Vacancy Tightens as Absorption Rebounds, Prompting Increased Construction Activity

▼6.0%	▼4.2%	▲367K	▼190K	▲1.2M	▲$6.61
Availability Rate	Vacancy Rate	Sq. Ft. Net Absorption	Sq. Ft. Construction Delivered	Sq. Ft. Under Construction	Avg. Direct Asking Rate ($/Sq. Ft. NNN/YR)

Note: Arrows indicate change from previous quarter.

Market Overview

Columbia's industrial market posted positive results in Q3 2026, as overall vacancy declined 30 basis points (bps) to 4.2% and net absorption totaled 367,000 sq. ft., the highest level since Q1 2026. The market absorbed 190,000 sq. ft. of new deliveries while maintaining a vacancy rate below 5.0% for the fourth consecutive quarter.

Performance varied by class. Class A vacancy increased slightly to 2.2% but remained the market's lowest-vacancy segment. Class B vacancy declined from 6.1% to 5.3%, extending a trend that began earlier this year, while Class C vacancy increased to 4.2%. Northeast Columbia and Kershaw County recorded the largest occupancy gains, combining for 282,000 sq. ft. of net absorption.

Average asking rents reached $6.61 per sq. ft., up 3.3% from Q2 and 12.4% year-over-year. Construction activity increased significantly, with 1.2 million sq. ft. underway at quarter-end, compared with 355,000 sq. ft. three months earlier. Leasing activity totaled 377,000 sq. ft., bringing year-to-date volume to 1.4 million sq. ft., with new leases accounting for more than 90% of completed transactions.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



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Vacancy Rate

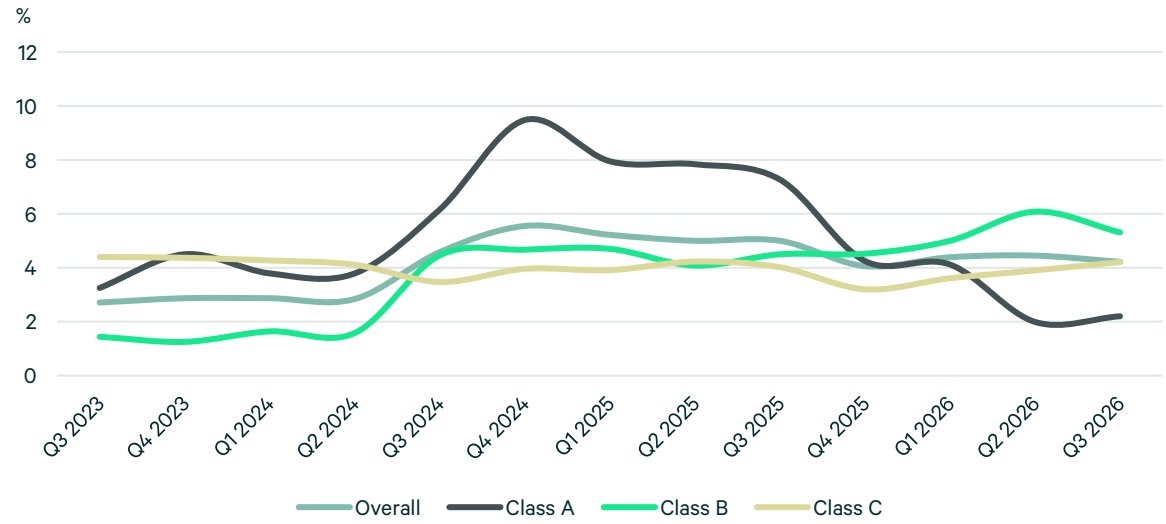
Overall vacancy declined to 4.2% in Q3 2026, down 30 bps from Q2 2026 and 80 bps from Q3 2025. The market has now maintained an overall vacancy rate below 5.0% for four consecutive quarters.

