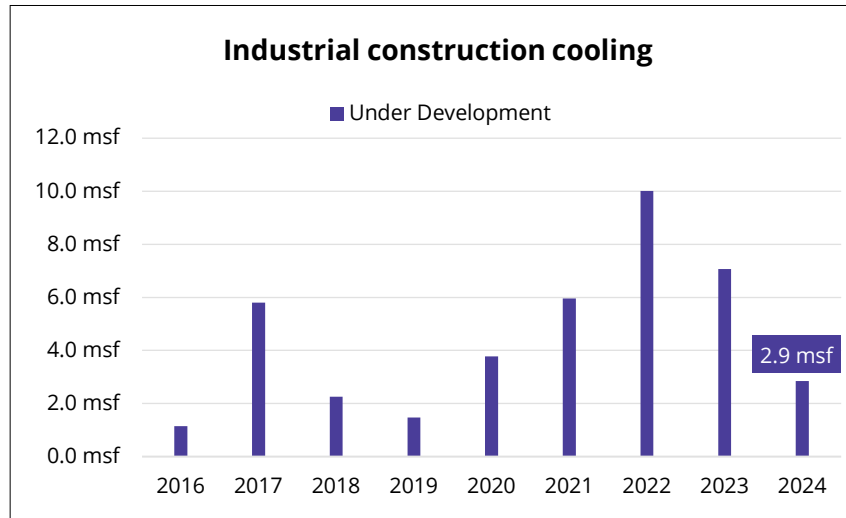
Charleston's industrial construction pipeline has significantly cooled year-over-year. **Down 60.0%**, this trend is being seen across the country.

3.1 msf

The market has seen a record amount of sublease space become available in 4Q24, totaling **3.1 msf** as tenants right size from Covid space increases.

4.2%

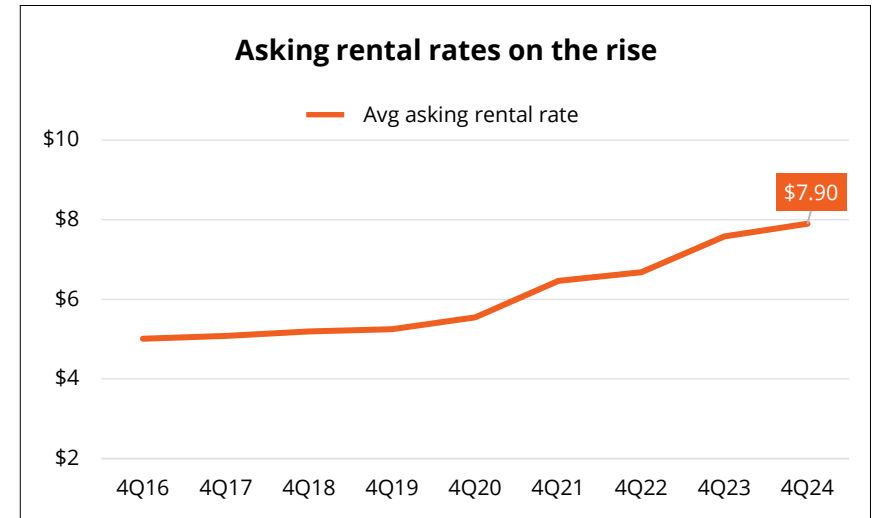
Asking rental rates continue to rise, **up 4.2%** year-over-year even though construction has slowed, and vacancy is trending upward.



Currently the Charleston industrial market has 2.9 msf under development. This is down 60.0% year-over-year and is expected to remain tempered going into 2025.

