



Charleston Industrial 21Q4

Key Takeaways

- A growing population, strong logistics and compelling, ever-improving infrastructure will lead to strong ongoing industrial growth in Charleston
- New construction continues to be absorbed quickly and proposed buildings will begin construction expeditiously to meet exploding demand



Charleston's industrial growth will likely continue for years

Charleston is readying itself for steady industrial growth in the coming years. Major employers are cognizant of the necessity to locate near industrial hubs that boast a growing population able to provide a viable workforce and local governments that welcome their arrival. Charleston's economic, cultural, historic and quality of life appeal explains why its population continues to increase exponentially year-over-year. That fact is substantiated by the 4,900+ multifamily units currently under construction to meet its increasing housing demand. Its logistically convenient location to both state-of-the-art coastal and inland port systems enables ease of distribution to a large portion of the country. The past two years have affirmed the strength of Charleston as its port continues to be a backbone for a wide array of companies committed providing a better response to evolving consumer spending patterns and supply chain challenges.

Local Market Indicators

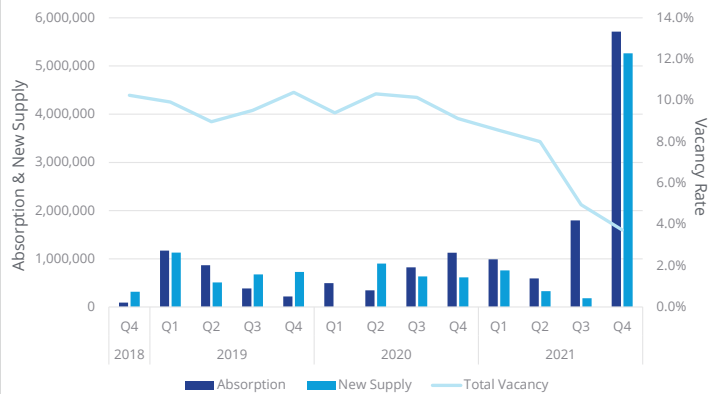


Historic Comparison

	20Q4	21Q3	21Q4
Total Inventory* (in Millions of SF)	52.1	53.3	58.6
New Supply (in SF)	615K	182K	5.3M
Net Absorption (in SF)	1.1M	1.8M	5.7M
Overall Vacancy	9.1%	5.0%	3.7%
Under Construction (in Millions of SF)	1.9	6.3	4.8
Overall NNN Lease Rates (in \$/SF)	\$6.75	\$6.50	\$7.05

* Total inventory based on buildings 20K SF or larger

Absorption, New Supply & Vacancy Trends



The delivery of the 3 million-square-foot Wal-mart distribution center in Ridgeville during the fourth quarter of 2021 boosted the overall Charleston absorption to 5.71 million square feet. In addition, there were 5.26 million square feet of new deliveries this quarter.

Recent Transactions



Sale
Charleston Trade Cntr.
Summerville
448.8K SF



Sale
4136 Carolina Commerce
North Charleston
117K SF



Sale
Port City Centre
North Charleston
50K SF



Lease
401 Trade Center Pkwy
Summerville
1.02M SF



Lease
574 Trade Center Pkwy
Summerville
430.9K SF



Lease
410 Tradeport
Summerville
258.7K SF

Charleston's industrial growth will likely continue for years *(con't.)*

Maintenance and improvements to the prime infrastructure throughout the last decade have directly contributed to success, which catapulted the Charleston industrial development and investor activity to heightened levels. Infrastructure improvements to the coastal port will increase volume through 2022 and beyond; likewise, interstate infrastructure improvements allow ease of access to industrial parks throughout South Carolina and the U.S. As demand increases, new construction continues to move toward Summerville and Ridgeville where there is available land and industrial need to accommodate the demand with 4.8 million square feet of buildings currently under construction. Low unemployment, growing population, strong logistics and improving infrastructure will attract interest and continue long-term growth which continues to fuel the Charleston industrial market.