Class A vacancy increased modestly from 2.0% in Q2 2026 to 2.2% in Q3 2026. Although the segment posted positive absorption during the quarter, occupancy gains in buildings delivered during Q3 outpaced those in existing facilities. Even with the increase, Class A remained the market's lowest-vacancy class in the market.

Class B vacancy fell 80 basis points quarter-over-quarter to 5.3%, marking the largest decline among all property classes. While conditions improved during the quarter, vacancy remains substantially higher than the 1.3% low recorded in Q4 2024.

Class C vacancy increased from 3.9% to 4.2% during the quarter. More than half of the segment's vacant inventory was concentrated in Southeast Columbia, while Southeast Columbia and Northeast Columbia collectively accounted for 284,000 sq. ft. of available Class C space at quarter end.

Figure 2: Vacancy Rate



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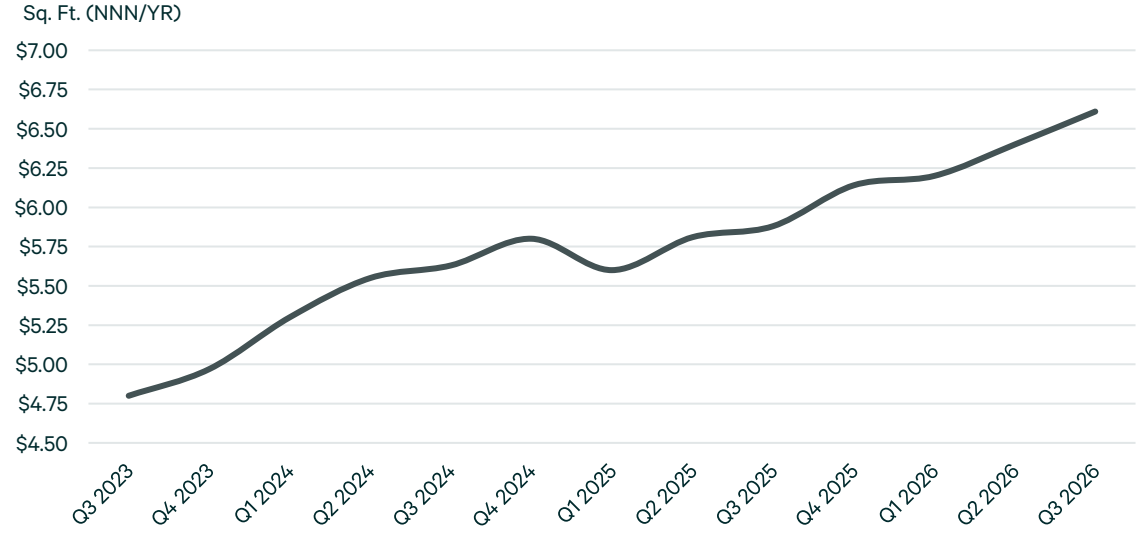
Asking Rent

Average asking rents reached $6.61 per sq. ft. in Q3 2026, increasing 3.3% from $6.40 per sq. ft. in Q2 2026 and 12.4% from $5.88 per sq. ft. one year ago. The increase extended a multi-year upward trend, with average asking rents climbing nearly 38% since Q3 2023. Since that time, the market has recorded only one quarter-over-quarter decline in asking rents.

Class A warehouse asking rents averaged $7.05 per sq. ft. in Q3 2026, unchanged from the previous quarter but down slightly from $7.16 per sq. ft. one year ago. The modest decline was due in part to the successful leasing of recently delivered product, which removed some of the market's highest-priced availabilities from inventory. Southeast Columbia recorded the highest Class A warehouse asking rent at $7.13 per sq. ft. and was one of only two submarkets with average warehouse asking rents above $7.00 per sq. ft.

Average flex asking rents increased to $10.23 per sq. ft. in Q3 2026, up from $9.77 per sq. ft. in the previous quarter and $10.08 per sq. ft. one year ago. Dutch Fork posted the highest flex asking rent among all submarkets at $12.23 per sq. ft., driven largely by availabilities at Dutch Fork Business Park.

