

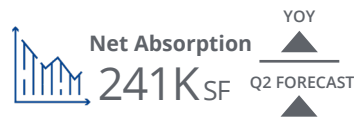


Charleston

Industrial
21Q1

Key Takeaways

- Despite new deliveries over the past year, the Charleston market posted positive absorption this quarter
- There are 2.1 million square feet delivering this year and another 4.8 million expected to deliver or break ground in the next 12 months
- Auto manufacturing ramps up in the Charleston market



Speculative construction is underway

Demand in the Charleston industrial market has been strong enough to begin speculative construction. However, with 2.1 million square feet delivering this year and another 4.8 million square feet scheduled to deliver or break ground in 2022, overall vacancy rates are expected to rise - even with positive absorption. Until some of the speculative construction is absorbed, rental rates will remain unchanged; however, rising construction costs will force rental rates upward.

Local Market Indicators



4.8%
Unemployment Rate



5.0%
GDP - Quarterly % Change Yr/Yr



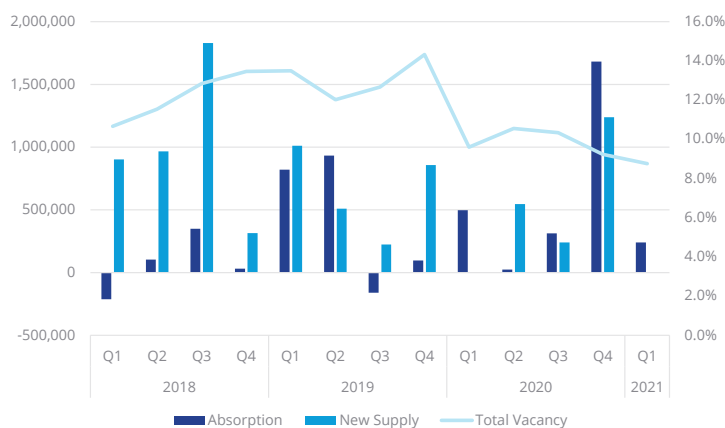
1.720%
U.S. 10 Year Treasury Note

Historic Comparison

	20Q1	20Q4	21Q1
Total Inventory* (in Millions of SF)	49.4	51.4	51.4
New Supply (in SF)	0	1.2K	0
Net Absorption (in SF)	496.8K	1.7M	240.6K
Overall Vacancy	9.6%	9.2%	8.8%
Under Construction (in Millions of SF)	2.1	5.2	5.8
Overall NNN Lease Rates (in \$/SF)	\$5.78	\$6.63	\$6.69

* Total inventory based on buildings 20K SF or larger

Absorption, New Supply & Vacancy Trends



Due to stable demand amidst steady construction deliveries over the past few years, the Charleston industrial vacancy rate trended downward. Demand is strong enough to continue absorbing new construction as it is completed in 2021.

Recent Transactions



Sale

537 Omni Industrial
Summerville | 588K SF



Sale

1017 Northpointe
Hanahan | 247K SF



Sale

Portside Distribution
Summerville | 189K SF



Lease

1020 Northpointe
Hanahan | 305K SF



Lease

553 Trade Center
Summerville | 115K S



Lease

4289 Crosspoint
N. Charleston | 104K SF

Sources: Colliers, CoStar

eSprinter Vans plans production

Innovative electronic vans are slated to begin production mid-year 2023 at the Mercedes-Benz eSprinter plant located in North Charleston. Retooling and retraining at the plant is currently underway. This new production line will likely bring supporting manufacturers and additional automotive users to the market.

