



MARKET AT A GLANCE



OCCUPANCY RATE **95.1%**
Down **40 bps** since 3Q16



ASKING RENT **\$1,136**
Up **2.4%** since 3Q16

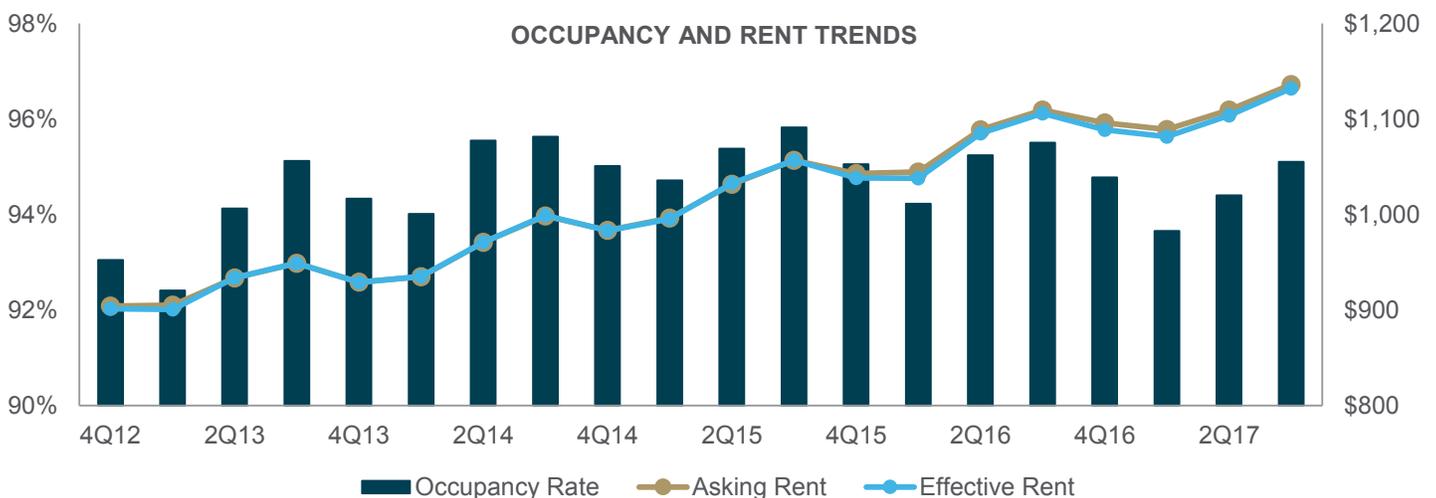


CONCESSIONS **0.4%**
Unchanged since 3Q16

OCCUPANCY AND RENT TRENDS

DELIVERIES PERSIST AS PAYROLLS GROW 1.9% AND RENTAL DEMAND STEPS UP

Leasing activity accelerated in Greater Charleston with 2,385 newly occupied apartments in the last nine months. Rental demand was greatest in the Berkeley County/Other submarket, a hub for the region's life-sciences industry, where more than one out of every four apartments were absorbed. Construction completed on 767 apartments in the third quarter, part of the 2,354 units to come online metrowide since the end of last year. New supply doubled compared to the same time in 2016. One of the largest projects to begin lease up during 2017 was the 320-unit Sweetwater community located in the Berkeley County/Other submarket, with completion slated for year-end. Construction does not show signs of slackening. Another 1,256 units are scheduled to be delivered in fourth quarter. The average apartment occupancy rate in the Charleston metro was 95.1%, an upswing of 30 basis points since beginning of the year. With net absorption slightly outpacing deliveries on a year-to-date basis, the average monthly asking rent appreciated 3.6% to \$1,136 in September. Operators advanced asking rent while holding concessions at one day of free rent. Monthly asking rents were highest in the Mount Pleasant submarket at \$1,439 in September, up 4.3% since December.



