

# INDUSTRIAL MARKET REPORT

## Q1 MARKET SNAPSHOT

### TOTAL MARKET



OVERALL INVENTORY\*

**53.5 MILLION SF**

### BULK (100,000 SF+)

OVERALL INVENTORY\*

**32.0 MILLION SF**



VACANCY

**4.5%**

VACANCY

**5.2%**

## Q1 CONSTRUCTION & DELIVERIES



CONSTRUCTION

**5.8 MILLION SF**



YTD DELIVERIES

**160,000 SF**

\* 53.4 Million SF does not include 21.7 Million SF of specialized buildings.

## Q1 TRENDS & HIGHLIGHTS

- WALMART DISTRIBUTION CENTER ATTRACTING OTHER USERS AND ESTABLISHING RIDGEVILLE AS A VIABLE INDUSTRIAL SUBMARKET.
- HUGE PORT INFRASTRUCTURE STRIDES ARE ATTRACTING WEST COAST AND NORTHEAST SHIPPERS.
- TARIFFS ARE DRIVING SOME HOME GOODS MANUFACTURING AND DISTRIBUTION TO THE SOUTHEAST.
- NEW COLD STORAGE FACILITIES WILL BE CONSTRUCTED IN 2021/2022.
- CONSTRUCTION PRICE INCREASES ARE NOT DETERRING SPEC DEVELOPMENT.
- CLASS A BUILDING SALES REFLECT RECORD SETTING CAP RATES.

## Q1 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

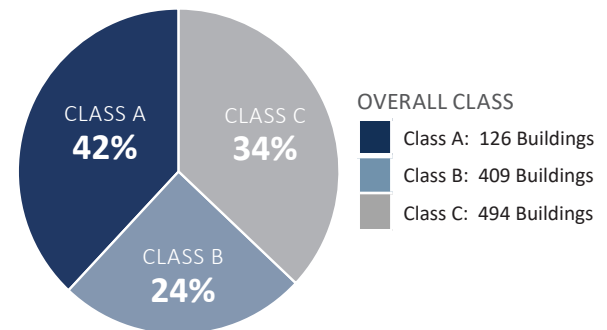
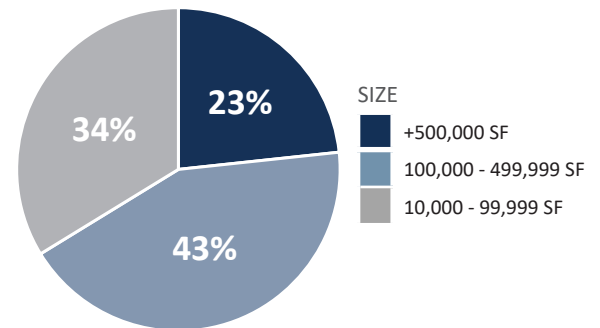
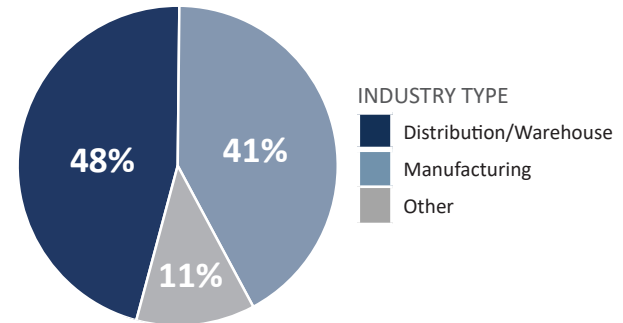


#### SHALLOW BAY

**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  | 16,736,125        | 484          | 872,697          | 5.2%         | -                     | 10,227            |
| Hanahan/North Rhett       | 4,987,565         | 47           | 139,857          | 2.8%         | -                     | -                 |
| Ladson/Palmetto           | 7,205,506         | 95           | 353,540          | 4.9%         | 309,500               | -                 |
| Clements Ferry            | 5,684,518         | 106          | 267,737          | 4.7%         | -                     | -                 |
| Summerville/Jedburg       | 13,405,238        | 168          | 758,379          | 5.7%         | 2,507,116             | -                 |
| Goose Creek/Moncks Corner | 3,475,087         | 47           | 30,000           | 0.9%         | 50,000                | 150,000           |
| Other*                    | 2,053,059         | 82           | 13,250           | 0.6%         | 2,978,091             | -                 |
| <b>TOTAL MARKET**</b>     | <b>53,547,098</b> | <b>1,029</b> | <b>2,435,460</b> | <b>4.5%</b>  | <b>5,844,707</b>      | <b>160,227</b>    |

