

INDUSTRIAL MARKET REPORT



Q4 MARKET SNAPSHOT

TOTAL MARKET



OVERALL INVENTORY*

55.3 MILLION SF

BULK (100,000 SF+)

OVERALL INVENTORY*

33.5 MILLION SF



VACANCY

1.8%

VACANCY

1.2%

Q3 CONSTRUCTION & DELIVERIES



CONSTRUCTION

9.5 MILLION SF



YTD DELIVERIES

1.7 MILLION SF

Q4 TRENDS & HIGHLIGHTS

- SOUTHEAST PORTS ARE THE DARLINGS OF THE INVESTMENT AND DEVELOPMENT SECTOR WITH HISTORIC LOW VACANCIES, ABUNDANT DEVELOPMENT PIPELINE, AND INSATIABLE CAPITAL CHASING INDUSTRIAL DEALS.
- THE PORTS OF CHARLESTON AND SAVANNAH OUTSHINE THE REST OF THE COUNTRY IN EFFICIENCY, PERFORMANCE AND GROWTH.
- INDUSTRIAL RECORDS ARE BEING BROKEN FOR LEASE RENTS AND LEASE UP PERIODS.
- THE LARGEST AMOUNT OF INDUSTRIAL GROWTH IN ONE PERIOD IS EXPECTED IN 2022.
- LIMITED SUPPLY IS DRIVING MUCH OF THE USER BASE TO CONSIDER EITHER A BUILD-TO-SUIT OR TO PRE-LEASE BUILDINGS THAT HAVE JUST COMMENCED CONSTRUCTION.
- CAP RATES ARE HOVERING AT 4% WITH THE PROSPECT OF GOING BELOW 4% FOR TROPHY ASSETS THAT ARE CLOSER TO THE PORT.

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

Q4 SUBMARKET SUMMARY

AVERAGE ASKING RENTAL RATES BY BUILDING TYPE/CLASS



CLASS A BULK WAREHOUSE

100,000 - 350,000 SF
\$5.50 - \$6.25 PSF NNN

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



CLASS B WAREHOUSE

50,000 SF - 200,000 SF +
\$5.25 - \$5.45 PSF NNN

200,000 SF +
\$5.00 - \$5.25 PSF NNN

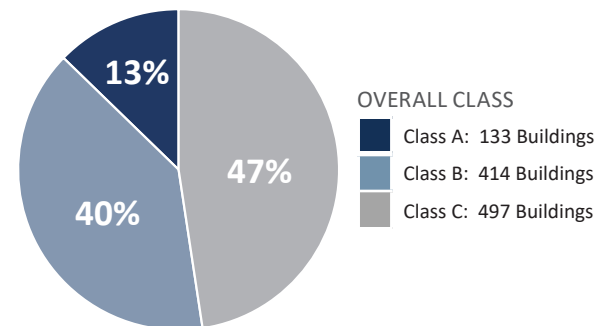
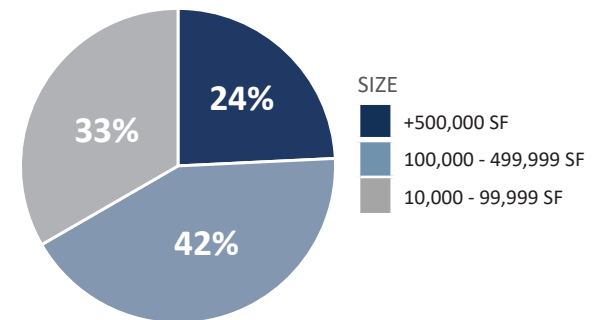
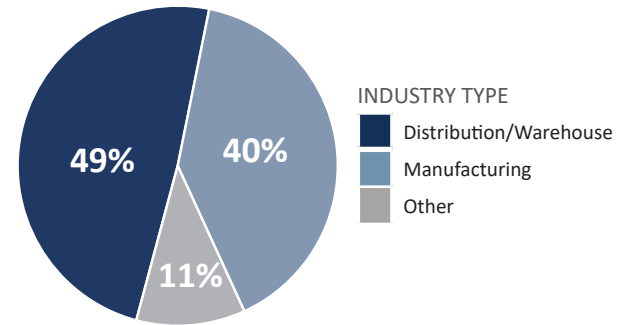