Note 1: Tracking industrial buildings 20k sf+

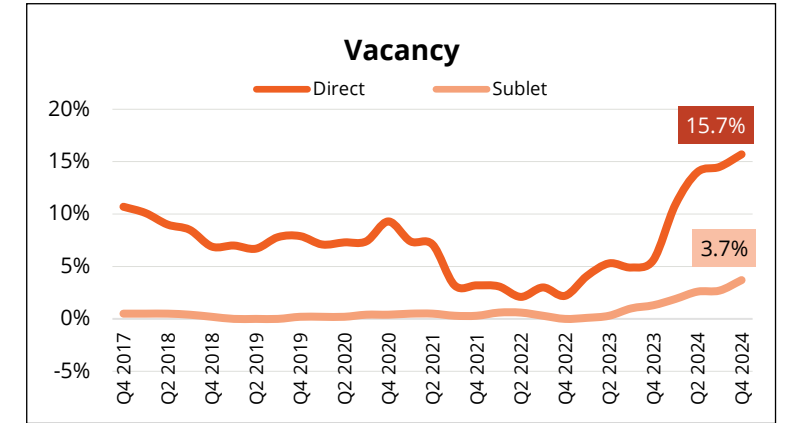
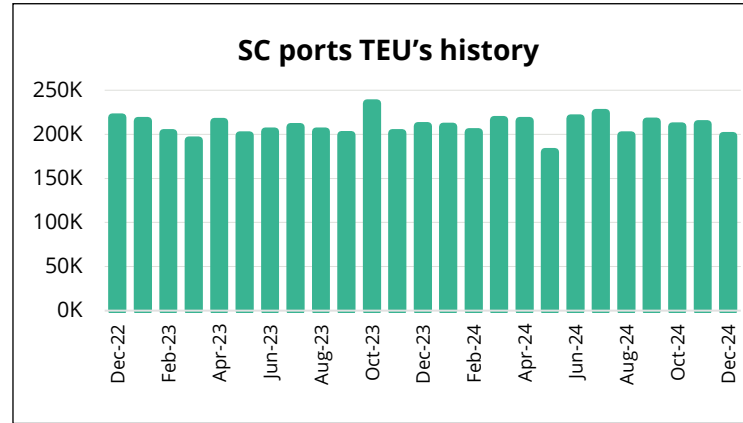
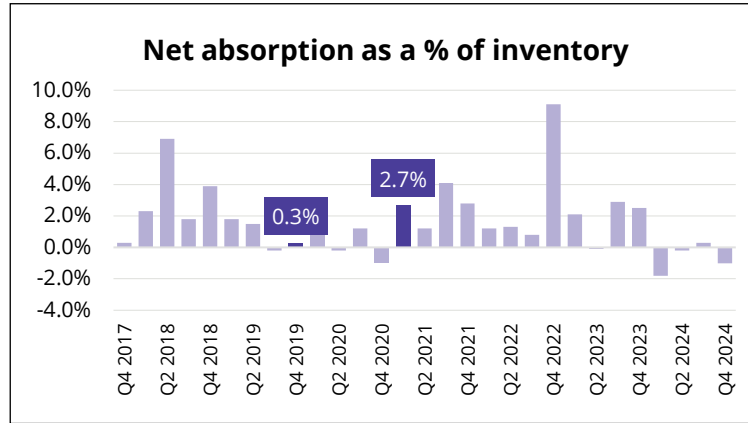
Source: Avant by Avison Young; CoStar



Asking rental rates have continued their upward trend since 2021, despite an increase in vacancy. As new construction continues to slow, and existing inventory is leased, rental rates may continue to rise.

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Absorption activity remains tempered

Absorption activity in Charleston has been strong post-COVID up until earlier this year. Now that construction activity has slowed, this will allow existing availabilities to be leased, and absorption will return to its upward trend.

TEU volume stays consistent

South Carolina's port activity continues to be strong post-COVID. Fortunately, the port strike did not impact activity and TEU volume ended 2024 with a total of 2.5 million TEU's, up slightly from the volume seen in 2023.

Vacancy on the rise

Charleston's industrial vacancy rate has risen significantly over the last year. This is in large part due to the amount of new construction inventory that has entered the market over the last 12 months, totaling approximately 7.3 msf. As this new space is leased the vacancy rate will begin to decline in 2025.

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Get in touch

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	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Net absorption (QTD)	Net absorption (YTD)	Annual direct asking rent psf NNN
Dorchester County	12,933,493	2,776,450	897,107	26.5%	.9%	27.5%	-2,000	-447,471	\$ 7.36
Downtown Charleston	537,981	-	-	7.0%	.0%	7.0%	-	-17,566	\$ 10.81
East Cooper	4,554,900	-	483,696	1.4%	5.5%	6.9%	-102,960	-209,760	\$ 9.66
North Charleston	23,480,190	1,529,315	313,602	12.3%	3.4%	15.6%	-209,566	-672,375	\$ 9.77
Outlying Berkeley County	35,745,200	2,963,719	1,157,680	16.2%	4.7%	20.9%	-477,674	-1,545,166	\$ 7.22
West Ashley	590,048	-	-	0.0%	0.0%	0.0%	-	30,000	-
Market total	77,841,812	7,269,484	2,852,085	15.7%	3.7%	19.3%	-792,200	(2,862,338)	\$7.90

	Existing inventory sf	Deliveries sf (YTD)	Under development sf	Direct vacancy	Sublet vacancy	Total vacancy	Net absorption (QTD)	Net absorption (YTD)	Annual direct asking rent psf NNN
Warehouse	40,098,635	5,949,155	2,081,610	24.4%	5.7%	30.1%	-692,892	-1,731,732	\$7.53
Distribution	18,886,253	215,105	770,475	5.6%	.9%	6.4%	-54,641	-563,334	\$9.69
Manufacturing	18,856,924	1,105,224	-	7.1%	2.2%	9.3%	-44,667	-567,272	\$7.94
Market total	77,841,812	7,269,484	2,852,085	15.7%	3.7%	19.3%	-792,200	(2,862,338)	\$7.90