

CHARLESTON, SC

2023 MARKET AT A GLANCE

Occupancy Rate

94.2%



DOWN 50 BPS YOY

Effective Rent

\$1,769



UP 3.4% YOY

Rent Share of Wallet

26.0%



UNCHANGED YOY

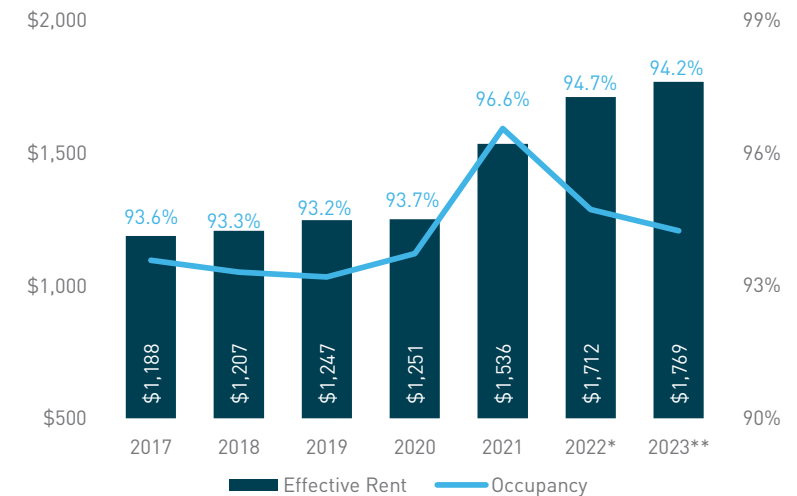
Population Growth and Healthy Employment Gains Drive Apartment Demand

The Charleston metro has benefitted from employment and median household income growth in recent years, resulting in rising effective rent and steady occupancy that should continue in 2023. Net migration is forecast to total 6,800 people in 2023, as continued employment growth attracts new residents. Several corporate relocations and expansions are taking place in 2023, with a total investment of \$112 million and the creation of 630 new jobs. Notable companies include SHL Medical, which will bring a 270,000-square-foot manufacturing site to the area, and MSC USA, which will expand its current footprint with 135 additional jobs. Apartment operators should benefit as annual net absorption is expected to accelerate this year. Even so, the leasing activity is projected to trail the 3,324 new units to be delivered this year. More than half of the expected deliveries within the metro will be in the Downtown/Mt. Pleasant/Islands submarket due to the desirability of living in proximity to Downtown Charleston as well as the coastline and its many beaches. The submarket is anticipated to demand a 31.1% premium to live when compared to the West Ashley submarket, its closest counterpart, in virtue of its location and convenience to the many surrounding attractions. Metrowide inventory growth is projected to be in-line with the five-year average. As a result, occupancy is projected to average 94.2% by year-end. While down 50 basis points year over year, the rate would slightly trail the five-year average of 94.3%.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2022 are projected values. 2023 figures are forecast projections. The apartment sales information represents transactions of apartment properties with a sales price of \$2.5 million or more, unless otherwise indicated.