SHALLOW BAY

10,000 - 20,000 SF
\$8.00 - \$11.00 PSF NNN

20,000 - 40,000 SF
\$7.50 - \$9.00 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	398,134	2.3%	-	73,227
Hanahan/North Rhett	4,987,565	47	0	0.3%	126,000	-
Ladson/Palmetto	7,435,558	96	210,718	2.8%	1,764,760	229,500
Clements Ferry	5,754,118	108	54,429	0.9%	-	-
Summerville/Jedburg	14,756,703	176	268,595	1.8%	3,784,902	1,234,426
Goose Creek/Moncks Corner	3,475,087	48	30,000	0.9%	50,000	161,970
Other*	2,055,969	82	12,730	0.6%	3,917,705	-
TOTAL MARKET**	55,316,302	1,044	932,606	1.8%	9,517,367	1,699,123

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

RECORD BREAKING 2021 FOR CHARLESTON'S INDUSTRIAL MARKET

2021 RECAP

- New thresholds for land pricing and leasing costs have broken records with some of the lowest vacancy levels to date.
- A new wave of speculative and build-to-suit development is projected in 2022 to help with current short supply.
- Both domestic and international capital are finding ways to invest in Charleston's industrial market via land, speculative development or buying fully leased assets.
- South Carolina Ports Authority earned big wins throughout 2021. Walmart Distribution, one of the largest distribution buildings in the world, will open in Ridgville in Q1 2022.

2021 NOTABLE LEASE TRANSACTIONS

TENANT	PROPERTY	SF
Twin Star	Charleston Trade Center	1,019,000 SF
Confidential	1125 Newton Way	473,124 SF
Sagebrook	Charleston Trade Center	430,920 SF
Thorne	Omni Industrial Campus	360,000 SF
Confidential	Newton Way	343,000 SF
Confidential	1020 Northpointe Industrial	305,000 SF
Cali Bamboo	Berkeley Charleston Tradeport	259,000 SF
BAE (Renewal)	175 McQueen	258,000 SF
Unis	1301 Charleston Regional	200,000 SF
Blue Arrow	FTZ III	198,000 SF
Kontane (Renewal)	2310 Charleston Regional	188,000 SF
Design House	FTZ III	169,000 SF
Undisclosed	830 Drop Off Drive	163,000 SF
Undisclosed	9735 Patriot Boulevard	151,000 SF
Main Ocean (Sublease)	1023 Northpointe Industrial	145,000 SF
Geneva Supply	FTZ I	140,000 SF
Argents Express	Crosspoint	117,000 SF
Confidential	7770 Palmetto Commerce	112,320 SF
Thorne	Charleston Trade Center	110,000 SF

POTENTIAL OBSTACLES IN 2022

- Supply chain issues caused by COVID has delayed consumer goods and construction items; this trend is expected to continue in 2022 with the delay in overseas imports and lack of available workforce.
- Construction of new industrial product is being directly impacted by the supply chain problems and will continue to delay the delivery of needed industrial space.
- The influx of new tenants to the region trying to find lower cost, port-related solutions is forcing expansion into new markets along I-26 and I-95.
- There will be a short-term gap in first and second quarter 2022 before industrial supply starts to increase again.

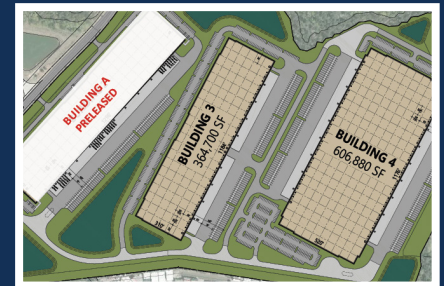
NOTABLE BUILDING & LAND TRANSACTIONS



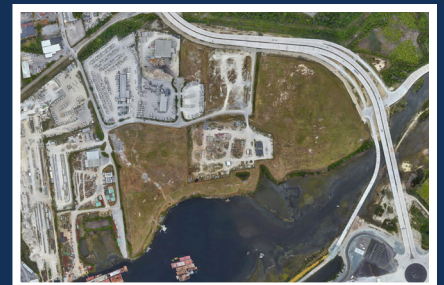
401 TRADE CENTER PARKWAY
1,019,200 SF sold for \$109 million.



7770 PALMETTO COMMERCE PARKWAY
196,540 SF sold for \$28,600,000.



OMNI INDUSTRIAL CAMPUS
±100 acres sold for \$22,088,000.



MACALLOY
±133 acres of industrial waterfront land sold for \$57,000,000.

INDUSTRIAL OPPORTUNITIES



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



BERKELEY CHARLESTON TRADEPORT BLDGS
Summerville/Jedburg
±1,100,000 SF Available (3 Buildings)



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



7770 PALMETTO COMMERCE PKWY
Summerville/Jedburg
±84,220 SF Available



1014 NORTHPOINTE INDUSTRIAL BLVD
Hanahan/N. Rhett
±125,585 SF Available



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

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