Charleston Capital Investments

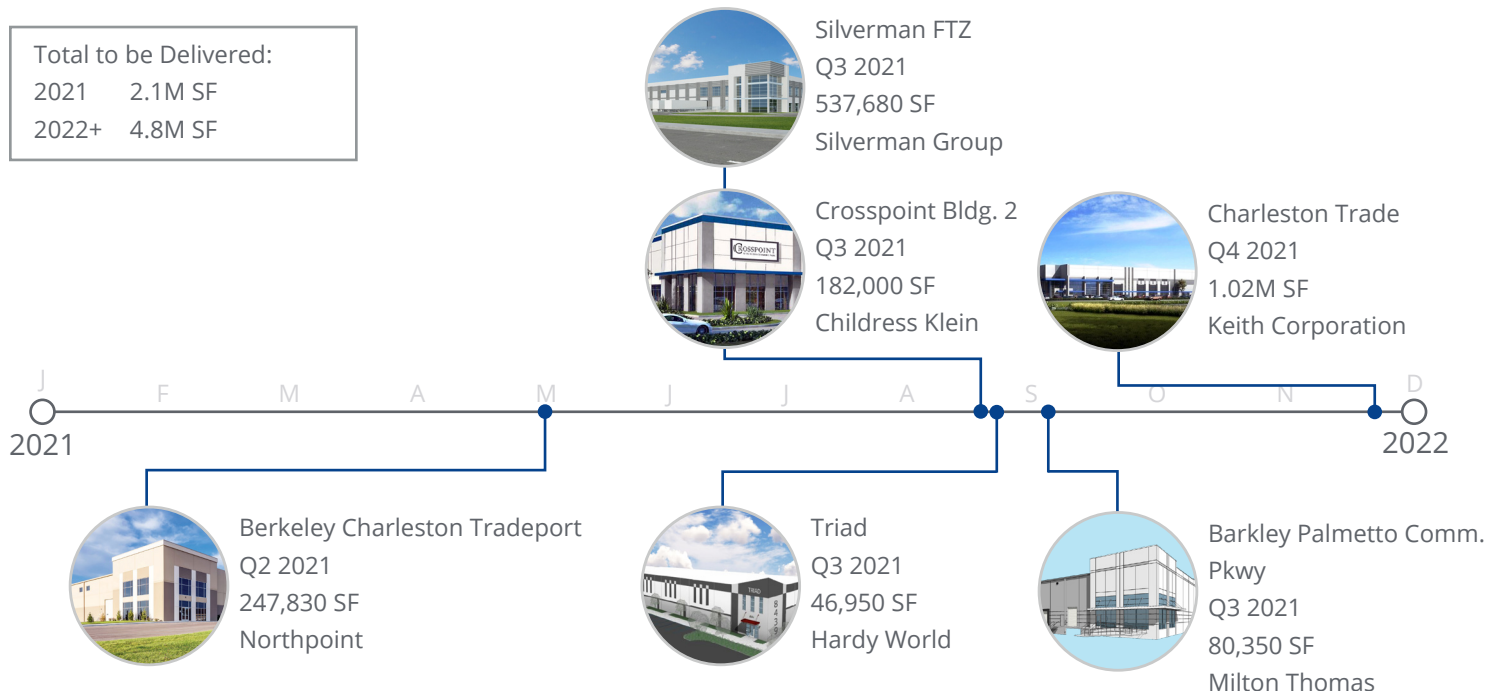
October 2020 - March 2021

Date	Company	Investment / Jobs	County	Industry
20-Oct	The Boeing Company	-	Charleston	Aerospace
20-Oct	Blue Acorn iCi	\$125M / -	Charleston	E-commerce
20-Oct	Vigilant Labs	\$104.6M / 400	Charleston	Medical manufacturing
20-Oct	Dockside Logistics	\$8.5M / 26	Dorchester	Logistics
20-Nov	Defense Engineering Services	\$1.1M / 18	Charleston	Engineering manufacturing
20-Nov	Baker Motor Company	\$25M / -	Berkeley	Automotive
20-Nov	Carver Maritime LLC	\$27.8M / 50	Charleston	Maritime logistics
20-Dec	Vikor Scientific LLC	\$1M / 148	Charleston	Medical diagnostics
21-Jan	Ray-Mont Logistics	\$16M / 85	Charleston	Logistics
21-Jan	Mainstream Pine Products	\$90M / -	Berkeley	Biorefinery
21-Feb	T-Mobile	\$10.2M / 540	Charleston	Call center
21-Mar	Google	\$500M / -	Berkeley	Data center