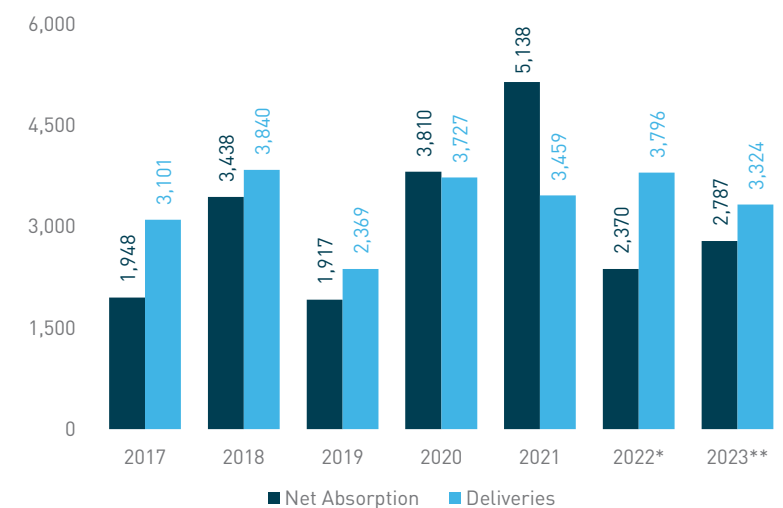
Apartment Trends

Effective Rent & Occupancy



*Projected **Forecast

Absorption & Deliveries

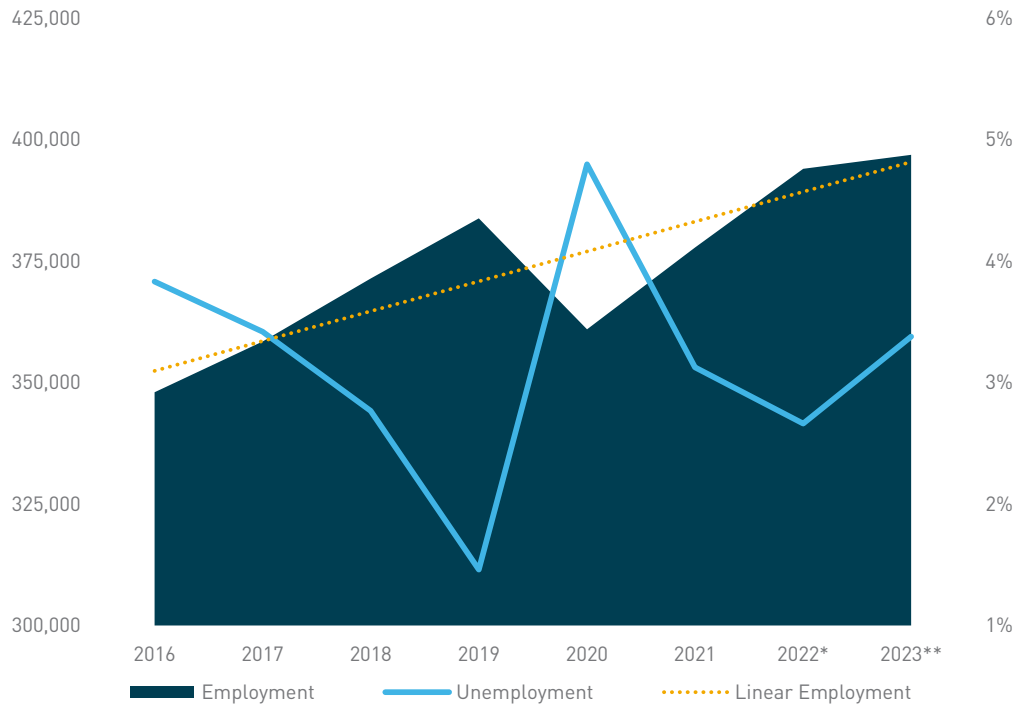


*Projected **Forecast

CHARLESTON, SC

Employment Trends

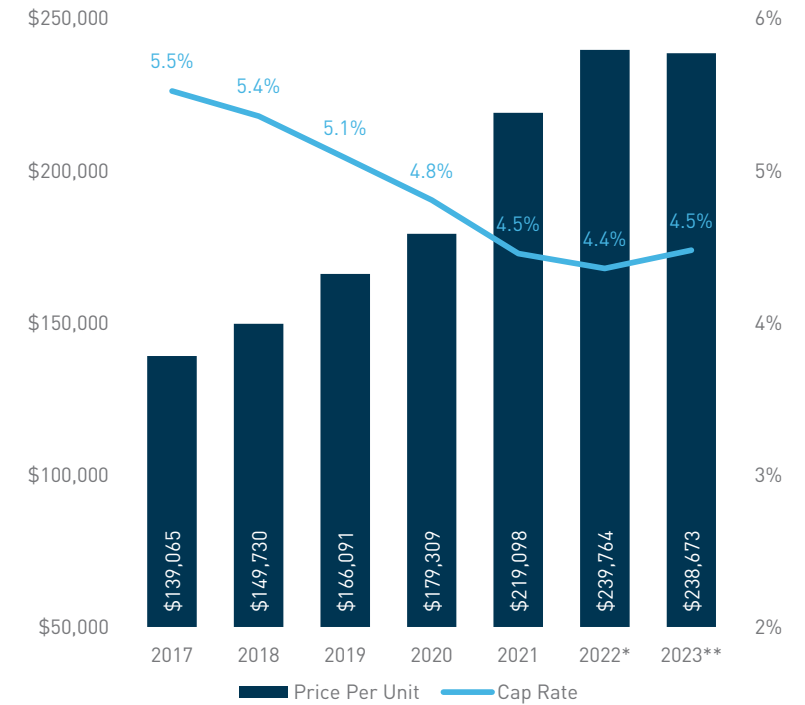
Market Employment Trends



*Projected **Forecast

Sales Trends

Price Per Unit & Cap Rate



*Projected **Forecast

Employment

396,900



UP 0.7% YOY

Unemployment

3.4%



UP 70 BPS YOY

Median Household Income

\$81,710



UP 3.4% YOY

Price Per Unit

\$238,673



DOWN 0.5% YOY

Cap Rate

4.5%



UP 10 BPS YOY