


INDUSTRIAL MARKET REPORT



Q1 MARKET SNAPSHOT

	TOTAL MARKET	BULK (100,000 SF+)
	OVERALL INVENTORY* 51.5 MILLION SF	OVERALL INVENTORY* 30.0 MILLION SF
	VACANCY 5.45%	VACANCY 8.48%
	ASKING RENTS \$5.57 PSF	ASKING RENTS \$5.51 PSF

Q1 CONSTRUCTION & DELIVERIES



CONSTRUCTION
1.2 MILLION SF



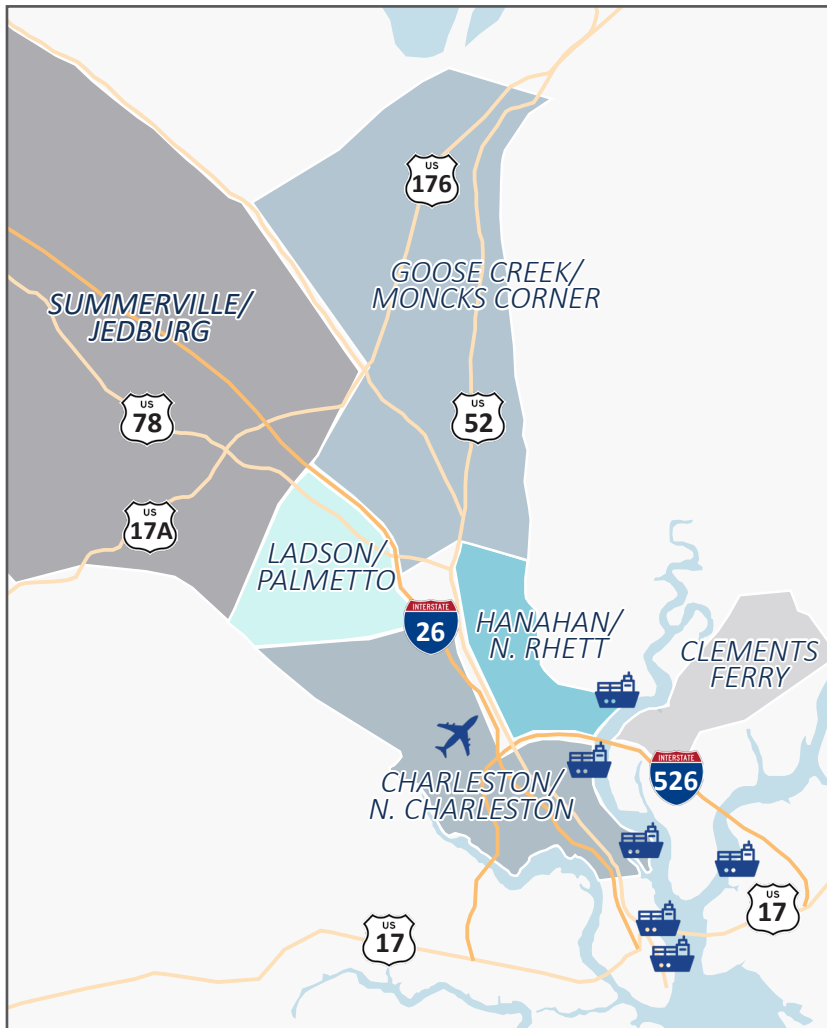
YTD DELIVERIES
0.9 MILLION SF

* 51.5 Million SF does not include 30.0 Million SF of specialized buildings.

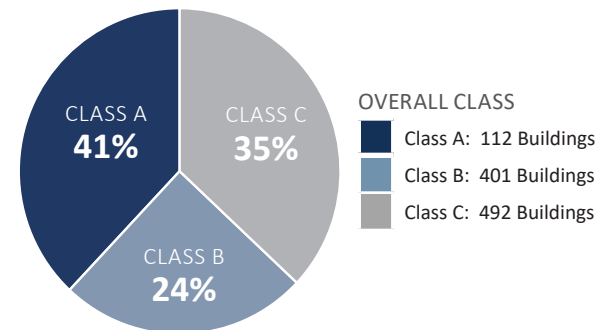
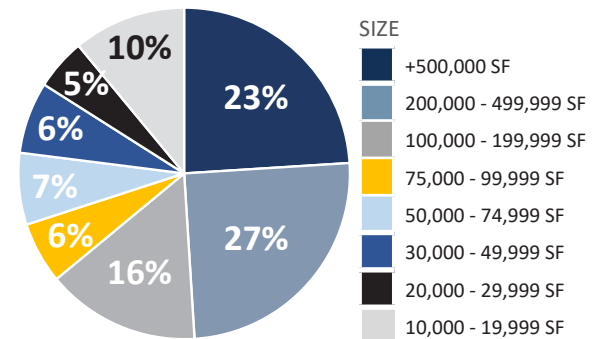
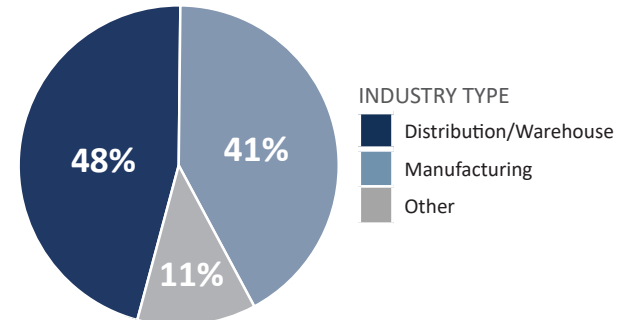
Q1 TRENDS & HIGHLIGHTS