Sources: Colliers, CRDA

Development Pipeline

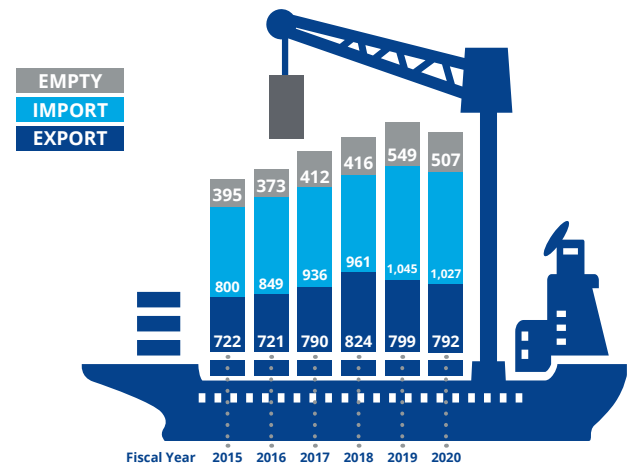
Charleston



Coastal Port Tonnage

The South Carolina Ports Authority is a dominant economic driver for the economy; it creates one in ten jobs within the State and approximately \$63 billion in annual economic activity. The South Carolina Ports volume of 2.32 million twenty-foot equivalent container units (TEUs) was down 2.8% from the previous fiscal year. Container volume is likely to rebound in 2021 due to the recent opening of the Hugh K. Leatherman terminal in April, which will increase overall port capacity.

Port of Charleston
Annual Twenty-foot Equivalent Unit Volume
(in Thousands)

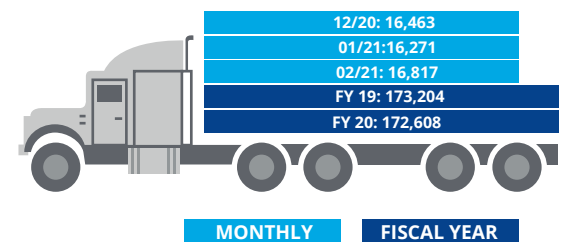


Source: South Carolina Ports Authority

Inland Port Tonnage

South Carolina Ports Authority reported the highest February in history for both rail moves and cargo volumes at inland ports. The two inland terminals both reported record activity in February. Inland Port Greer, located in the Upstate, reported 13,749 rail moves in February for a total of 99,920 rail moves in fiscal year 2020, a year-over-year increase of almost 18%. Inland Port Dillon reported 3,068 rail moves in February for a total of 22,893 rail moves in fiscal year 2020, up 22%.

Inland Port Greer & Inland Port Dillon
Annual Twenty-foot Equivalent Unit Volume
(in Thousands)



Source: South Carolina Ports Authority

Infrastructure Improvements

South Carolina

Project Name	Project Type	Description	Status	Estimated Completion Date
Hugh K. Leatherman	Port	Additional North Charleston container terminal	Open	Q1 2021
Charleston International Airport	Airport	Adding a third concourse	Construction to begin Q4 2021	Q4 2023
I-26 Widening	Road	I-26 widening from four to six lanes from mile marker 85 to 101	Under construction	2024
I-85 Widening	Road	I-85 expansion in Spartanburg and Cherokee Counties	Under construction	2021
I-20 Widening	Road	I-20 widening from four to six lanes from mile marker 49 to 60	Under construction	Q3 2021
Carolina Crossroads I-26/I-20/I-126	Road	I-26 from Exit 101 to Exit 107, I-20 from Exit 61 to Exit 65 & I-126 from Exit 107 to Colonial Life Boulevard	Right of way purchase	2030

