Charleston

Office market snapshot | Q1 2025

Charleston’s office market conditions continue to improve as we move into 2025, with overall availability steadily declining and approaching pre-pandemic levels. Every submarket—except the western suburbs—has outperformed its Q4 availability numbers, while asking rents have risen and positive absorption persists. Although leasing activity is slightly down from the previous quarter, Charleston’s favorable economic conditions set a promising tone for the remainder of 2025.

1.9%

Downtown Charleston's Trophy office buildings showcase an exceptionally low availability rate of 1.9%.

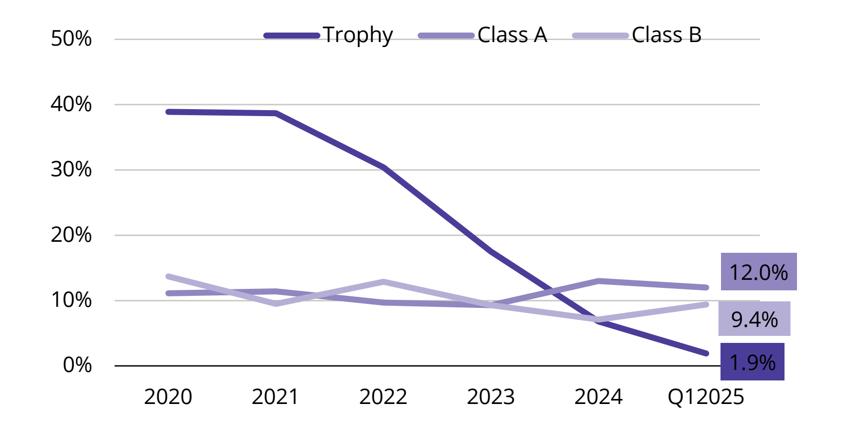
0.6%

The Charleston office market witnessed its third consecutive quarter of positive net absorption, measured as a percentage (%) of inventory.

$6.97

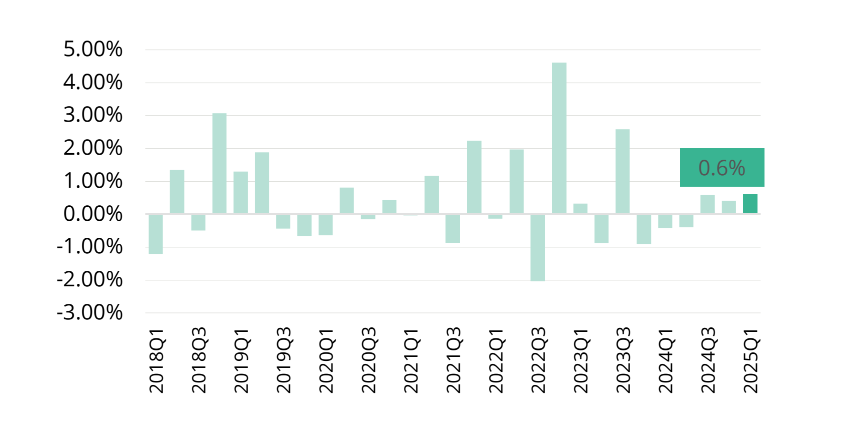
The difference in base rent ($) between Trophy and Class A office leases signed within the past year in the Greater Charleston area.

Downtown Office Availability by Class



Downtown Charleston’s total availability currently averages 9%, with Class A space slightly higher at 12%. However, this figure is expected to decline throughout 2025 as trophy space becomes increasingly scarce, presenting new opportunities for Class A office assets on the peninsula.

Net absorption % of inventory (QTD)



Over the past three quarters, Charleston's office sector has experienced consistent positive net absorption as a percentage of total inventory. Notably, Q1 2025 recorded the highest absorption increase in the past six quarters, driven by several large move-ins and a rise in market confidence.

Note 1: Tracking office buildings 10,000 sf and up
Note 2: Downtown Trophy buildings include: 22 Westedge, The Jasper, Charleston Tech Center, The Morris, & Morrison Yard
Source: Avison Young Market Intelligence, CoStar

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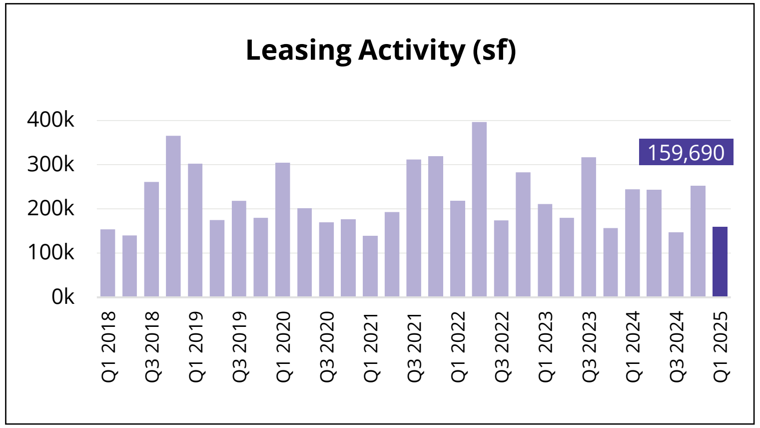