Figure 3: Average Direct Asking Rate



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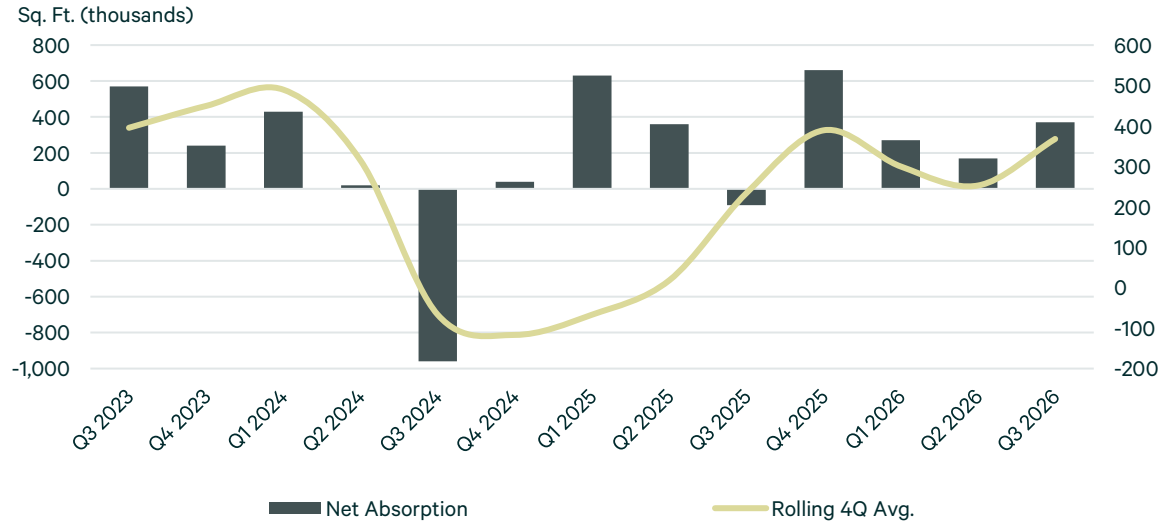
Net Absorption

Net absorption totaled 367,000 sq. ft. in Q3 2026, up from 174,000 sq. ft. in Q2 2026. The positive quarter marked the strongest period of occupancy growth since Q1 2026 and pushed year-to-date absorption to 810,000 sq. ft and trailing twelve-month absorption to 1.5 million sq. ft.

Class A net absorption totaled 150,000 sq. ft. during the quarter, extending a streak of nine consecutive quarters with more than 100,000 sq. ft. of occupancy growth. Over the trailing twelve-month period, Class A properties accounted for 1.8 million sq. ft. of net absorption. Class B posted 281,000 sq. ft. of net absorption, marking the first quarter of positive absorption for the class in 2026. Meanwhile, Class C recorded negative 65,000 sq. ft. of net absorption.

Northeast Columbia and Kershaw County recorded the strongest occupancy gains during the quarter, posting 160,000 sq. ft. and 122,000 sq. ft. of net absorption, respectively. In Northeast Columbia, SteelFab Inc.'s acquisition and occupancy of 1030 Metso Way contributed significantly to quarterly absorption, although gains were partially offset by Surge Adventure Park's move-out from 230 Business Park Boulevard. Kershaw County's performance was supported by DSV Contract Logistics' occupancy of 98,000 sq. ft. at 218 Evans Rd.

