Colliers

Charleston

# Multifamily 24Q4

## Key Takeaways

- Rent growth has effectively stalled as the market enters oversupply, with most submarkets seeing asking rents decline
- New deliveries will taper through Q3 ahead of a new wave of projects
- Summerville and Daniel Island benefit from continued outward growth

| | | YOY | Forecast |
|---|---|---|---|
| Occupancy Rate | 88.20% | ▼ | ▲ |
| Net Absorption | 265 Units | ▼ | ▲ |
| Under Construction | 3,978 Units | ▼ | ▼ |
| Average Rent per Unit | $1,800 | ▲ | ▲ |

## Multifamily oversupply stalls rent growth

The Charleston market encountered headwinds, experiencing the lowest absorption in two years and a sharp quarter-over-quarter asking rent decline as rent concessions grew to 1.4% of value, indicating a market entering a state of oversupply. The pipeline continues to taper, with over 5,000 fewer units in progress relative to a year and a half prior. Asking rents are also flattening out after growing at rates exceeding 12% annually through 2022. A Covid-driven wave of remote work, which has attracted new residents from major metros across the country, appears to be slowing or reversing while the Charleston market shifts back towards single-family home development. Despite these short-term headwinds, overall market momentum remains strong with activity picking up in Daniel Island as the Cainhoy Peninsula's development shifts the market northward.

## Market Indicators

**3.51%** Unemployment Rate

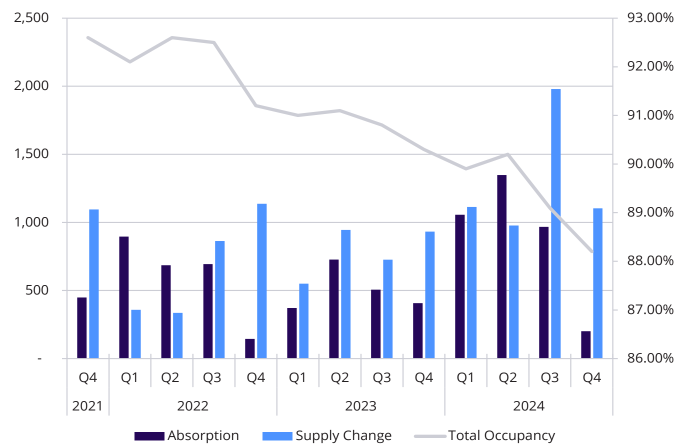
**2.82%** GDP - % change yr/yr

**4.214%** U.S. 10 Year Treasury Note

## Historic Comparison

| | 23Q4 | 24Q2 | 24Q4 |
|---|---|---|---|
| Total Inventory (# of Units) | 76,952 | 80,235 | 82,785 |
| Occupancy Rate | 90.30% | 89.10% | 88.20% |
| Supply Change (# of Units) | 932 | 1,979 | 1,103 |
| Quarterly Absorption (# of Units) | 407 | 967 | 265 |
| Under Construction (# of Units) | 8,297 | 4,913 | 3,978 |
| Average Monthly Asking Rent (Per Unit) | $1,788 | $1,830 | $1,800 |

## Market Graph




Net absorption, occupancy and monthly asking rents each declined for the second straight quarter in Q4, reaching 265 units, 88.20%, and $1,800, respectively. Total inventory increased to grew to 82,785 units was 1,979 new units delivered, primarily within outlying submarkets.