Charleston Capital Investments

October 2021-December 2021

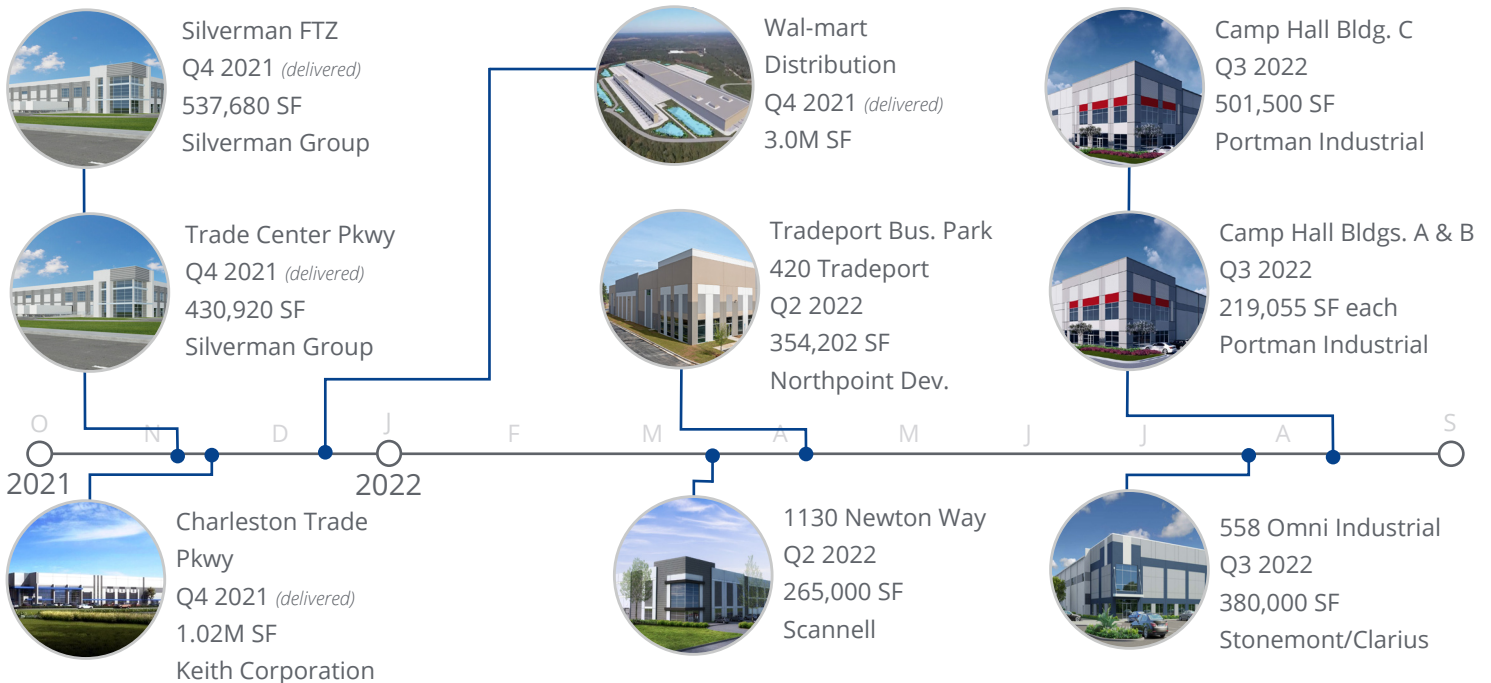
Date	Company	Investment / Jobs	County	Industry
Nov-9	Elbit Systems of America	\$700,000 300	Charleston	Military Manufacturing
Nov-19	Barazan Aeronautical, LLC	\$14.7M 34	Charleston	Aerospace Manufacturing
Nov-16	DHI Corporation	\$627,000 40	Berkeley	Home Goods Distribution
Nov-22	Cannonborough Beverage	- 22	Charleston	Soda Manufacturing
Nov-30	Evolt	\$500,000 80	Charleston	Healthcare Manufacturing
Dec-1	Beyond Distilling Company	\$767,000 63	Charleston	Distillery
Dec-7	Belimed Life Science, Inc.	\$750,000 22	Charleston	Healthcare Manufacturing

