

INDUSTRIAL MARKET REPORT

Q1 MARKET SNAPSHOT

TOTAL MARKET		BULK (100,000 SF+)	
	OVERALL INVENTORY* 59.7 MILLION SF		OVERALL INVENTORY* 37.9 MILLION SF
	VACANCY 0.5%		VACANCY 0.16%

Q1 CONSTRUCTION & DELIVERIES

	CONSTRUCTION 6.7 MILLION SF
	YTD DELIVERIES 4.4 MILLION SF

* 55.3 Million SF does not include 22.2 Million SF of specialized buildings.

Q1 TRENDS & HIGHLIGHTS

- CHARLESTON'S INDUSTRIAL VACANCY REACHED A NEW HISTORIC LOW OF 0.5%.
- RECORD HIGH DELIVERIES, YET, SQUARE FOOTAGE UNDER CONSTRUCTION IS UNABLE TO KEEP PACE WITH DEMAND.
- LIMITED LAND AND BUILDING SUPPLY CONTINUES TO PUT UPWARD PRESSURE ON RENTS.
- LEASING ACTIVITY INCREASING AS WELL AS THE SIZE OF TENANT REQUIREMENTS.
- INDUSTRIAL BUILDING SALES CONTINUE TO BE STRONG AT THE START OF 2022.
- CHARLESTON PORTS CONTINUE INCREASED GROWTH AND VOLUME.
- WALMART DELIVERS 3MSF FACILITY IN RIDGEVILLE.

Q1 SUBMARKET SUMMARY

AVERAGE ASKING RENTAL RATES BY BUILDING TYPE/CLASS



CLASS A BULK WAREHOUSE

100,000 - 350,000 SF
\$6.50 - \$7.50 PSF NNN

350,000 SF +
\$5.75 - \$6.50 PSF NNN



CLASS B WAREHOUSE

50,000 SF - 200,000 SF +
\$6.25 - \$7.25 PSF NNN

200,000 SF +
\$5.50 - \$6.25 PSF NNN

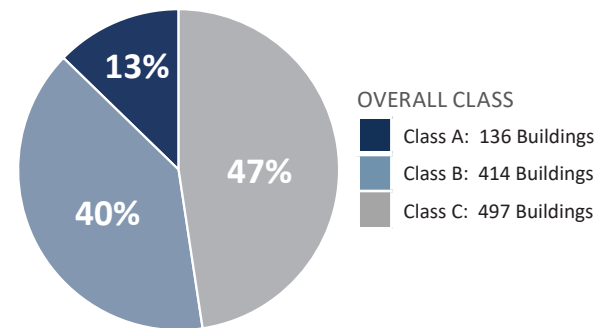
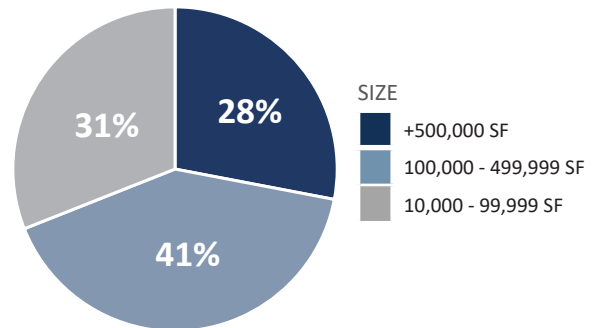
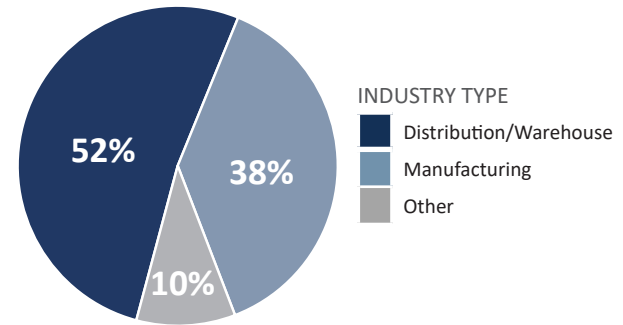


