

INDUSTRIAL MARKET REPORT



Q4 MARKET SNAPSHOT

TOTAL MARKET



OVERALL INVENTORY*

62.1 MILLION SF

BULK (100,000 SF+)

OVERALL INVENTORY*

39.8 MILLION SF

VACANCY

0.6%

VACANCY

0.2%



Q4 TRENDS & HIGHLIGHTS

- 2022 HAS BEEN ONE OF THE BEST YEARS FOR CHARLESTON'S INDUSTRIAL MARKET.
- OVER 6 MILLION SF OF INDUSTRIAL PRODUCT WAS DELIVERED IN 2022.
- ANTICIPATED DELIVERIES FOR 2023 AND 2024 ARE EXPECTED TO EXCEED OVER 12 MSF.
- VACANCY REMAINED IN THE LOW SINGLE DIGITS THROUGHOUT 2022.
- THE SOUTH CAROLINA PORTS AUTHORITY HAS GROWN THE CONTAINERIZED CARGO BUSINESS IN 2022.
- SIGNIFICANT MANUFACTURING AND ECONOMIC DEVELOPMENT ANNOUNCEMENTS ARE SHOWING THE BEGINNING OF THE "ELECTRIFICATION OF AMERICA" INITIATIVE.

Q4 CONSTRUCTION & DELIVERIES



CONSTRUCTION

13.9 MILLION SF



YTD DELIVERIES

6.6 MILLION SF

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

Cover photo:
Omni Industrial Campus in Summerville. Two of the three buildings are available totaling ±971,580 SF.

Q4 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

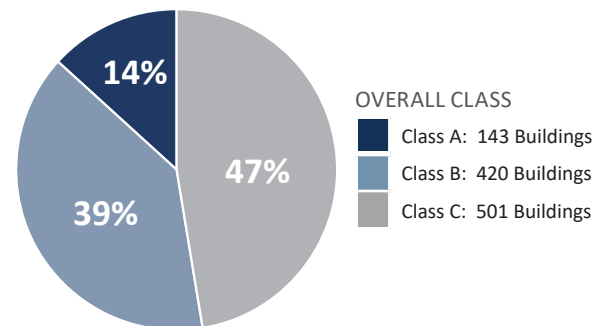
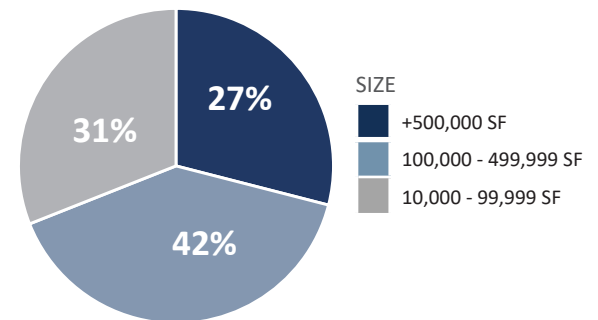
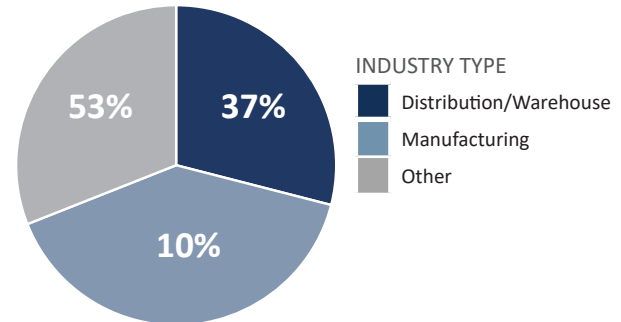


SHALLOW BAY

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	16,948,168	493	103,216	0.61%	80,000	35,207
Hanahan/North Rhett	4,987,565	47	13,300	0.27%	127,000	-
Ladson/Palmetto	8,900,758	104	47,500	0.53%	2,422,945	1,465,200
Clements Ferry	5,843,538	109	30,596	0.52%	-	89,000
Summerville/Jedburg	16,696,424	184	193,718	1.16%	6,309,176	1,914,135
Goose Creek/Moncks Corner	3,537,057	49	-	0.00%	135,200	50,000
Other*	5,191,560	84	36,260	0.70%	4,904,266	3,135,591
TOTAL MARKET**	62,105,070	1,070	424,590	0.68%	13,978,587	6,689,133

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

ALL FACETS OF CHARLESTON'S INDUSTRIAL MARKET WERE STRONG IN 2022 DESPITE INFLATION, RISING INTEREST RATES

INDUSTRIAL TRENDS

- All trends for industrial development were positive in 2022. The year has been the best year in industrial growth and development for the region.
- Rental rates are up over 20% year-over-year and vacancy is down and hovers under 1%.
- Currently the development pipeline has twice as many starts than all of the 2022 deliveries totaling approximately 13.9 million square feet.

INDUSTRIAL CONSTRUCTION

- The supply chain continues to be a lingering problem for developers and contractors.
- The lead time for building materials and mechanical equipment push construction schedules on average from 12 months to over 18 months for deliveries.
- This trend significantly increased the overall cost of development and directly effected rental rates.

SOUTH CAROLINA PORTS AUTHORITY

- 2022 was a record year for the SCSPA with annual TEU volume totaling over 2.8 million.
- The port deepening project to 52' was completed, which opens the door for larger ships and more opportunity for Charleston.
- The new Leatherman Terminal opened and will add much needed capacity.
- Cargo shipment velocity stabilized in late 2022 and many shippers welcomed this change from the fast pace of 2021 and early 2022. They are using this as an opportunity to reset their global supply chains and southeastern ports will be a beneficiary of this change.

ECONOMIC DEVELOPMENT

- Throughout the tri-county area, some of the region's largest manufacturers and a number of new high-profile companies are building facilities over the next few years and have announced job opportunities.
- 2022 could be known as the year of the "Electrification of America" with many announcements for new automotive, battery and recycling plants throughout the Southeast, specifically along the I-95 corridor.
- The region will be challenged with shortfalls in STEM educated employees.

REGIONAL AUTO / EV EXPANSIONS



REDWOOD MATERIALS

Recycles anode and cathode battery components and remanufactures them into materials for EV battery makers. The company is setting up operations in Camp Hall Industrial Park.



VOLVO EXPANSION

Volvo XC90 production begins at the Volvo Campus. Volvo readying for the all electric Polestar production line.



ENVISION AESC

Leading Japanese EV battery company is building a state-of-the-art battery cell gigafactory in Florence County totaling 1.5 MSF.



KONTROLMATIK

Kontrolmatik will be building a facility in Colleton Industrial Campus near Walterboro where they will manufacture battery energy storage systems (BESS).



HYUNDAI

Hyundai Mobis will build an EV plant outside of Savannah. Many suppliers will set up in South Carolina.



BMW

BMW announced it will spend \$1 billion in expanding the South Carolina plant readying it for production of the six fully electric BMW X models.

INDUSTRIAL OPPORTUNITIES



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



PORT CITY CENTRE
Summerville/Jedburg
±646,230 SF Available (3 Buildings)



DORCHESTER COMMERCE CENTER
Summerville/Jedburg
±534,081 SF Available (2 Buildings)



PORT 95
St. George
±1,219,772 SF Available (3 Buildings)



CHARLESTON LOGISTICS CENTER
Summerville/Jedburg
±343,120 SF Available



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

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