Figure 4: Net Absorption Trend



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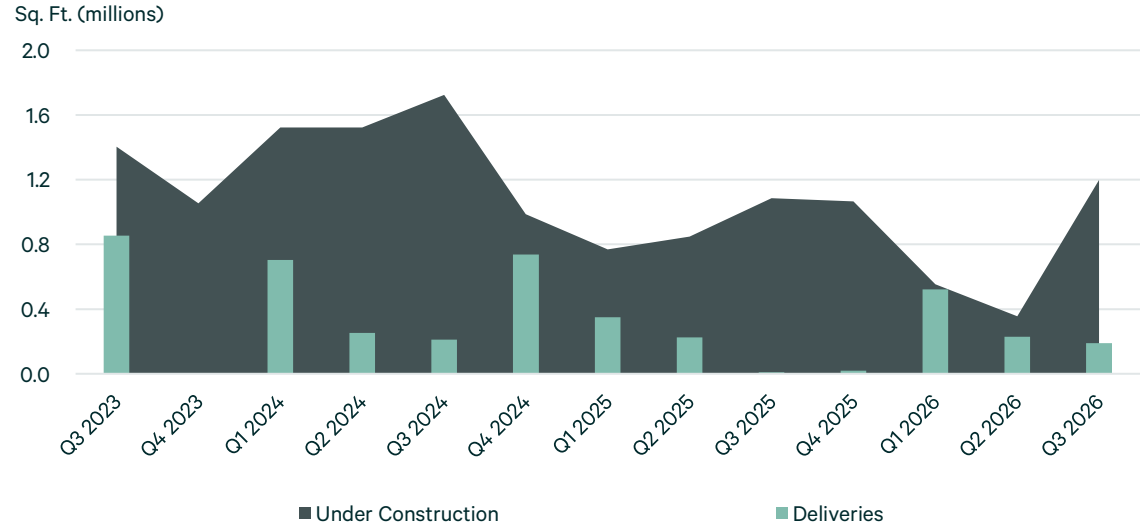
Construction Activity

Construction activity accelerated during Q3 2026, with 1.2 million sq. ft. underway at quarter end, up from 355,000 sq. ft. in Q2 2026. Meanwhile, 190,000 sq. ft. of space was delivered during the quarter, bringing year-to-date deliveries to 941,000 sq. ft.

Deliveries included a 55,000-sq.-ft. warehouse at 381 Burton Drive in Lexington, which was fully leased to WIJO Pouches upon completion. Also delivering during the quarter was US AutoVenture's 120,000-sq.-ft. build-to-suit facility at 428 Distribution Drive in Lexington County. Both projects were fully occupied upon delivery, limiting the impact of new supply on market vacancy.

Among projects that broke ground during the quarter, Red Rock Developments commenced construction on a 520,000-sq.-ft. warehouse at Sandy Run Industrial Park in Calhoun County. Additionally, Magnus Development Partners began work on Gateway 2, a 227,000-sq.-ft. warehouse, and Midway Flex Center, a 57,750-sq.-ft. flex building in Cayce/West Columbia. These projects contributed to a significant expansion of the construction pipeline, with Calhoun County, Cayce/West Columbia, and Northeast Columbia accounting for nearly all active construction at quarter end.