SHALLOW BAY

10,000 - 20,000 SF
\$9.00 - \$12.00 PSF NNN

20,000 - 40,000 SF
\$8.00 - \$11.00 PSF NNN

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



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

SUBMARKET	RBA SF	# OF BLDGS	TOTAL VACANT SF	VACANCY RATE	UNDER CONSTRUCTION SF	YTD DELIVERIES SF
Charleston/N. Charleston	16,839,332	487	218,852	1.30%	0	0
Hanahan/North Rhett	4,987,565	47	13,300	0.27%	0	0
Ladson/Palmetto	7,435,558	96	15,738	0.21%	1,780,760	0
Clements Ferry	5,754,118	108	0	0.00%	0	0
Summerville/Jedburg	16,206,823	178	29,615	0.18%	3,814,777	1,450,120
Goose Creek/Moncks Corner	3,475,057	48	0	0.00%	50,000	0
Other*	5,034,060	83	22,565	0.45%	1,097,114	2,978,091
TOTAL MARKET**	59,744,513	1,047	300,070	0.50%	6,769,651	4,428,211

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 (22.2 Million SF).

Source: Bridge Commercial

CHARLESTON'S INDUSTRIAL MARKET CONTINUES TO TIGHTEN

Q1 RECAP

- Charleston's industrial market continued its unprecedented low vacancy for the fourth straight quarter with current vacancy at 0.5%.
- Pre-leasing remains strong across building sizes, but particularly in larger buildings over 250,000 SF. The historic low supply creates the need for pre-leasing, particularly in bulk warehouses.
- High barriers to entry in the Charleston market combined with rising land and construction costs is driving rent growth particularly in new buildings.
- As the market continues to grow and expand outward, both investor and user sales continue to be strong despite interest rate increases.
- Supply chain issues still exist throughout U.S. ports: limited amount of qualified drivers and historically low vacancy rates at port-related industrial buildings.



CONTAINER COUNT GROWTH & PORT CONGESTION

- Container Annual Growth Rate (CAGR) for Charleston from 2010 - 2021 was 6.5%, the highest in the nation.
- Import TEU Volume increased 53% from March 2020 to March 2022.
- Container Dwell Time, the time containers are on terminal, has increased 24% from June 2021 to April 2022.
- Actions taken to reduce congestion include Sunday truck gate hours, port investment in 11,000 new chassis and barging for long dwell containers from the Wando to the Leatherman terminals. Also, the new Leatherman Terminal capacity will grow from 0.7 million TEU's to 2.4 million TEU's in 2030.
- Charleston has used several efficiency measures to slash the number of anchored vessels from 27 to five in two months — the lowest count of any major port along the U.S. East Coast.
- Harbor deepening project will finish in 2022 resulting in Charleston having a 24-hour unrestricted draft of 48' and a tide restricted draft of 52'.

6.5%
CAGR
HIGHEST IN
U.S.

2.4M
TEU'S BY
2030

52'
TIDE-
RESTRICTED
DRAFT

Source: scspa.com

UNPRECEDENTED DEMAND DRIVES EARLY COMMITMENTS TO NEW SUPPLY



USER-DEVELOPED

WALMART DISTRIBUTION FACILITY
The 3MSF facility in Ridgeville opened in April 2022.



100 % PRE-LEASED

**BERKELEY CHARLESTON TRADEPORT
BUILDING 2**
The SF building is 100% pre-leased.



100 % PRE-LEASED

**OMNI INDUSTRIAL CAMPUS
BUILDING #2**
The 364,000 SF warehouse building in Jedburg is 100% pre-leased.



USER-OWNED

JOFRAN / PROJECT BRIGHT
Jofran's 364,412 SF distribution facility off Old Dairy Road in Summerville.

INDUSTRIAL OPPORTUNITIES



OMNI INDUSTRIAL CAMPUS
Summerville/Jedburg
±971,580 SF Available



BERKELEY CHARLESTON TRADEPORT
Summerville/Jedburg
±929,000 SF Available (2 Buildings)



1130 NEWTON WAY (UNDER CONSTRUCTION)
Summerville/Jedburg
±265,000 SF Available



840 DROP OFF DRIVE
Summerville/Jedburg
±343,120 SF Available



1014 NORTHPOINTE INDUSTRIAL BLVD
Hanahan/N. Rhett
±127,199 SF Available



FREEZER/COOLER STORAGE
Ridgeville
±273,803 SF Available (Expandable)

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