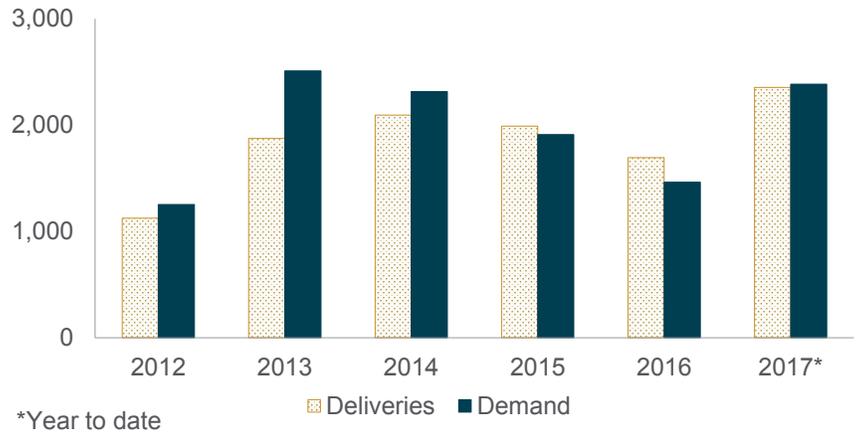
DELIVERIES AND DEMAND



DELIVERIES 2,354
Units YTD



NET ABSORPTION 2,385
Units YTD



ECONOMIC TRENDS

2016 **UNEMPLOYMENT*** 2017
3.9% **-60 BPS** 3.3%
CHANGE

2016 **EMPLOYMENT*** 2017
347.8k **1.9%** 354.3k
CHANGE

2016 **EXISTING SFH SALES**** 2017
14.7k **27.9%** 18.8k
CHANGE

2016 **MEDIAN SFH PRICE**** 2017
\$249.9k **7.8%** \$269.5k
CHANGE

2016 **10-YEAR TREASURY**** 2017
1.63% **60 BPS** 2.20%
CHANGE

*August; **September

Charleston employers created 6,500 new positions to grow headcounts 1.9% in the 12 months ending August. Although overall hiring was down from the preceding year, the metro's five-year employment growth rate was 15.6%. Companies in the professional and business services sector hired 2,800 workers since last August, to expand a metro-high 5.2% annually. Technology-based companies Blackbaud Inc. and Benefitfocus kept their momentum, as they collectively continued filling 1,550 engineer and professional jobs on Daniel Island. The manufacturing industry was another key economic driver, creating 1,000 new positions as companies such as Mercedes-Benz USA LLC, Volvo Car Corporation, and The Boeing Company ratchet investments in local assembly factories, creating hundreds of new jobs. Home to Joint Base Charleston, government is the largest employment sector in the metro. Public-service payrolls expanded by 1,600 employees for a 2.5% increase during the last 12 months. Overall job growth was tamped down by the 1,600 leisure and hospitality jobs eliminated since August 2016 for a 3.4% contraction.



CHARLESTON

MULTIFAMILY REPORT

SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY		AVG RENT INCREASE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
	3Q16	3Q17	3Q16	3Q17	3Q16	3Q17	3Q17	ANNUAL	3Q17	ANNUAL
Airport/North Charleston	94.6%	94.5%	4.2%	3.5%	\$960	\$993	36	168	0	191
Berkeley County/Other	94.8%	94.5%	2.9%	1.5%	\$1,172	\$1,190	393	773	381	838
Central Charleston	95.4%	95.7%	0.5%	2.5%	\$1,105	\$1,133	188	349	142	320
Charleston County/Other	96.3%	96.4%	4.3%	1.4%	\$1,354	\$1,373	143	465	111	481
Dorchester County/Other	92.5%	96.2%	-	2.9%	\$1,149	\$1,182	-2	15	0	0
Hanahan/North Charleston	96.6%	96.3%	6.6%	7.0%	\$935	\$1,001	231	434	66	478
Mount Pleasant	94.3%	93.3%	1.8%	0.9%	\$1,426	\$1,439	99	451	67	563
TOTALS	95.5%	95.1%	5.0%	2.4%	\$1,109	\$1,136	1,088	2,655	767	2,871



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