QUICK REOPENING SPURS 36% REHIRING, NW & DOWNTOWN ENTICE RENTERS

Charleston’s high-profile manufacturers, including Volvo Cars, Boeing, and Mercedes-Benz Vans, recalled thousands of furloughed factory workers in the second quarter of 2020. The shelter-in-place order was lifted May 4, and the phased restart additionally reopened stores and shopping malls, restaurants, gyms, and attractions. This aided 19,600 employees to return to work during May and June, bringing back 36% of the total job losses from February to April. The swift reopening and bounce back in employment bolstered multifamily leasing activity. Located near major employers, the Summerville/Northwest Charleston and the Downtown/Mount Pleasant/Islands submarkets represented most of the total net absorption in the second quarter. While absorption was positive, leasing activity trailed new supply to shift down average occupancy in these areas. The submarket trends were reflected across the metro as occupancy lowered 30 basis points quarter over quarter to 93.3%. The influx of new supply caused similar headwinds for effective rent growth, which tapered 0.4% since March to $1,244 per month. A positive sign on the owner side, no surveyed CMBS and Fannie Mae loans were 30+ days delinquent, compared to 0.5% of loans among comparable tertiary markets.
DELIVERIES AND DEMAND

Deliveries: 1,530 Units YTD
Net Absorption: 1,449 Units YTD

**ECONOMIC TRENDS**

- **UNEMPLOYMENT***: 2019 - 2.7%, 2020 - 12.5%
  - Change: 980 BPS

- **Employment***: 2019 - 375.4k, 2020 - 344.9k
  - Change: -8.1%

- **Existing SFH Sales***: 2019 - 16.1k, 2020 - 15.6k
  - Change: -3.1%

- **Population***: 2019 - 803.3k, 2020 - 815.2k
  - Change: 1.5%

- **10-Year Treasury***: 2019 - 2.07%, 2020 - 0.73%
  - Change: -130 BPS

*May; **June

**U.S. ANNUAL RENT**
- 27.7% share of wallet

**Metro Annual Rent**
- 22.6% share of wallet
## Submarket Breakdown

<table>
<thead>
<tr>
<th>Submarket Name</th>
<th>2Q20</th>
<th>Q-o-Q Change (BPS)</th>
<th>Y-o-Y Change (BPS)</th>
<th>Effective Rent</th>
<th>Net Absorption</th>
<th>Delivered Units</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2Q20</td>
<td>Annual</td>
<td>2Q20 Annual</td>
</tr>
<tr>
<td>Downtown/Mount Pleasant/Islands</td>
<td>92.0%</td>
<td>-30</td>
<td>-110</td>
<td>$1,498</td>
<td>0.0% -2.5%</td>
<td>252 981 346 1,299</td>
</tr>
<tr>
<td>North Charleston/Goose Creek</td>
<td>94.3%</td>
<td>-40</td>
<td>-150</td>
<td>$1,051</td>
<td>0.2% 0.5%</td>
<td>-65 -154 0 90</td>
</tr>
<tr>
<td>Summerville/Northwest Charleston</td>
<td>93.6%</td>
<td>-50</td>
<td>-100</td>
<td>$1,154</td>
<td>-2.0% -2.0%</td>
<td>328 544 405 692</td>
</tr>
<tr>
<td>West Ashley</td>
<td>93.8%</td>
<td>20</td>
<td>-140</td>
<td>$1,147</td>
<td>-0.5% -1.4%</td>
<td>115 18 98 195</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td>93.3%</td>
<td>-30</td>
<td>-120</td>
<td>$1,244</td>
<td>-0.4% -1.2%</td>
<td>630 1,389 849 2,276</td>
</tr>
</tbody>
</table>