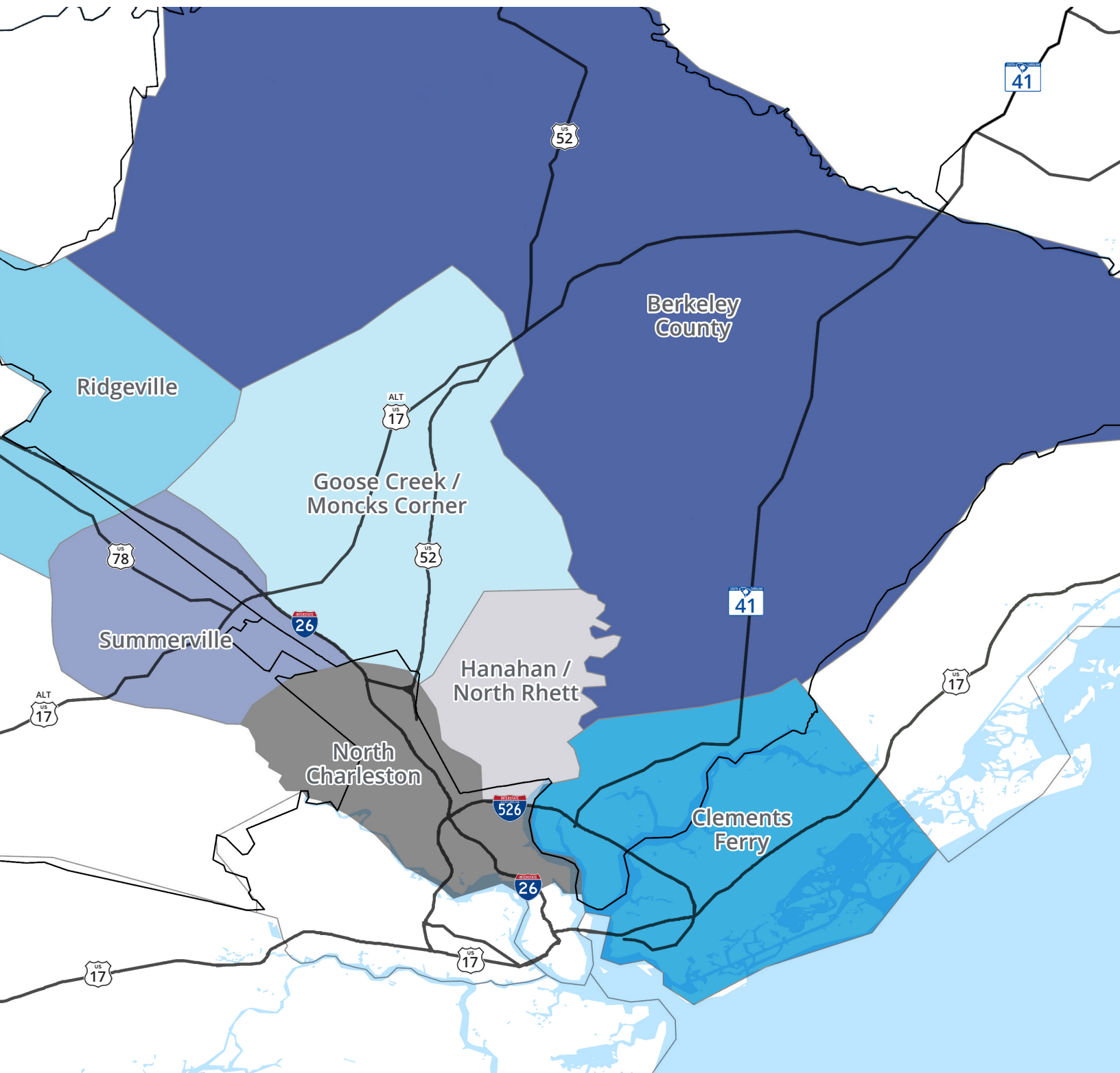
Source: SCDOT, South Carolina Ports Authority

