

INDUSTRIAL MARKET REPORT

SOUTH CAROLINA PORTS CHARLESTON

Q2 MARKET SNAPSHOT

TOTAL MARKET



OVERALL INVENTORY*

53.9 MILLION SF

BULK (100,000 SF+)

OVERALL INVENTORY*

32.3 MILLION SF



VACANCY

4.2%

VACANCY

5.2%

Q2 CONSTRUCTION & DELIVERIES



CONSTRUCTION

6.7 MILLION SF



YTD DELIVERIES

494,727 SF

Q2 TRENDS & HIGHLIGHTS

- THE NATIONAL, REGIONAL AND LOCAL INDUSTRIAL MARKETS ARE IN AN UNPRECEDENTED PERIOD OF HIGH DEMAND AND LOW BUILDING SUPPLY.
- DEMAND IS BEING STIMULATED BY VARIOUS SOURCES & HAS NEVER BEEN GREATER THAN IT IS NOW.
- NEXT WAVE OF NEW DEVELOPMENT IS ON THE HORIZON WITH SOME POTENTIAL HEADWINDS.
- CAPITAL MARKETS ARE HUNGRY FOR INDUSTRIAL PRODUCT.
- THE CAPITAL MARKETS SURGE FOR INDUSTRIAL PRODUCT, INCLUDING BOTH FOR NEW DEVELOPMENT AND EXISTING BUILDINGS, IS DRIVING ACTIVITY AND UPWARD PRICING.
- INVESTMENT SALES SET NEW RECORDS.

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

Q2 SUBMARKET SUMMARY

AVERAGE ASKING RENTAL RATES BY BUILDING TYPE/CLASS



CLASS A BULK WAREHOUSE

100,000 - 350,000 SF
\$5.25 - \$5.75 PSF NNN

350,000 SF +
\$4.50 - \$4.90 PSF NNN



CLASS B WAREHOUSE

50,000 SF - 200,000 SF +
\$4.25 - \$4.85 PSF NNN

200,000 SF +
\$3.95 - \$4.15 PSF NNN

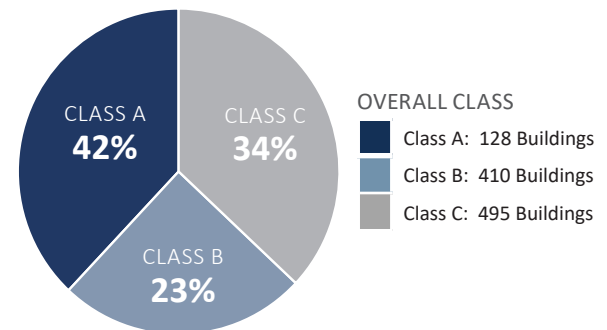
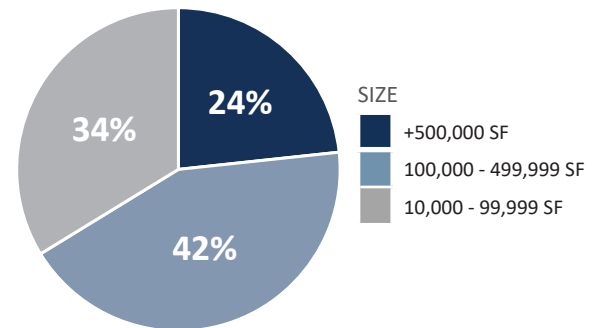
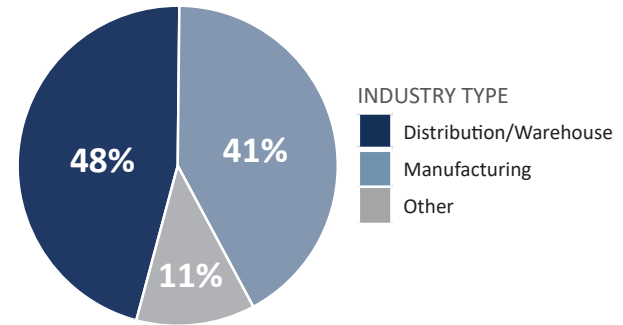