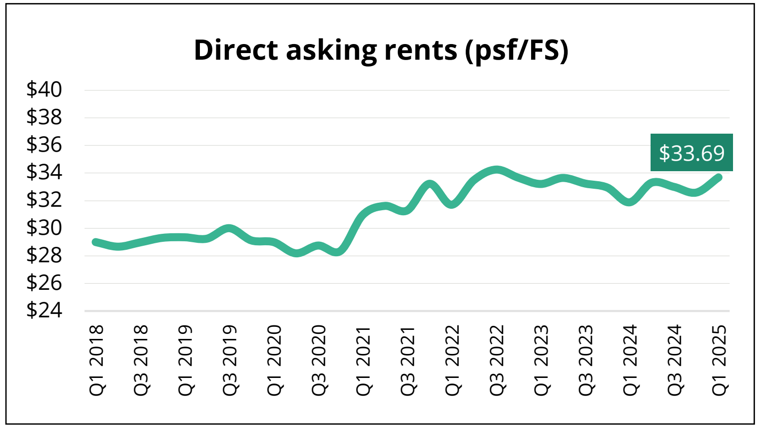

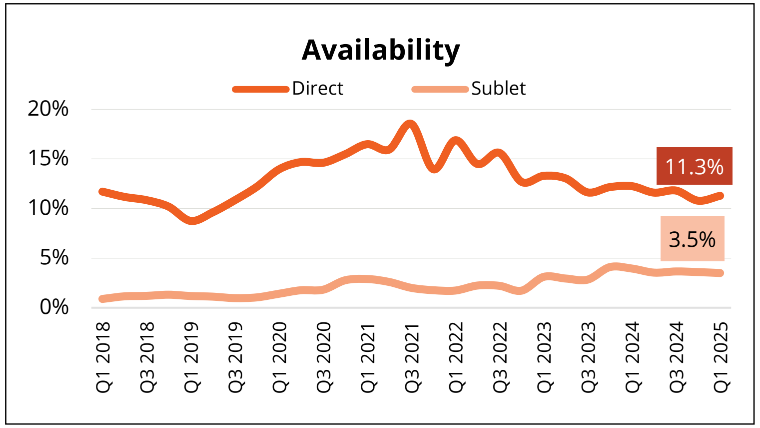

Historical Q1 Leasing Activity Trends

Charleston's office leasing activity had a slow start in early 2025, following the typical first-quarter pattern observed after a strong year-end leasing period. Historically, the first quarter has consistently recorded lower leasing volumes compared to other quarters, reflecting a recurring trend in the Charleston market.

Asking rents are rising

Asking rents continue to rise, reaching $33.69 FS in the first quarter, representing a 5.68% increase from Q1 2024. While this is not the highest rate the market has experienced since the post-COVID period, it's important to consider the impact of trophy buildings delivered in 2022, which temporarily skewed rents upward. Since then, these spaces have been successfully leased, demonstrating the strong value of the current rate of $33.69.

A quick note on availability

Office availability in Charleston, both direct and sublet, is steadily declining. Direct availability has substantially declined 520 basis point since the peak in 2021. While sublet availability has not yet returned to pre-pandemic levels, it has decreased by half a percentage point compared to this time last year, indicating positive momentum.

Note 1: Tracking office buildings 10,000 sf and up
Source: Avison Young Market Intelligence, CoStar

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Get in touch

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	Existing inventory sf	Under development sf	Direct availability	Sublet availability	Total availability	Net absorption % of inventory (QTD)	Net absorption % of inventory (YTD)	Annual direct asking rent psf FS
East Suburbs	3,613,683		9.5%	7.5%	17%	0.6%	0.6%	$ 33.70
North Charleston	3,613,681		15.4%	1.4%	17.7%	0.6%	0.6%	$ 29.06
Downtown Charleston	3,275,452		8.7%	0.3%	9.0%	1.1%	1.1%	$ 41.25
West Suburbs	797,361		11.8%	0.0%	11.0%	(2.0%)	(2.0%)	$ 27.60
North Suburbs	625,687		4.2%	12.8%	17.0%	1.5%	1.5%	$ 29.00
Market total	**11,925,864**	**-**	**10.9%**	**3.5%**	**14.6%**	**0.60%**	**0.60%**	**$33.09**

	Existing inventory sf	Under development sf	Direct availability	Sublet availability	Total availability	Net absorption % of inventory (QTD)	Net absorption % of inventory (YTD)	Annual direct asking rent psf FS
Trophy	892,382		4.9%	2.0%	6.9%	2.1%	2.1%	$38.08
Class A	5,026,052		15.4%	5.6%	20.9%	1.4%	1.4%	$35.41
Class B	5,058,721		8.3%	2.1%	11.1%	(0.6%)	(0.6%)	$29.63
Class C	948,259		7.0%	0.3%	7.3%	1.4%	1.4%	$25.83
Market total	**11,925,864**	**-**	**10.9%**	**3.5%**	**14.6%**	**0.60%**	**0.60%**	**$33.09**

Note 1: Tracking office buildings 10,000 sf and up
Source: Avison Young Market Intelligence, CoStar

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