

CHARLESTON, SOUTH CAROLINA

ECONOMIC RECOVERY CONTINUES, AIDING POSITIVE MULTIFAMILY OUTLOOK

A wave of employment expansion is expected to support further demand in the Charleston multifamily market following a year of above-average apartment absorption in 2020. High-profile manufacturers Volvo Cars and Mercedes-Benz Vans are expected to add more than 3,800 workers to payrolls through 2022. Also helping to augment Charleston's multifamily market is a burgeoning technology sector anchored by Google's expanding campus in Berkeley County, bringing new white-collar jobs to the area. Additionally, the Charleston region leads the nation in job growth in scientific research and development firms with over 75 medical manufacturers, research laboratories, and service companies. The robust job market supports stout leasing activity; approximately 2,620 net units are anticipated to be absorbed by year-end 2021. Demand will likely be elevated in Berkeley County, where Volvo Cars and Google are hiring, as well as the Airport/North Charleston area where most of Boeing's Dreamliner jumbo jet production will be consolidated in 2021. Confident in the ongoing economic recovery, apartment operators will advance the market's average effective rent to \$1,256 per month by December, a 2.8% appreciation from the start of the year and greater than the 2.1% five-year average. Meanwhile, occupancy will drop 30 basis points to 92.5%, a consequence of supply-side pressure. Greater Charleston's heavy construction pipeline will begin to downshift this year from the peak deliveries observed in 2020, supporting a rise in occupancy amid heightened leasing activity by the end of 2022.



2021 MARKET AT A GLANCE



OCCUPANCY RATE

92.5%

Down 30 bps YOY



EFFECTIVE RENT

\$1,256

Up 2.8% YOY

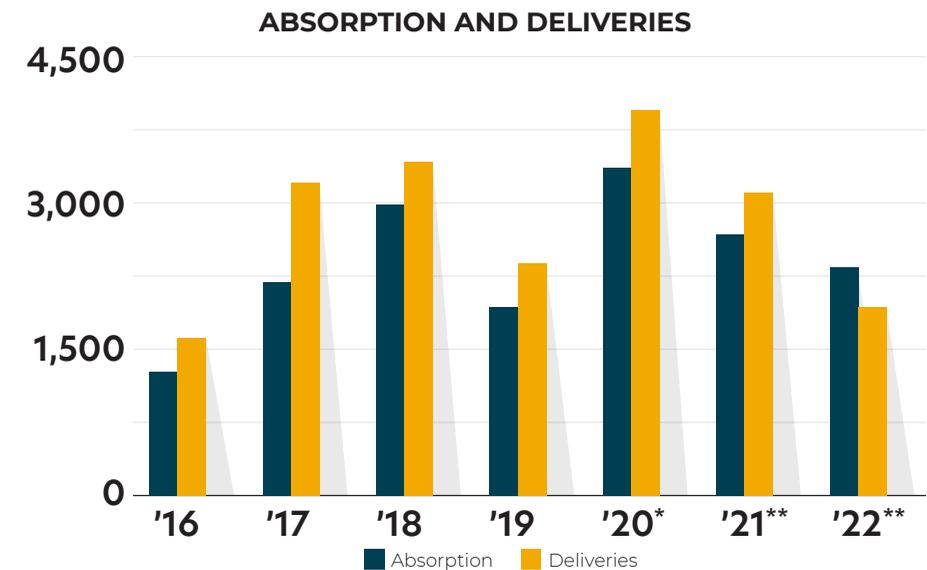
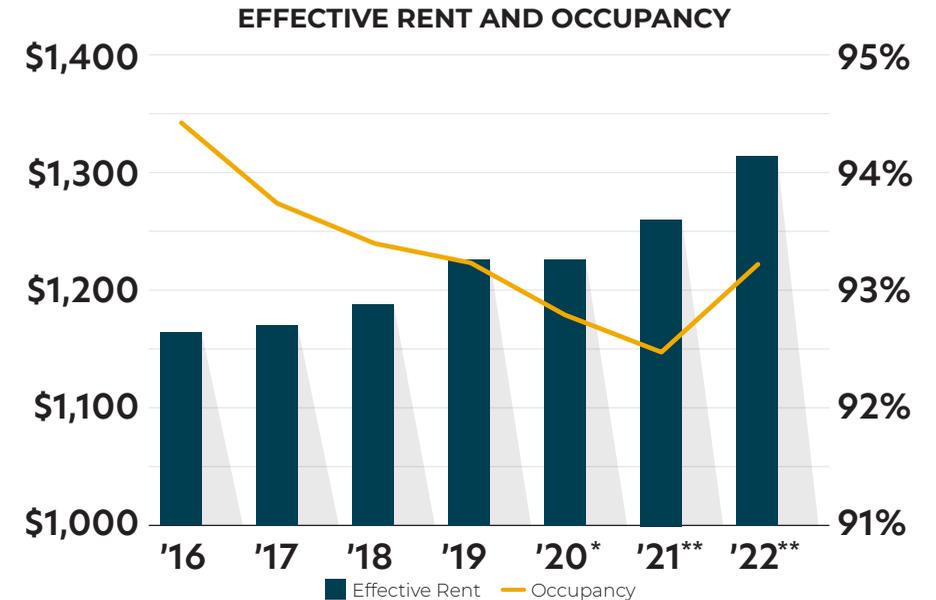