Figure 5: Construction Activity



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Leasing Activity

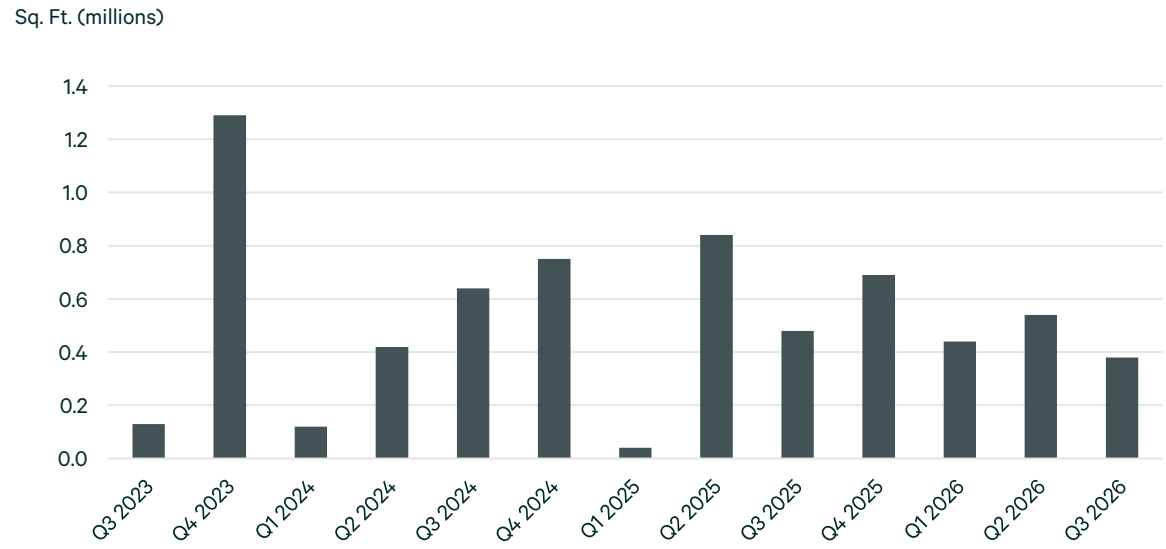
Leasing activity totaled 377,000 sq. ft. in Q3 2026, down from 714,000 sq. ft. in Q2 2026 and marked the lowest quarterly total since Q3 2025. Year-to-date leasing activity reached 1.4 million sq. ft., which is in line with the past two years' totals through the three quarters.

New leases accounted for 91.1% of all leasing activity during the quarter, totaling 344,000 sq. ft., while renewals contributed the remaining 33,000 sq. ft. Kershaw County recorded the highest leasing volume in the market with 209,000 sq. ft. of activity, followed by Southeast Columbia with 89,000 sq. ft.

The largest transaction of the quarter was a 183,000-sq.-ft. lease to a confidential tenant at 235 Standard Warehouse Road in Kershaw County. The transaction accounted for nearly half of all leasing activity recorded during the quarter and helped make Kershaw County the market's most active submarket.

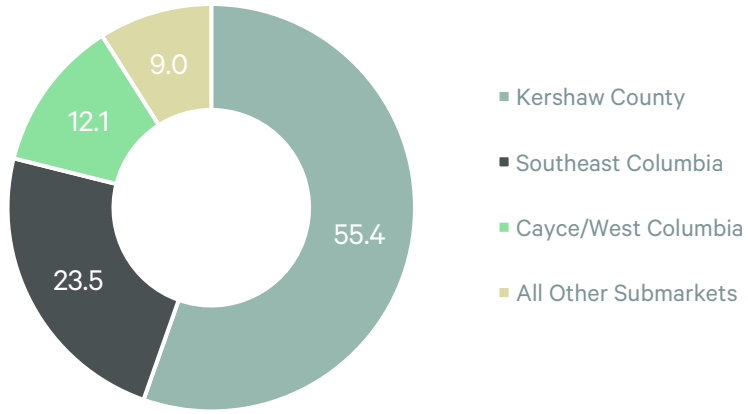
Class B properties have attracted the largest share of leasing activity so far in 2026, totaling approximately 600,000 sq. ft. Class A leasing reached 388,000 sq. ft. through the first three quarters of the year, supported by continued tenant demand for newer industrial facilities.

Figure 6: Leasing Activity Trend



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Figure 7: Leasing Activity by Submarket (% of Total Activity)



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Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Confidential Tenant	183,000	New Lease	235 Standard Warehouse Rd	Kershaw County
Confidential Tenant	33,000	New Lease	916 Rosewood Dr	Southeast Columbia
Bellsouth Telecommunications	30,000	Renewal	1517 Key Rd	Southeast Columbia
Confidential Tenant	26,000	New Lease	1627 Columbia College Dr	North Columbia
Eagle Woodworking	26,000	New Lease	23 Industrial Park Dr	Kershaw County