Sources: Colliers International, CRDA

Development Pipeline

Charleston

Total to be Delivered:
2022 2.6M SF
2023+ 2.2M SF



Sources: Colliers International, CoStar

Coastal Port Tonnage

Since July 1, 2021 the South Carolina Ports have handled 1.17 million TEUs an increase of approximately 17% from the same time last year. During 2021 TEU shipments were up 19% over 2020 and totaled 2.75 million, loaded imports were up 25% and loaded exports were up 5% year-over-year. Thus far during the fiscal year of 2022 (from July through November) the total TEUs are more than half of what they totaled last year putting the ports on track for another record-breaking year. Coupling that with the Port Authority's capital spending plan of \$349.4 million for 2022 to enhance terminals, equipment and the information technology infrastructure, 2022 will likely move more volume of TEUs than ever before. In addition, plans are in place to implement their own chassis pool in 2023. The SCPA focuses on capacity, reliability and fluidity ensuring they move more TEUs year-over-year.

Inland Port Tonnage

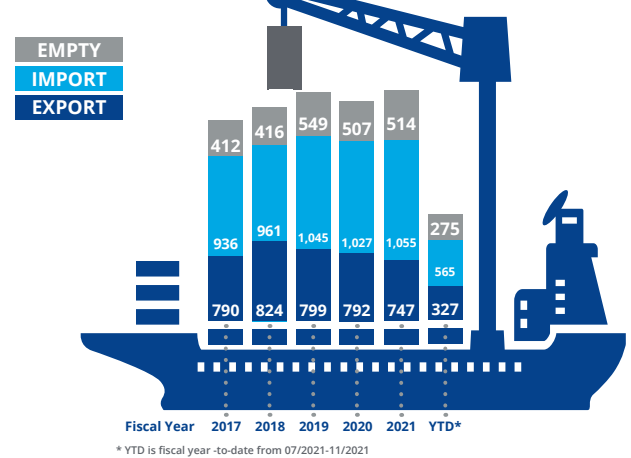
South Carolina's two inland ports are crucial to the supply chain with Inland Port Greer having a record calendar year with 160,234 rail moves, up 14% from 2020. Inland Port Dillon recorded 29,412 rail moves. With a \$25 million grant from the Better Utilizing Investments to Leverage Development Fund (BUILD), Greer's inland port will expand with additional rail processing and storage tracks within the terminal that will expand the container yard to the east and west.

Infrastructure Improvements

South Carolina

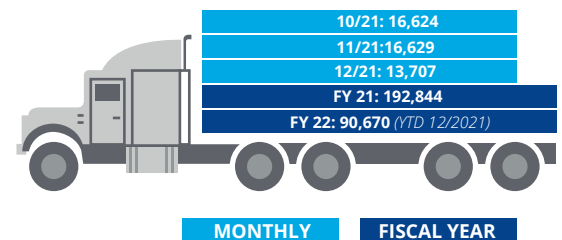
Project Name	Project Type	Description	Status	Estimated Completion Date
Hugh K. Leatherman Phase I	Port	Additional container terminal	Open	Q1 2021
Charleston International Airport	Airport	Adding a third concourse	Construction to begin Q4 2021	Q4 2023
Inland Port Greer Expansion	Port	Additional rail processing and storage tracks	Under construction	Q4 2023
Weber Boulevard	Road	Provide a connection between I-26 to a new network of roads between Ladson Road and Ashley Phosphate Road	Construction to begin Q3 2022	Q4 2024
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	Q4 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