RENT SHARE OF WALLET

20.4%

Up 80 bps YOY

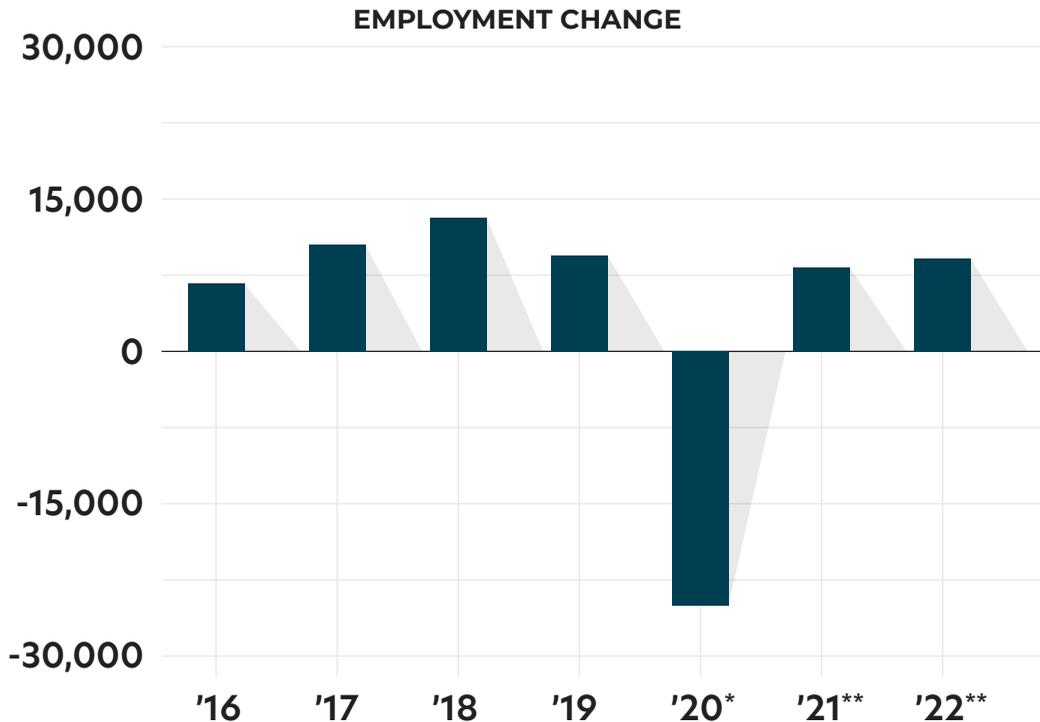
MARKET TRENDS



Data and images pertaining to employment, income, permits, population, rents, single-family housing, and occupancy are year-end figures. Absorption, construction, and apartment sales figures are full-year totals. *Numbers for 2020 are projected values; **2021/2022 figures are forecast projections. Apartment market data criteria and methodologies vary by market.

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EMPLOYMENT TRENDS



2019	YOY CHANGE	2020*	YOY CHANGE	2021**
381,200	-6.5%	356,500	2.4%	364,900

2019	YOY CHANGE	2020	YOY CHANGE	2021
1.1%	690 BPS	8.0%	-80 BPS	7.2%

2019	YOY CHANGE	2020	YOY CHANGE	2021
809,200	1.0%	817,600	1.1%	826,300

2019	YOY CHANGE	2020	YOY CHANGE	2021
323,300	1.4%	327,800	1.9%	334,000

2019	YOY CHANGE	2020	YOY CHANGE	2021
\$70,363	6.2%	\$74,740	-1.0%	\$73,984

SALES TRENDS

2019	YOY CHANGE	2020*
\$189,259	-33.1%	\$126,595

2019	YOY CHANGE	2020
5.9%	50 BPS	6.4%



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