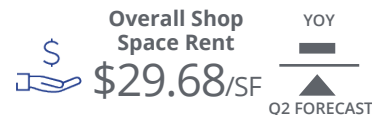




Charleston Retail 22Q1

Key Takeaways

- Restaurants smaller than 5,000 square feet are transacting
- Charleston retail vacancy rates have sharply decreased to 2.68% due to positive absorption



Smaller footprints are driving restaurant transactions

A rise in fast casual restaurant concepts allotting for less indoor dining space are leading restaurant tenants to opt for smaller footprints. Restaurateurs are adapting to evolving consumer preferences by downsizing or moving to a smaller space. Despite the current service industry labor shortage, smaller restaurants are thriving. In the Charleston market Nautical Bowls, Mei Thai, Empire Restaurant, Azul Mexicano, Agaves Cantina and Lombardi Pizza completed deals this quarter.

Local Market Indicators



Historic Comparison

	21Q1	21Q4	22Q1
Total Inventory (in Millions of SF)	19.8	19.9	19.9
New Supply (in Thousands of SF)	23.5	10	20.1
Net Absorption (in Thousands of SF)	65.9	129.3	218.5
Overall Vacancy	5.33%	5.29%	2.68%
Under Construction (in Thousands of SF)	159.2	164.8	164.8
Overall NNN Lease Rates (in \$/SF)	\$29.78	\$28.66	\$29.68

Absorption, New Supply & Vacancy Trends



The overall Charleston retail vacancy rate dropped to 2.68% due to minimal new retail deliveries and 218,519 square feet of absorption.

Recent Transactions



Sale
Ashley Oaks Plaza
West Ashley Submarket
57.7K SF



Sale
Walmart
Dorchester Submarket
41.9K SF



Lease
1730-1748 Towne
Centre Way |
Submarket | 9K SF



Lease
975 Savannah Hwy
West Ashley Submarket
7.4K SF



Lease
5341 Dorchester
Dorchester Submarket
6.6K SF



Lease
Ashley Oaks Plaza
West Ashley
Submarket | 6K SF

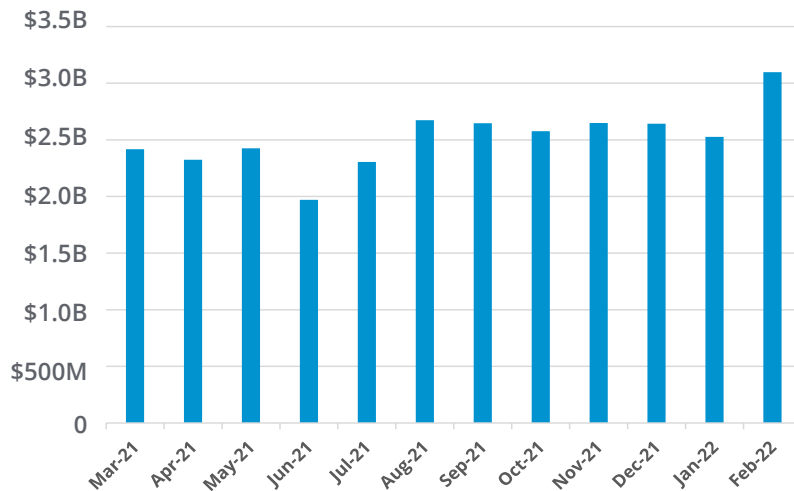
Source: CoStar, RCA, Colliers

Smaller footprints are driving restaurant transactions *(con't.)*

Often the consumer experience is visiting a niche shop serving desserts or coffee such as in Scooter's Coffee which leased North Charleston space. Due to the shifting consumer preferences, restaurants are using smaller footprints and are driving restaurant deals during the first quarter of 2022. Rental rates will likely rise throughout the remainder of 2022. Tenants are willing to pay higher rent to be in space suited to their business model.

Gross Retail Sales

Charleston MSA



Source: S.C. Department of Revenue

Q1 2022 Retail Market Summary Statistics

Charleston

Shopping Center Market	Inventory (SF)	Vacancy Rate (%)	Anchor space greater than ± 25,000 SF		Jr. anchor space 10,000 SF to 25,000 SF		Shop space less than ±10,000 SF	
			Vacant (SF)	Asking Rent (NNN)	Vacant (SF)	Asking Rent (NNN)	Vacant (SF)	Asking Rent (NNN)
Charleston								
Calhoun to Broad (Peninsula)	2,395,831	0.75%	-	-	-	-	18,000	\$48.61
Calhoun to Line (Peninsula)	966,631	1.29%	-	-	-	-	12,457	\$37.52
Centre Pointe	1,123,836	0.64%	-	-	-	-	7,200	\$27.41
Dorchester Road	1,555,417	6.91%	40,000	-	12,568	-	54,959	\$20.29
Folly Road / James Island	1,225,143	3.51%	-	-	-	-	42,957	\$24.22
Goose Creek	1,164,674	1.09%	-	-	-	-	12,710	\$20.50
Lower Mt. Pleasant	1,652,128	2.03%	-	-	11,122	\$20.00	22,364	\$28.75
NOMO (Peninsula)	184,324	8.34%	-	-	-	-	15,373	\$34.02
Rivers Avenue	2,539,799	4.01%	76,917	-	-	-	25,050	\$25.27
Upper Mt. Pleasant	2,768,961	4.31%	97,930	\$15.00	-	-	21,397	\$27.39
US 17 / Nexton (Summerville)	1,644,158	0.09%	-	-	20,000	-	1,400	\$29.68
West Ashley	2,634,895	2.24%	-	-	-	-	59,111	\$24.66
Charleston Total	19,855,797	2.68%	214,847	\$15.00	23,690	\$20.00	292,978	\$29.68

Submarket Map



396 offices in 68 countries on 6 continents

United States: 153

Canada: 29

Latin America: 24

Asia Pacific: 79

EMEA: 111



\$3.3B
in revenue



2B
square feet under management



17,000 +
professionals and staff

In 2021, Colliers changed its retail data collection methodology. Retail submarkets were identified where there was a large concentration of retail activity in traditional suburban and urban environments. Within these submarkets, all retail properties were included except freestanding restaurants, automotive dealerships, automotive repair, movie theatres and other special purpose buildings. Each property was then divided into three categories of space, anchor (25,000 s.f. or larger), junior anchor (10,000 s.f. to 25,000 s.f.) and shop space (10,000 s.f. or smaller) for the purpose of tracking vacancy and rental rate dating back to the beginning of 2017. Because of the changes to our methodology, users of the report should not compare data from reports published before May 2021.

About Colliers | South Carolina

Colliers | South Carolina has over 140 staff members, including 62 licensed real estate professionals, covering the entire state with locations in Charleston, Columbia, Greenville and Spartanburg. Total 2021 brokerage volume exceeded \$1 billion, which included over 590 sales and leasing transactions. In addition to traditional commercial real estate representation services for our clients, the company is actively engaged in Corporate Solutions and Healthcare Services. Colliers is an Accredited Management Organization (AMO) through the Institute of Real Estate Management (IREM) and is the largest manager of commercial real estate properties in South Carolina, with a portfolio of over 17 million square feet of office, industrial, retail and healthcare properties. Colliers' staff hold 54 professional designations, the most of any firm in South Carolina. Colliers | South Carolina's partner, LCK, provides project management services for new facilities and renovations across South Carolina and set a new record by managing a portfolio of projects approaching \$1 billion in volume during 2021.

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