- DESPITE THE COVID-19 PANDEMIC, CHARLESTON'S INDUSTRIAL MARKET ENDED Q1 STRONG WITH USERS STILL ABSORBING SPACE AND INVESTORS STILL PURSUING ACQUISITIONS.
- THE NEW "MADE IN AMERICA" PARADIGM WILL ALTER SUPPLY CHAINS AS RAIL, TRUCKING AND SHIPPING ROUTES ADJUST.
- INCREASED E-COMMERCE DUE TO SOCIAL DISTANCING WILL MAKE INDUSTRIAL BUILDINGS MORE VALUABLE.
- CHARLESTON'S INDUSTRIAL OUTLOOK IS STABLE AND OPPORTUNITIES ARE ARISING TO OPTIMIZE, SHIFT, AND EXCEL.

Q1 SUBMARKET SUMMARY



PERCENTAGE BREAKDOWN BASED ON OVERALL SQUARE FOOTAGE BY TYPE, SIZE & CLASS



Airport Port Terminal

ALL NON-SPECIALIZED BUILDINGS (+10,000 SF)

SUBMARKET	RBA SF	# OF BLDGS	TOTAL VACANT SF	VACANCY RATE	WEIGHTED AVG. ASKING BASE RENT	UNDER CONSTRUCTION SF	YTD DELIVERIES SF
Charleston/N. Charleston	16,056,029	478	356,014	2.22%	\$7.42	-	-
Hanahan/North Rhett	4,987,565	47	104,000	2.09%	\$5.75	-	-
Ladson/Palmetto	7,080,706	94	1,109,188	15.66%	\$5.92	124,800	795,703
Clements Ferry	5,641,491	105	143,783	2.55%	\$6.03	-	-
Summerville/Jedburg	13,230,140	166	801,118	6.06%	\$5.33	497,498	125,000
Goose Creek/Moncks Corner	2,680,087	44	240,000	8.95%	\$1.50	615,000	-
Other*	1,753,059	80	46,500	2.65%	\$6.25	-	-
TOTAL MARKET**	51,429,077	1,014	2,800,603	5.45%	\$5.57	1,237,298	920,703

Bridge tracks buildings 10,000 SF and greater.

Bridge uses only internal research within its Charleston office for its market research.

*Other includes Ridgeville, St. George and other outlying rural areas within +/-50 miles of I-26/526.

**Total market statistics do not include specialty or specialty manufacturing buildings (21.4 Million SF).

Source: Bridge Commercial

THE EFFECT OF COVID-19 ON CHARLESTON'S INDUSTRIAL MARKET

Q1 2020 RECAP

- The Greater Charleston Industrial market made solid gains at the end of the first quarter, despite the COVID-19 pandemic hitting mid-March.
- Strong demand continues to be met through new development and rehabilitation of older buildings. This strong demand leads to stable and increasing rental rates.

BIG PICTURE INDUSTRIAL MARKET

- During this unprecedented time of uncertainty, industrial space remains a key component in the short and long-term resurgence to the economy.
- Globally, this pandemic is causing many companies to consider shifting their origin of manufacturing to other parts of the world; primarily in other areas of Southeast Asia.
- Component sourcing and supply chain diversification will be highly scrutinized by management and ownership in the future.

CHARLESTON'S INDUSTRIAL MARKET

- Diversified companies in essential sectors are operating at full capacity.
- Port related warehouses remain full, although port related trucking operations are seeing a reduction in business. We anticipate steady growth in port related activity fueled in part by the west to east coast shift.
- Production stoppages for just in time manufacturers, such as Volvo and Mercedes Benz, force 3PL's and sequencers to absorb additional space.
- Boeing production stoppages are the exception as their suppliers are largely located outside the Charleston area.

CHARLESTON'S INVESTMENT MARKET

- The most significant sale of the first quarter was the Weston acquisition of the Carolina Industrial portfolio. The portfolio included 40 buildings with 5.5 million square feet. Two buildings totaling approximately 334,463 square feet were located in the Charleston area with the rest across South Carolina.
- Investment demand and property level fundamentals remain strong in Charleston and the southeast. We expect a short pause in investment activity until debt markets fully recover followed by an upswing in capital flows.

CHARLESTON'S INDUSTRIAL OUTLOOK STRONG & STABLE



Charleston remains one of the most beautiful areas in the world to live, work and play and will continue to grow in population due to the quality of life and job opportunities.



The industrial market will remain stable for our local, regional and national economy.



E-commerce will gradually grow as the population grows.



Rental rates and absorption will be stable over the next quarter with a rapid increase in demand and absorption in the last quarter of 2020.

INDUSTRIAL OPPORTUNITIES



CLARIUS BUILDING I
Summerville/Jedburg
150,000 - 587,720 SF Available



SUMMERVILLE DISTRIBUTION COMPLEX
Summerville/Jedburg
24,000 - 180,000 SF Available



NORTHPOINTE COMMERCE PARK
Hanahan/N. Rhett
39,000 - 104,000 SF Available



2550 W. 5TH NORTH STREET
Summerville/Jedburg
50,000 - 600,000 SF Available



CHARLESTON LOGISTICS CENTER
Summerville/Jedburg
48,000 - 343,150 SF Available



1020 NORTHPOINTE INDUSTRIAL BLVD
Hanahan/N. Rhett
305,423 SF Available

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