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



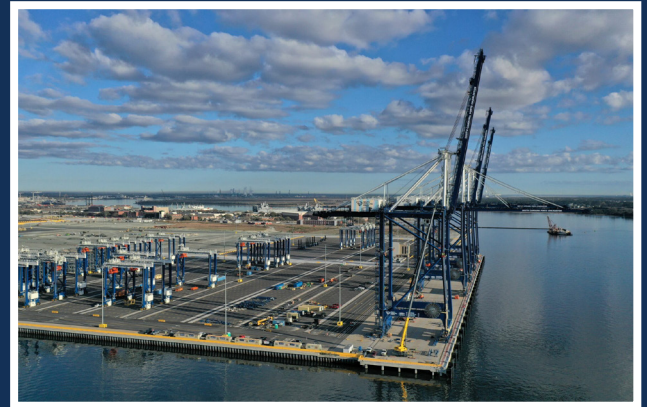
## FULL STEAM AHEAD FOR CHARLESTON'S INDUSTRIAL MARKET

### Q1 2021 RECAP

- Continued user demand is creating growth in the Ridgeville submarket. Recent and upcoming additions include:
  - **Volvo**, 2MSF with growth planned
  - **Walmart**, 3MSF under construction
  - **Magnus Development**, 157,500 SF in permitting
  - **RealtyLink**, 400,000 SF in planning
  - **Exeter**, 900,000 SF in planning
- A major driver for industrial demand is domestic growth of international manufacturers. Companies are shifting to a continental supply chain, and tariffs are going into place on various goods manufactured overseas. The first phase for these firms' relocation is to bring inventory into the U.S., and the second is to create domestic manufacturing facilities.
- With increased demand for fresh foods delivered to homes, food supply chains are shifting to meet the expanding direct to consumer economy. The food shift is leading to an increased need for port and population proximate freezer / cooler warehouses.
- Material prices are rising rapidly, leading to a sharp increase in industrial construction pricing. That trend has not deterred industrial developers since demand will continue to justify additional supply.
- Capitalization rates continue to fall and prices rise for industrial product, particularly for port markets in the southeast. The capital markets value the shift toward increased warehousing and manufacturing across the country.



## DRAMATIC EXPANSION IMPROVEMENTS IN PORT INFRASTRUCTURE



### OPENING OF THE NEW LEATHERMAN TERMINAL

- The port's Wando Welch Terminal is reaching the 2.4 million TEU capacity limit.
- The new terminal now provides an additional 700,000 TEU of capacity and currently one additional berth. The port will build two additional berths in 2025 and 2033, boosting the annual terminal capacity to 2.4 million TEU, matching the Wando Welch Terminal. The berth can handle up to 20,000 TEU vessels.
- Ocean carriers that may want to temporarily switch their port rotations to stop in Charleston first.
- There are more than 50 very large container ships (VLCS) of at least 15,000 TEU ordered for delivery over the next two years.

### DREDGING PROJECT NEAR COMPLETION

- The dredging project to deepen the Charleston Harbor to 52 feet should be completed by the end of 2021.

### PROSPECTIVE BARGE PROJECT

- A \$550 million capital request from the SCPA would provide funding for an intermodal yard and barge service to the Leatherman Terminal. High priority, time sensitive containers would still be hauled by truck from Wando to Leatherman, but less timely cargo would be carried by barge.

Q1 2021 INDUSTRIAL PIPELINE

UNDER CONSTRUCTION



**1130 NEWTON WAY**  
Scannell Properties  
Summerville/Jedburg  
±265,000 SF



**CROSSPOINT**  
Childress Klein  
Ladson/Palmetto  
±182,000 SF



**BERKELEY CHARLESTON TRADEPORT BLDG 2**  
NorthPoint  
Summerville/Jedburg  
±352,000 SF



**CHARLESTON TRADE CENTER**  
Keith Corporation  
Summerville/Jedburg  
±1,019,200 SF



**FOREIGN TRADE ZONE BLDG 3**  
Silverman Group  
Summerville/Jedburg  
±537,680 SF



**WALMART**  
Walmart  
Ridgeville  
±3,000,000 SF

PLANNED



**SAMET BUILDING III**  
Samet  
Summerville/Jedburg  
±117,000 SF



**LADSON INDUSTRIAL PARK**  
Robinson Weeks  
Ladson/Palmetto  
±305,760 SF



**LOGISTICS PARK CAMP HALL**  
Exeter  
Other  
±504,010 SF & ±220,775 SF & ±220,775 SF



**NORTHPOINTE COMMERCE PARK**  
North Signal  
Hanahan/N Rhett  
±125,000 SF



**TRADEPARK EAST**  
Trinity Capital  
Ladson/Palmetto  
±342,160 SF



**VANTAGE POINT I**  
Magnus Development  
Summerville/Jedburg  
±157,500 SF



## INDUSTRIAL OPPORTUNITIES



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



**BERKELEY CHARLESTON TRADEPORT BLDG 2**  
Summerville/Jedburg  
±352,000 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

## INDUSTRIAL ADVISORS



HAGOOD MORRISON, SIOR, MBA, CRE  
Executive Vice President  
hagood.morrison@bridge-commercial.com



PETER FENNELLY, MCR, SIOR, SLCR  
President  
peter.fennelly@bridge-commercial.com



SIMONS JOHNSON, SIOR, MCR, CCIM  
Executive Vice President  
simons.johnson@bridge-commercial.com



JOHN BEAM  
Associate Vice President  
john.beam@bridge-commercial.com



WILL CROWELL  
Senior Associate  
will.crowell@bridge-commercial.com

## INVESTMENT SALES



HAGOOD S. MORRISON, II, SIOR  
Vice President, Investment Sales  
hs.morrison@bridge-commercial.com



SIGN UP FOR MARKET  
REPORTS AT

[WWW.BRIDGE-COMMERCIAL.COM](http://WWW.BRIDGE-COMMERCIAL.COM)

### BRIDGE COMMERCIAL

25 Calhoun Street, Suite 220  
Charleston, SC 29401  
+1 843 535 8600  
info@bridge-commercial.com

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

Bridge Commercial makes no guarantees, representations or warranties of any kind, expressed or implied, including warranties of content, accuracy and reliability. Any interested party should do their own research as to the accuracy of the information. Bridge Commercial excludes warranties arising out of this document and excludes all liability for loss and damages arising out of this document.

*Photo by: SC Ports/English Purcell*