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



Source: South Carolina Ports Authority

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



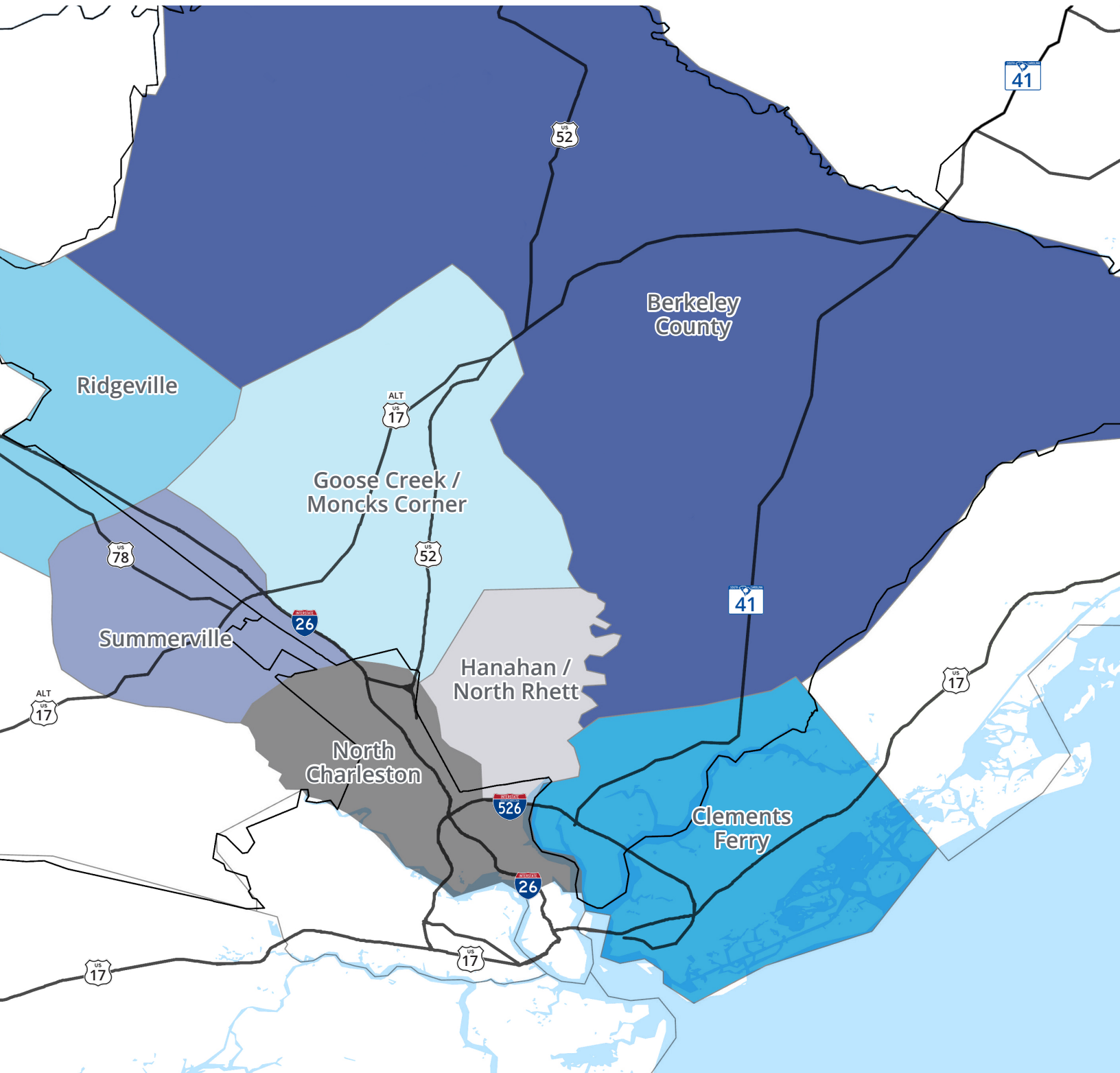
Source: South Carolina Ports Authority

Charleston | Q4 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	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	-	-
Warehouse/Distribution	5	623,638	-	-	-	0.00%	-	-
Berkeley County Total	5	623,638	-	-	-	0.00%	-	-
Clements Ferry								
Flex/R&D	9	301,883	33,816	-	33,816	11.20%	-33,816	\$13.18
Manufacturing	9	462,737	-	-	-	0.00%	-	-
Warehouse/Distribution	34	4,217,988	40,703	103,000	143,703	3.41%	76,260	\$11.75
Clements Ferry Total	52	4,982,608	74,519	103,000	177,519	3.56%	42,444	\$12.48
Goose Creek / Moncks Corner								
Flex/R&D	9	1,382,951	-	-	-	0.00%	-	-
Manufacturing	13	2,984,567	-	-	-	0.00%	-	-
Warehouse/Distribution	18	2,736,941	-	-	-	0.00%	-	-
Goose Creek/Moncks Corner Total	40	7,104,459	-	-	-	0.00%	-	-
Hanahan / North Rhett								
Flex/R&D	1	33,594	-	-	-	0.00%	-	-
Manufacturing	4	432,960	-	-	-	0.00%	-	-
Warehouse/Distribution	31	4,062,839	-	-	-	0.00%	-	-
Hanahan / North Rhett Total	36	4,529,393	-	-	-	0.00%	-	-
North Charleston								
Flex/R&D	24	1,030,963	25,197	-	25,197	2.44%	37,554	-
Manufacturing	38	2,515,321	43,617	-	43,617	1.73%	-30,000	\$7.95
Warehouse/Distribution	173	15,694,995	853,290	215,000	1,068,290	6.81%	38,479	\$7.20
North Charleston Total	235	19,241,279	922,104	215,000	1,137,104	5.91%	46,033	\$7.23
Ridgeville								
Flex/R&D	-	-	-	-	-	-	-	-
Manufacturing	1	660,000	-	-	-	0.00%	-	-
Warehouse/Distribution	2	3,273,803	-	-	-	-	3,273,803	-
Ridgeville Total	3	3,933,803	-	-	-	0.00%	3,273,803	-