Charleston | Q1 2021 Industrial Market Summary



Market	Buildings	Inventory (SF)	Direct Vacant (SF)	Sublease Vacant (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Net Absorption (SF)	Average Asking Rental Rate (SF/YR)
Berkeley County								
Flex/R&D	1	48,000	24,000	-	24,000	50.00%	-	\$12.00
Manufacturing	-	-	-	-	-	-	-	-
Warehouse/Distribution	7	1,428,638	189,418	-	189,418	13.26%	582	-
Berkeley County Total	8	1,476,638	213,418	-	213,418	14.45%	582	\$12.00
Clements Ferry								
Flex/R&D	9	301,883	126,907	-	126,907	42.04%	-48,440	\$9.82
Manufacturing	9	462,737	-	-	-	0.00%	22,297	-
Warehouse/Distribution	33	4,169,988	308,948	206,760	515,708	12.37%	46,297	\$9.96
Clements Ferry Total	51	4,934,608	435,855	206,760	642,615	13.02%	20,154	\$9.86
Goose Creek / Moncks Corner								
Flex/R&D	9	1,382,951	-	-	-	0.00%	-	-
Manufacturing	12	2,868,567	35,000	-	35,000	1.22%	-	-
Warehouse/Distribution	16	1,506,941	-	-	-	0.00%	-	-
Goose Creek/Moncks Corner Total	37	5,758,459	35,000	-	35,000	0.61%	-	-
Hanahan / North Rhett								
Flex/R&D	1	33,594	-	-	-	0.00%	-	-
Manufacturing	5	738,383	305,423	-	305,423	41.36%	-	\$5.80
Warehouse/Distribution	30	3,757,416	104,000	-	104,000	2.77%	102,143	\$5.75
Hanahan / North Rhett Total	36	4,529,393	409,423	-	409,423	9.04%	102,143	\$5.79
North Charleston								
Flex/R&D	23	984,013	41,761	-	41,761	4.24%	23,689	-
Manufacturing	39	2,675,321	43,617	-	43,617	1.63%	-	\$7.95
Warehouse/Distribution	172	14,992,883	1,623,331	25,000	1,648,331	10.99%	92,664	\$7.06
North Charleston Total	234	18,652,217	1,708,709	25,000	1,733,709	9.29%	116,353	\$7.07
Ridgeville								
Flex/R&D	-	-	-	-	-	-	-	-
Manufacturing	1	660,000	-	-	-	0.00%	-	-
Warehouse/Distribution	-	-	-	-	-	-	-	-
Ridgeville Total	1	660,000	-	-	-	0.00%	-	-
Summerville								
Flex/R&D	5	415,421	-	-	-	0.00%	-	-
Manufacturing	29	2,970,286	-	-	-	0.00%	-	-
Warehouse/Distribution	65	9,380,019	1,052,100	92,000	1,144,100	12.20%	-18,968	\$5.65
Summerville Total	99	12,765,726	1,052,100	92,000	1,144,100	8.96%	-18,968	\$5.65
Other Submarkets								
Flex/R&D	14	672,710	-	-	-	0.00%	20,360	-
Manufacturing	9	853,385	-	-	-	0.00%	-	-
Warehouse/Distribution	23	1,133,061	328,312	-	328,312	28.98%	-	\$5.85
Other Submarkets Total	46	2,659,156	328,312	-	328,312	12.35%	20,360	\$5.85
Charleston Overall Market								
Flex/R&D	62	3,838,572	192,668	-	192,668	5.02%	-4,391	\$10.17
Manufacturing	104	11,228,679	384,040	-	384,040	3.42%	22,297	\$5.99
Warehouse/Distribution	346	36,368,946	3,606,109	323,760	3,929,869	10.81%	222,718	\$6.58
Market Total	512	51,436,197	4,182,817	323,760	4,506,577	8.76%	240,624	\$6.69

Submarket Map



396 offices in 68 countries on 6 continents

United States: 153

Canada: 29

Latin America: 24

Asia Pacific: 79

EMEA: 111



\$3.3B
in revenue



2B
square feet under management



17,000 +
professionals and staff

In January 2021, Colliers International benchmarked its industrial data set statewide. The new standard for collection is all industrial buildings 20,000 square feet or larger that can be readily adapted to an alternative industrial use. All properties were placed into a revised set of markets and submarkets and divided into three categories. Warehouse/Distribution, a facility primarily used for the storage or distribution or both of materials, goods and merchandise. Manufacturing, a facility used for the conversion, fabrication or assembly of raw or partly wrought materials into products or goods. Flex/R&D, a building designed to be used in a variety of ways with at least 30% of the rentable building area used as office. It is usually located in an industrial park setting. Specialized flex buildings can include service centers, showrooms, offices, warehouses and more. Due to the adjustments of the building inventory, comparison of data included in previously published market reports should be avoided.

About Colliers South Carolina

Colliers | South Carolina has over 150 staff members, including 62 licensed real estate professionals, covering the entire state with locations in Charleston, Columbia, Greenville and Spartanburg. Total 2020 brokerage volume exceeded \$533 million, which included over 456 sales and leasing transactions. In addition to traditional commercial real estate representation services for our clients, the company is actively engaged in Corporate Solutions and Healthcare Services. Colliers is an Accredited Management Organization (AMO) through the Institute of Real Estate Management (IREM) and is the largest manager of commercial real estate properties in South Carolina, with a portfolio of over 16 million square feet of office, industrial, retail and healthcare properties. Colliers International's staff hold 49 professional designations, the most of any firm in South Carolina. Colliers | South Carolina's partner, LCK, provides project management services for new facilities and renovations across South Carolina.

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