Source: CBRE Research, Q3 2026

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Market Statistics by Class

Figure 9

Property Class	NRA (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate ($/SF NNN/YR)	Q3 2026 Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	17.10M	7.0	4.6	3.2	1.2	7.25	150,000	1.24M	190,000	1.15M
Class B and C	52.32M	4.9	6.4	5.9	0.5	6.53	217,000	(430,000)	-	50,000
Total	**69.42M**	**4.2**	**6.0**	**5.2**	**0.7**	**6.61**	**367,000**	**810,000**	**190,000**	**1.20M**

Market Statistics by Product Type

Figure 10

Product Type	NRA (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate ($/SF NNN/YR)	Q3 2026 Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Distribution/Logistics	39.06M	6.2	8.2	7.5	0.7	6.63	171,000	676,000	120,000	1.17M
Manufacturing - General	26.59M	1.7	2.7	1.9	0.8	5.37	180,000	119,000	55,000	-
R&D/Flex	3.77M	2.0	6.1	4.5	1.6	10.23	16,000	16,000	15,000	30,000
Total	**69.42M**	**4.2**	**6.0**	**5.2**	**0.7**	**6.61**	**367,000**	**810,000**	**190,000**	**1.20M**

Market Statistics by Size

Figure 11

Size Range	NRA (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate ($/SF NNN/YR)	Q3 2026 Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Below 50K SF	14.33M	5.8	7.9	7.5	0.4	8.05	22,000	(90,000)	15,000	30,000
50K-99,999 SF	9.18M	5.7	8.4	7.7	0.8	6.17	(40,000)	(155,000)	55,000	109,000
100K-249,999 SF	17.00M	5.5	7.5	6.4	1.1	5.63	385,000	545,000	120,000	539,000
250K-499,999 SF	13.91M	1.7	3.9	3.9	-	6.82	-	401,000	-	-
500K-749,999 SF	6.83M	6.0	6.2	3.3	2.9	4.50	-	110,000	-	520,000
750,000 SF +	8.17M	-	-	-	-	-	-	-	-	-
Total	**69.42M**	**4.2**	**6.0**	**5.2**	**0.7**	**6.61**	**367,000**	**810,000**	**190,000**	**1.20M**

Source: CBRE Research, Q3 2026

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Market Statistics by Submarket

