

INDUSTRIAL MARKET REPORT

*PICTURE BELOW FEATURES OMNI INDUSTRIAL CAMPUS BUILDINGS 2,3, & 4



Q2 MARKET SNAPSHOT

TOTAL MARKET



OVERALL INVENTORY*

60.1 MILLION SF



VACANCY

0.6%

BULK (100,000 SF+)

OVERALL INVENTORY*

38.1 MILLION SF

VACANCY

0.1%

Q2 CONSTRUCTION & DELIVERIES



CONSTRUCTION

8.8 MILLION SF



YTD DELIVERIES

4.8 MILLION SF

Q2 TRENDS & HIGHLIGHTS

- LARGEST SPECULATIVE BUILDING SUPPLY IN MARKET HISTORY UNDERWAY TO MEET CONTINUED TENANT DEMAND.
- INDUSTRIAL SPACE DEMAND REMAINS STRONG THROUGH CHANGING ECONOMY.
- NEAR TERM DEMAND BOOST ANTICIPATED FROM LIFTING OF CHINESE COVID RESTRICTIONS.
- ONSHORE MANUFACTURING MOVEMENTS EXPECTED TO CONTINUE.
- NEW DEVELOPMENT IS UNDERWAY DESPITE COST INCREASES AND MATERIAL DELAYS.
- INDUSTRIAL OUTDOOR STORAGE (IOS) AND COLD STORAGE ARE HOT NEW SECTORS TO THE MARKET.

* 60.1 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
\$6.00 - \$7.75 PSF NNN

350,000 SF +
\$5.25 - \$6.25 PSF NNN



CLASS B WAREHOUSE

50,000 SF - 200,000 SF +
\$5.75 - \$6.75 PSF NNN

200,000 SF +
\$5.25 - \$5.75 PSF NNN

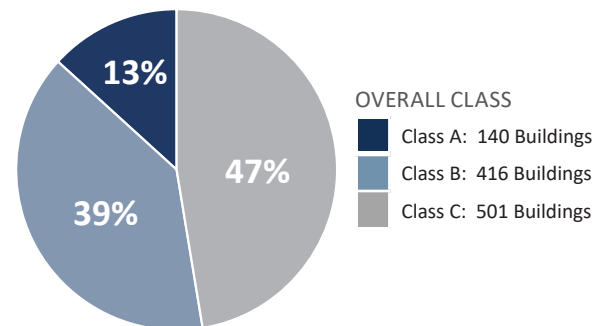
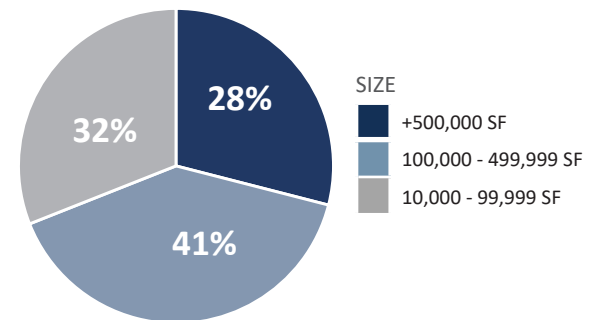
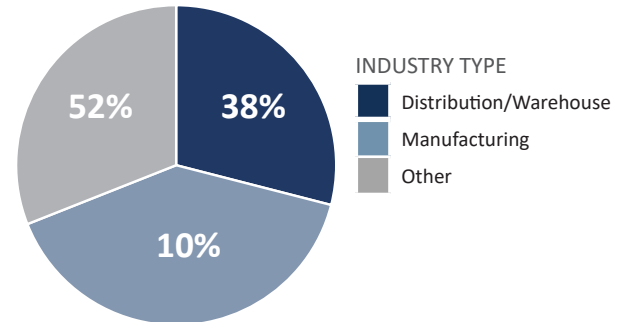