Summerville								
Flex/R&D	5	189,921	24,500	-	24,500	12.90%	-11,400	-
Manufacturing	34	4,282,301	-	169,520	169,520	3.96%	368,160	-
Warehouse/Distribution	78	11,810,700	474,000	136,000	610,000	5.16%	2,031,148	\$5.62
Summerville Total	117	16,282,922	523,124	305,520	828,644	4.94%	2,387,908	\$5.62
Other Submarkets								
Flex/R&D	14	672,710	43,765	-	43,765	6.51%	-36,926	\$13.00
Manufacturing	7	515,138	-	-	-	0.00%	-	-
Warehouse/Distribution	18	710,458	24,800	-	24,800	3.49%	-	-
Other Submarkets Total	39	1,898,306	68,565	-	68,565	3.61%	-36,926	\$13.00
Charleston Overall Market								
Flex/R&D	62	3,612,022	127,278	-	127,278	3.52%	-44,588	\$13.17
Manufacturing	106	11,853,024	43,617	169,520	213,137	1.80%	338,160	\$7.95
Warehouse/Distribution	359	43,131,362	1,392,793	454,000	1,846,793	4.28%	5,419,690	\$6.80
Market Total	527	58,596,408	1,563,688	623,520	2,187,208	3.73%	5,713,262	\$7.05

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 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 17 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.

Market President:

James R. (Jim) Garrett, Jr., MCR
Market President | Charleston
+1 843 723 1202
James.Garrett@colliers.com

Marketing & Research:

Liz H. McCary
Vice President of Marketing | South Carolina
+1 803 401 4269
Liz.McCary@colliers.com

Crystal Baker, CPRC
Research Coordinator | South Carolina
+1 803 401 4230
Crystal.Baker@colliers.com

Contributors:

Mark Erickson, SIOR
Vice President
Charleston

Matt Pickard
Senior Brokerage Associate
Charleston

Chloe Heiligenstein
Brokerage Associate
Charleston



4289 Spruill Avenue, #200
North Charleston SC 29405
+1 863 723 1202
colliers.com

