

INDUSTRIAL MARKET REPORT



Q3 MARKET SNAPSHOT

TOTAL MARKET

OVERALL INVENTORY*
60.9 MILLION SF


VACANCY
0.5%

BULK (100,000 SF+)
OVERALL INVENTORY*
38.7 MILLION SF

VACANCY
0.0%

Q3 CONSTRUCTION & DELIVERIES


CONSTRUCTION
11.7 MILLION SF


YTD DELIVERIES
5.5 MILLION SF

Q3 TRENDS & HIGHLIGHTS

- VACANCY REMAINS AT AN ALL TIME LOW AND RENTAL RATES CONTINUE TO GROW
- CLASS A BULK BUILDINGS CONTINUE TO BE ABSORBED QUICKLY
- UPCOMING SUPPLY WILL ALLEVIATE PRESSURE ON THE MARKET
- INTEREST RATES CAUSE UNCERTAINTY IN CAPITAL MARKETS
- WEST COAST TO EAST COAST SHIFT CONTINUES

* 60.9 Million SF does not include 22.3 Million SF of specialized buildings.

Q3 SUBMARKET SUMMARY

AVERAGE ASKING RENTAL RATES BY BUILDING TYPE/CLASS



CLASS A BULK WAREHOUSE

100,000 - 350,000 SF
\$6.50 - \$7.50 PSF NNN

350,000 SF +
\$5.75 - \$6.50 PSF NNN



CLASS B WAREHOUSE

50,000 SF - 200,000 SF +
\$6.25 - \$6.50 PSF NNN

200,000 SF +
\$5.75 - \$6.25 PSF NNN

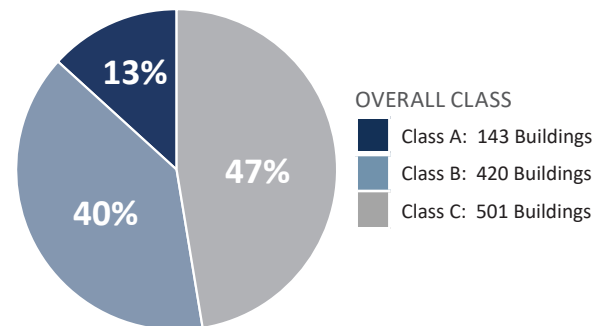
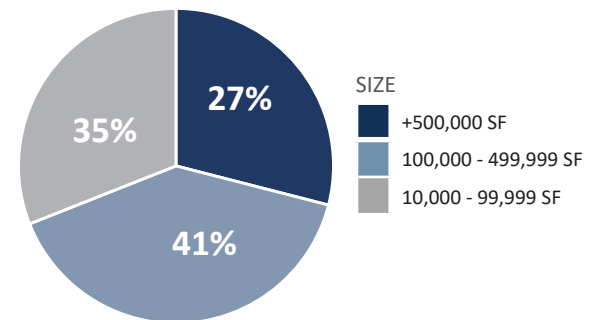
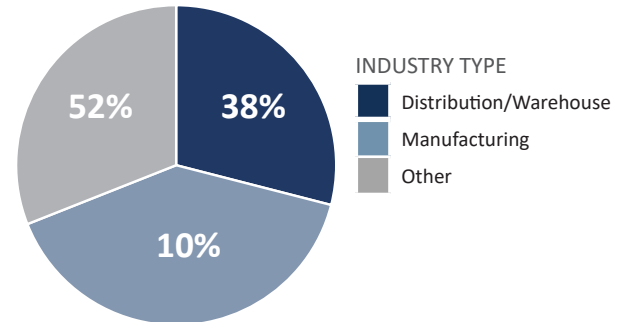


SHALLOW BAY

10,000 - 20,000 SF
\$11.00 - \$14.00 PSF NNN

20,000 - 40,000 SF
\$9.00 - \$11.00 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	16,948,186	493	75,554	0.45%	30,000	35,207
Hanahan/North Rhett	4,987,565	47	13,300	0.27%	127,000	-
Ladson/Palmetto	7,870,558	99	14,000	0.18%	1,923,305	435,000
Clements Ferry	5,843,538	109	59,066	1.01%	-	89,000
Summerville/Jedburg	16,696,424	184	119,880	0.72%	5,775,095	1,914,135
Goose Creek/Moncks Corner	3,537,057	49	-	0.00%	135,200	50,000
Other*	5,034,060	83	13,230	0.26%	3,749,246	2,978,091
TOTAL MARKET**	60,917,370	1,064	281,730	0.48%	11,739,846	5,501,433

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 (22.3 Million SF).

Source: Bridge Commercial

CHARLESTON'S INDUSTRIAL MARKET STRONG IN Q3

DEMAND

- As of the end of Q3, vacancies reached a new record low. Due to the continued strong demand, rental rates grew over the third quarter with both logistics and manufacturing driving leasing velocity.
- The logistics sector growth remains largely related to the growth in the South Carolina Port. On the manufacturing side, the automotive and advanced manufacturing sectors are growing including electric vehicle production and suppliers.
- Southeast population growth and new home formations show continued promise for port growth particularly in furniture, building products, and consumer goods.
- Construction costs for new developments and renovation projects continue to put upward pressure on rental rates. Tenants are more efficiently using their space to compensate for the higher costs.

SUPPLY

- Upcoming supply will provide opportunities for new and expanding businesses. Construction costs appear to be moderating, boding well for both costs and availability of materials.
- New industrial construction continues to grow with the metro area further west on Interstate 26. Ridgeville is the beneficiary of this growth with several new industrial developments occurring, particularly in Camp Hall.
- The industrial boom over the last two years caused more institutions to move to the Charleston market which we expect to spur additional new construction. We believe that trend to continue as the Charleston MSA continues to approach one million people.

CAPITAL MARKETS

- While the fundamentals of the leasing market remain strong, the industrial capital markets are expressing concern about the uncertainty caused by interest rate increases and potential rising capitalization rates.
- The strong tenant demand is helping offset the capital markets headwinds. We also believe costs are regulating in the near term.
- Land and investment sales are down in the near term, but developers and investors who are taking a longer term view on financing rates are still transacting.

PORT

- Shippers anticipate declines in import volumes for the rest of the year due to the perception of inventory overhang and lower consumer spending.
- West Coast marine terminal congestion is pushing more discretionary cargo to the East Coast. Perceived problems with labor disruptions also are contributing. The new AB5 Act which changes warehouse workers and drivers classifications away from "independent contractors" is also creating uncertainty among West Coast shippers.

Q3 NOTABLE LEASE TRANSACTIONS



9785 PALMETTO COMMERCE PKWY
EFL Freight leased approximately 209,045 SF.
**Photo courtesy of Loopnet.*



TRADEPARK EAST BUILDING 1
MD3PL leased approximately 343,160 SF.
**Photo courtesy of www.tradeparkeast.com*



TRADEPARK EAST BUILDING 4
Wyse Logistics leased approximately 145,600 SF.



TRADEPARK EAST BUILDING 2
Bintelli leased approximately 174,720 SF.

INDUSTRIAL OPPORTUNITIES



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



259 DROP OFF DRIVE
Summerville/Jedburg
±126,687 SF Available



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



PORT 95
St. George (Other)
±1,219,772 SF Available



1014 NORTHPOINTE INDUSTRIAL BLVD
Hanahan/N. Rhett
±85,510 SF Available



2660 CARNER AVENUE
Charleston/North Charleston
±50,000 SF Available

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