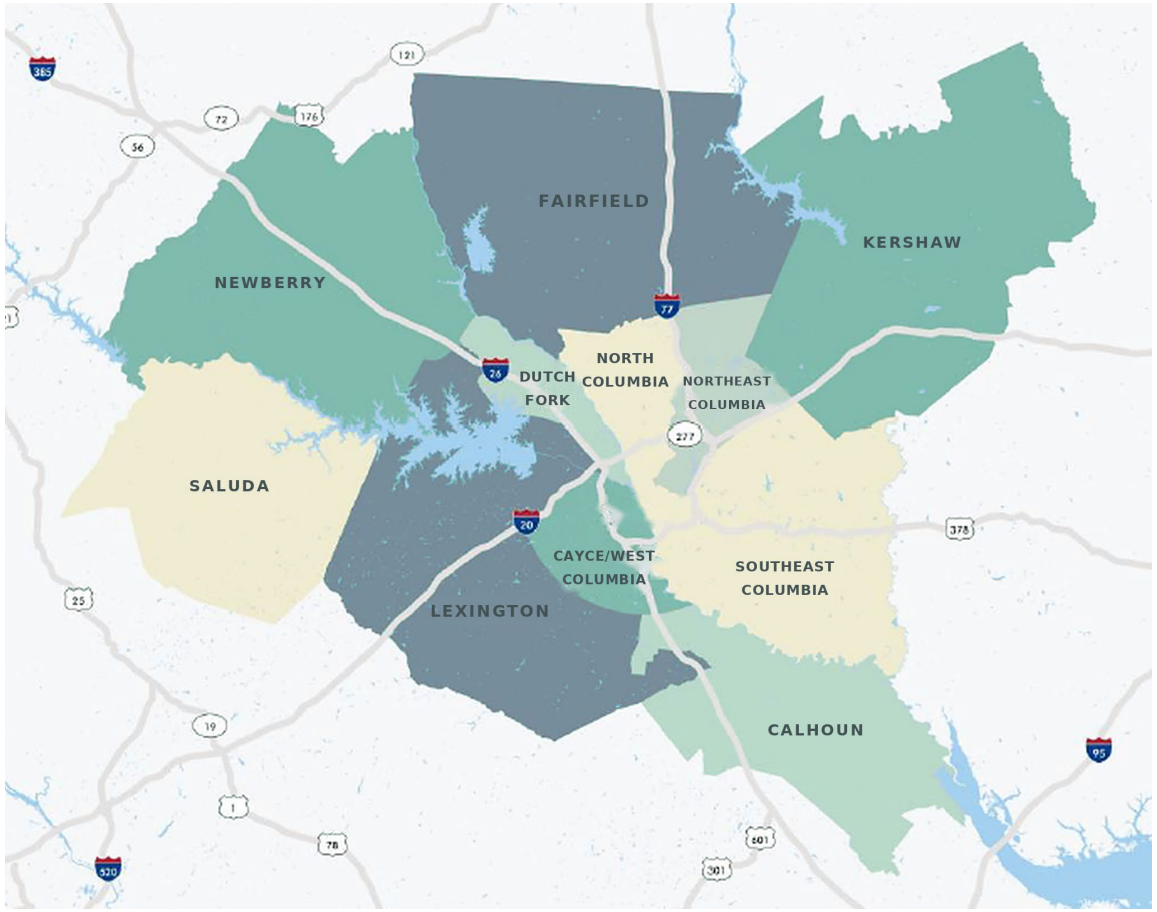
Figure 12

Submarket	NRA (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate ($/SF NNN/YR)	Q3 2026 Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Calhoun County	1.85M	11.8	11.8	11.8	-	4.41	-	(217,000)	-	721,000
Cayce/West Columbia	16.82M	2.0	4.3	3.7	0.6	7.20	81,000	1.11M	120,000	285,000
Dutch Fork	1.10M	8.1	12.2	10.7	1.5	10.23	(8,000)	(8,000)	-	-
Fairfield County	2.04M	-	-	-	-	-	-	100,000	-	-
Kershaw County	6.76M	10.4	7.7	7.7	-	5.07	122,000	208,000	-	-
Lexington	8.88M	0.2	1.1	0.8	0.3	9.70	52,000	48,000	55,000	-
Newberry County	1.79M	-	-	-	-	-	-	-	-	-
North Columbia	3.78M	5.2	5.5	5.5	-	8.23	26,000	-	-	-
Northeast Columbia	9.32M	4.3	8.0	5.7	2.3	6.98	160,000	(147,000)	-	162,000
Saluda County	476,000	12.6	12.6	-	12.6	-	-	-	-	-
Southeast Columbia	16.59M	5.5	8.6	8.1	0.6	6.59	(66,000)	(288,000)	15,000	30,000
Total	**69.42M**	**4.2**	**6.0**	**5.2**	**0.7**	**6.61**	**367,000**	**806,000**	**190,000**	**1.20M**

Source: CBRE Research, Q3 2026

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Market Area Overview



CBRE Offices

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Survey Criteria

CBRE's competitive industrial inventory includes industrial and flex buildings greater than 20,000 sq. ft. located within Calhoun, Fairfield, Kershaw, Lexington, Newberry, Richland, and Saluda counties. Average asking rates are weighted by the amount of available space per building and are quoted on a triple net, per sq. ft. per year. Historical data is reflective of the current set of inventory rather than previously published report figures and is subject to revision as additional information becomes available.

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