SHALLOW BAY

10,000 - 20,000 SF
\$7.50 - \$8.50 PSF NNN

20,000 - 40,000 SF
\$6.50 - \$7.50 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	16,762,212	485	685,941	4.1%	-	10,227
Hanahan/North Rhett	4,987,565	47	139,857	2.8%	-	-
Ladson/Palmetto	7,253,558	95	356,622	4.9%	1,099,200	47,500
Clements Ferry	5,732,518	107	383,343	6.7%	-	-
Summerville/Jedburg	13,692,238	170	603,910	4.4%	2,651,036	287,000
Goose Creek/Moncks Corner	3,475,087	47	30,000	0.8%	50,000	150,000
Other*	2,055,969	82	42,160	2.1%	2,978,091	-
TOTAL MARKET**	53,959,147	1,033	2,241,833	4.2%	6,778,327	494,727

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 (21.7 Million SF).

Source: Bridge Commercial

CHARLESTON'S INDUSTRIAL MARKET SEES NEXT WAVE OF NEW DEVELOPMENTS

INDUSTRIAL MARKETS IN UNPRECEDENTED PERIOD OF HIGH DEMAND AND LOW SUPPLY

- National, Regional and Local Industrial markets are all experiencing growth and creating new submarkets.
- Within the Charleston region, "outer ring" developments are coming online including the new emerging submarkets of Ridgeville and St. George, South Carolina. Growth in the market includes general distribution, manufacturing, refrigerated storage and transload facilities.

DEMAND IS BEING STIMULATED BY VARIOUS SOURCES

- Increasing e-commerce sales, formation of new continental supply chains due to reshoring and unforeseen events such as the Suez Canal lockdown and semiconductor supplier fire are creating both chaos and increasing demand.
- The South Carolina State Ports Authority is winning big and attracting new companies to the region with efficiency and consistency.

NEXT WAVE OF NEW DEVELOPMENT IS ON THE HORIZON WITH SOME POTENTIAL HEADWINDS

- New developments in 2022 and 2023 are expected to fill the market provided developers can overcome heightened permitting timeframes, tightening regulatory actions, natural limitation on labor availability and increased construction material costs.
- With new growth, the need for additional infrastructure including new roads, water, sewer and power is of paramount importance.

CAPITAL MARKETS ARE HUNGRY FOR INDUSTRIAL PRODUCT

- The industrial market continues to set industrial investment sales records on both cap rate and price per square foot, giving lift to all classes of industrial product.



INVESTMENT SALES SET NEW RECORDS

- Charleston's industrial investment sales market is consistently seeing cap rates in the low 4 - 5% range.
- With cap rates this low, the price per square foot for new and existing buildings has significantly increased.
- Leasing rates are expected to increase late 2021 and early 2022.



CHARLESTON TRADEPORT BUILDING

Summerville
136,500 SF
Confidential Sale Price
Class A warehouse facility leased to Thorne Research and APS.



LADSON INDUSTRIAL PARK - BUILDING I

Ladson/Palmetto
420,888 SF
\$47,000,000 or \$111/SF
Brand new Class A distribution facility that is leased to Daye North America.

INDUSTRIAL OPPORTUNITIES



7770 PALMETTO COMMERCE PKWY
Palmetto Commerce
±84,000 SF Available



BERKELEY CHARLESTON TRADEPORT BLDG 2
Summerville/Jedburg
±354,202 SF Available



CHARLESTON LOGISTICS CENTER
Summerville/Jedburg
±64,000 - 163,182 SF Available



2550 W. 5TH NORTH STREET
Summerville/Jedburg
±38,000 - 250,000 SF Available



1124 NEWTON WAY
Hanahan/N. Rhett
±171,846 SF Available



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

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