SHALLOW BAY

10,000 - 20,000 SF
\$10.00 - \$15.00 PSF NNN

20,000 - 40,000 SF
\$9.00 - \$13.00 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	16,915,690	491	223,976	1.32%	65,206	0
Hanahan/North Rhett	4,987,565	47	13,300	0.27%	127,000	0
Ladson/Palmetto	7,625,558	98	15,738	0.21%	2,168,305	190,000
Clements Ferry	5,754,538	108	30,596	0.53%	89,000	0
Summerville/Jedburg	16,291,636	181	85,313	0.52%	4,973,173	1,534,933
Goose Creek/Moncks Corner	3,537,057	49	0	0.00%	0	50,000
Other*	5,034,060	83	7,695	0.15%	1,397,114	2,978,091
TOTAL MARKET**	60,146,104	1,057	376,618	0.63%	8,819,798	4,753,024

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

Q2 2022 RECAP

- Vacancy continues to remain dramatically low at less than 1%, even with the new deliveries to the market in the second (2nd) quarter.
- Numerous new developments for distribution and manufacturing are coming online in the third (3rd) and fourth (4th) quarters even though the community has created new constraints on development.
- Rising interest rates are changing underwriting principles for investments and should remain buoyed by increasing rents in most asset classes and consistent tenant demand.
- Inflationary pressure from rising material and labor cost are increasing overall development cost for all future projects.
- South Carolina state tax changes recently passed legislation which has effectively lowered the assessment ratio for manufacturers from 9% to 6%, which is a big win for manufacturers.

PORT ACTIVITY

- Year over Year Stats: TEU counts for the fiscal year ending in June 2022 totaled ±2.85 million. Containers on terminal are up 24% from June 2021
- Disruptions: West Coast ILWU Port negotiations are underway. Impacts on East Coast Ports are yet to be seen. China has recently lifted its COVID restrictions allowing hundreds of container ships anchored outside of Chinese ports to resume operations and transport goods to the global markets.
- Forecast: West Coast union negotiations coupled with increased supply of cargo ships will benefit all East Coast ports' TEU volume, but that may strain East Coast port efficiencies in the short-term.

NEW CATEGORIES

- Two new categories of product are coming to the region including Industrial Outdoor Storage (IOS) and Cold Storage.
- IOS is a subcategory that consist of smaller service buildings with additional land for the storage of containers, equipment, or machinery. Continued restrictions on zoning and land use has made this product scarce and highly valuable.
- Cold Storage is another category that is very active in the region with new projects under construction in Camp Hall and on the Ridgeville Industrial Campus (SCSPA Campus). This activity is based upon new USDA regulation that has allowed food products into the Southeast ports that historically were not allowed requiring services such as bagging and repacking, fumigation, ripening. Additionally, there is growing demand for existing services on the frozen side such as blast freezing. This investment and development will help keep our food supply chain reliable, diverse and stable throughout the country in the long-term.

**LARGEST NEAR TERM
DELIVERIES Q3-Q4**



TRADE PARK EAST BLDG 1 & 3
±516,000 SF



NORTH POINTE COMMERCE PARK
±127,199 SF



1130 NEWTON WAY
±626,600 SF



OMNI SAMET
±127,000 SF



PORTMAN CAMP HALL A & B
±438,000 SF



LADSON INDUSTRIAL PARK 2 & 3
±507,000 SF



PORTSIDE DISTRIBUTION
±203,000 SF



OMNI INDUSTRIAL BLDG 4
±607,000 SF

INDUSTRIAL OPPORTUNITIES



OMNI INDUSTRIAL CAMPUS
Summerville/Jedburg
±971,580 SF Available (2 Buildings)



BERKELEY CHARLESTON TRADEPORT BLDG 3
Summerville/Jedburg
±354,000 SF Available



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



OMNI INDUSTRIAL PARK - SAMET BLDG 3
Summerville/Jedburg
±126,687 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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