## Recent Transactions

**Sale**
455 Seven Farms Dr.
Daniel Island
283 Units | $85.0M

**Sale**
997 Johnnie Dodds Blvd.
Mount Pleasant
232 Units | $63.0M

**Sale**
610 Brigade St.
Downtown Charleston
231 Units | $64.6M

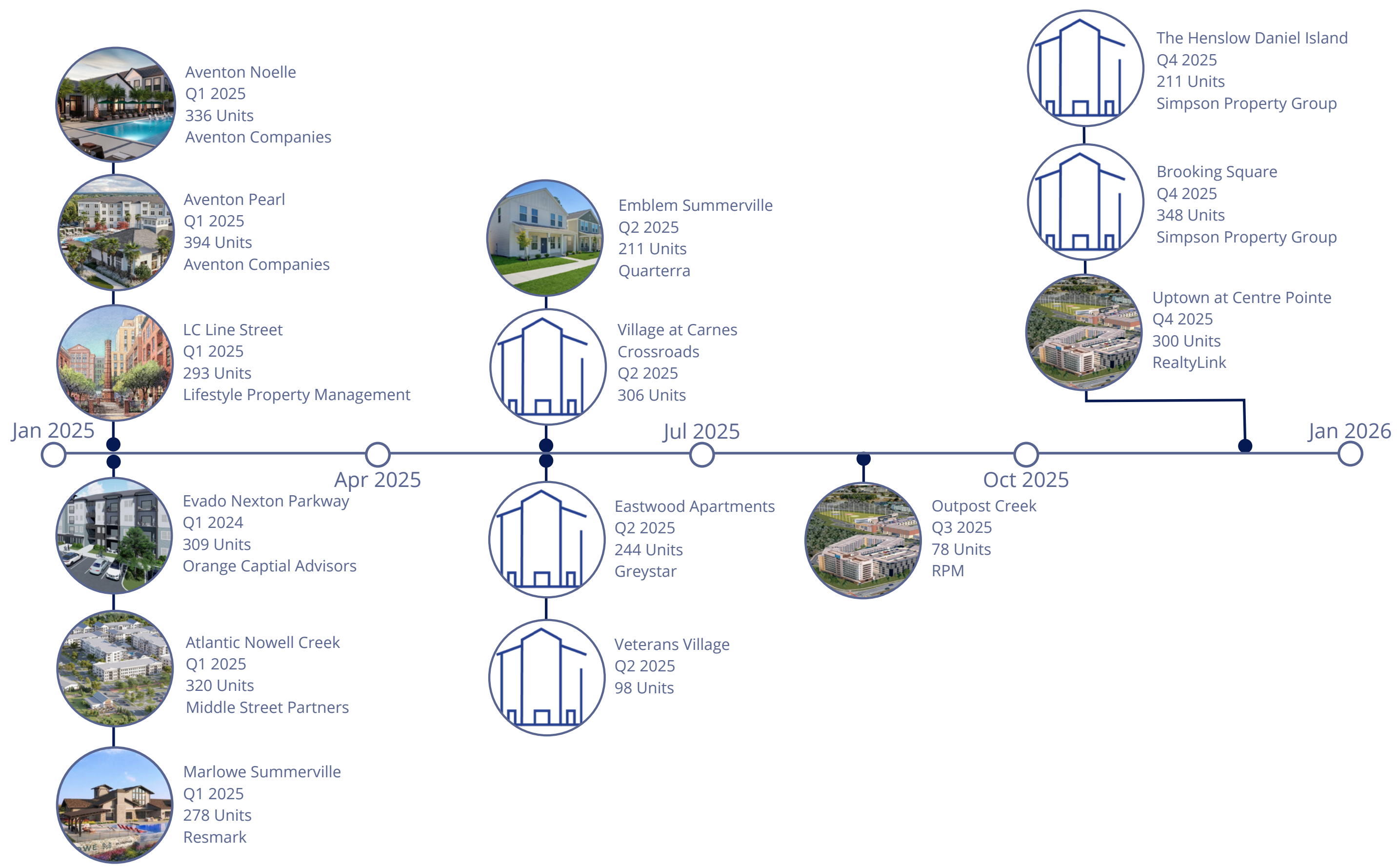
**Sale**
3360 Ashley Phosphate Rd.
Summerville/Goose Creek
32 Units | $4.1M

**Sale**
1100 River Rd.
North Charleston
76 Units | $9.64M

**Sale**
8101 Honeysuckle Lake Dr.
Summerville/Goose Creek
72 Units | $11.5M

## Development Pipeline *(75+ units shown)*

**Total Under Construction** *(50+ units)*
**4,390 units**




*Sources: Colliers, CoStar*

## Charleston | Q4 2024 Multifamily Market Summary Statistics

| Submarket | Inventory | Quarterly Absorption | Occupancy Rate | Average Weighted Asking Rent | Average Weighted Asking Rent Per SF | Units Under Construction |
|---|---|---|---|---|---|---|
| Daniel Island | 4,408 | 72 | 89.70% | $2,214.00 | $2.18 | 1,433 |
| Downtown Charleston | 6,002 | 29 | 91.10% | $2,446.00 | $2.98 | 363 |
| Johns Island/West Charleston | 4,338 | -99 | 81.30% | $1,976.00 | $1.95 | 394 |
| Mt. Pleasant | 7,739 | -28 | 91.70% | $2,363.00 | $2.43 | - |
| North Charleston | 20,375 | 30 | 87.90% | $1,512.00 | $1.62 | 98 |
| Outlying Berkeley County | 2,425 | 126 | 77.00% | $1,763.00 | $1.53 | - |
| Outlying Dorchester County | 300 | -13 | 87.40% | $1,503.00 | $1.51 | - |
| Summerville/Goose Creek | 25,331 | 202 | 87.30% | $1,635.00 | $1.62 | 1,868 |
| West Ashley | 12,733 | -54 | 92.20% | $1,666.00 | $1.71 | - |
| **Market Total / Averages** | **82,785** | **265** | **88.20%** | **$1,800.00** | **$1.85** | **4,390** |

*Source: Colliers, CoStar*

# 501 offices in 66 countries on 6 continents

United States: 156
Canada: 45
Latin America: 20
Asia Pacific: 41
EMEA: 112

## $4.3B
Annual revenue

## 2B
Square feet managed

## 19,000
Professionals

The multifamily study consists of all properties with 50 units or more. Data is sourced from Costar and independent research.

Sources: Colliers, CoStar

## About Colliers | South Carolina

Colliers | South Carolina is the largest full-service commercial real estate firm in South Carolina with 66 licensed real estate professionals covering the state with locations in Charleston, Columbia, Greenville and Spartanburg. 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 25 million square feet of office, industrial, retail and healthcare properties. Colliers' staff hold the most professional designations of any firm in South Carolina. Colliers | South Carolina's partner, LCK, provides project management services for new facilities and renovations across South Carolina.

## Market Contact:

**Markus Kastenholz, CCIM, CPA**
Managing Director
+1 843 725 3427
markus.kastenholz@colliers.com

## Marketing & Research:

**Liz H. McCary**
Vice President of Marketing | South Carolina
+1 803 401 4269
Liz.McCary@colliers.com

**Will Schenk**
Market Analyst | South Carolina
+1 803 401 4278
Will.Schenk@colliers.com

4289 Spruill Avenue, Suite 200
Charleston, South Carolina
+1 843 723 1202
**colliers.com**