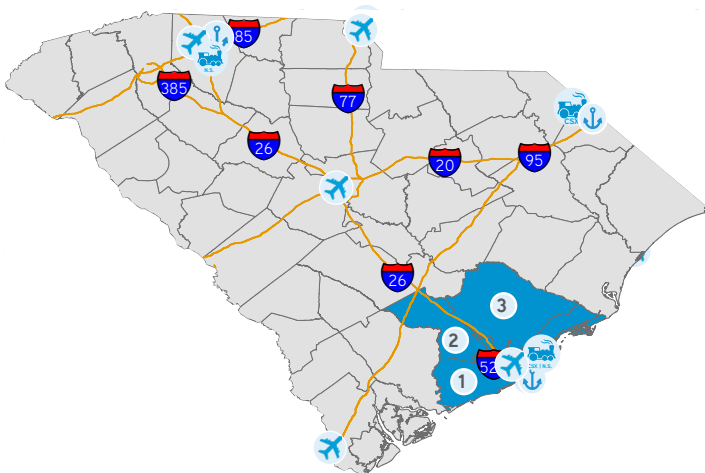


Charleston is connected both nationally and globally

Getting to Know the Region:

- > Increasing investment activity draws major employers to the region.
- > A strong economy, pro-business environment and efficient logistics collectively support major industries such as aerospace and manufacturing, among others.
- > Population growth is strong as residents and businesses are attracted to the region's high quality of life and various employment choices.

CHARLESTON IS CONNECTED TO OTHER MARKETS.



- 1 Charleston 2 Dorchester 3 Berkeley



INTERSTATE:
I-26
I-95



AIR:
Greenville-Spartanburg International Airport (GSP)
Columbia Metropolitan Airport (CAE)
Charleston International Airport (CHS)
Myrtle Beach International Airport (MYR)
Charlotte Douglas International Airport (CLT)



RAIL:
CSX
Norfolk Southern



PORTS:
Port of Charleston
SC Inland Port (Greer)
SC Inland Port Dillon

Charleston's Connectivity

South Carolina ports broke previously set records during the 2019 fiscal year according to the South Carolina Ports Authority (SCPA). As the deepening of the Charleston Harbor continues, it handled the most cargo in the history of the port. SCPA handled approximately 2.4 million twenty-foot equivalent units (TEUs) in the fiscal year 2019, up 8.8% from 2018. SCPA has doubled its container volume over the past ten years due to the success of advanced manufacturing throughout South Carolina. In addition, by the end of 2021 the SCPA anticipates the completion of three major infrastructure upgrades: opening a new container terminal, deepening of the Charleston Harbor and upgrading Wando Welch Terminal.

Also, the inland ports are also breaking records: Inland Port Greer completed its most productive year ever with 143,204 rail moves, while Inland Port Dillon reported 29,580 rail moves during its first full year in operation. Charleston International Airport (CHS), sees more than 4.2 million passengers per year.

Major interstates run through the Charleston region, allowing short drive-time access to Charlotte, NC, Atlanta, GA, Columbia and Greenville, SC, among others. In addition, the region's airport, Charleston International Airport (CHS), sees more than 4.2 million passengers per year. The airport offers flights from 8 major airlines with daily non-stop flights to 23 cities in the United States.

Regional Demographics

The Charleston-North Charleston MSA, which makes up nearly 15% of South Carolina’s population, offers favorable demographics, with above average population growth and a skilled, educated labor force.



POPULATION

2024: **879,174** (ESRI forecast)
2019: **798,940** (ESRI estimate)
2010: **664,607** (Census)



HOUSEHOLDS

2024: **343,363** (ESRI forecast)
2019: **312,044** (ESRI estimate)
2010: **259,987** (Census)



HOUSEHOLD INCOME

Average:
2024: **\$101,470** (ESRI forecast)
2019: **\$88,296** (ESRI estimate)
Median:
2024: **\$71,064** (ESRI forecast)
2019: **\$61,409** (ESRI estimate)



AGE (2019 ESRI Estimate)

25-34: **115,417 (14.4%)**
35-64: **304,798 (38.1%)**
65+: **121,030 (15.1%)**



RACE & ETHNICITY (2019 ESRI estimate)

Caucasian: **64.3%**
African American: **27.3%**
Hispanic Origin: **6.2%**



EDUCATIONAL ATTAINMENT

(2019 Population ESRI Estimate)
High School Graduate: **22.0%**
Associate Degree: **9.7%**
Bachelor’s Degree: **22.5%**
Graduate/Professional Degree: **13.1%**

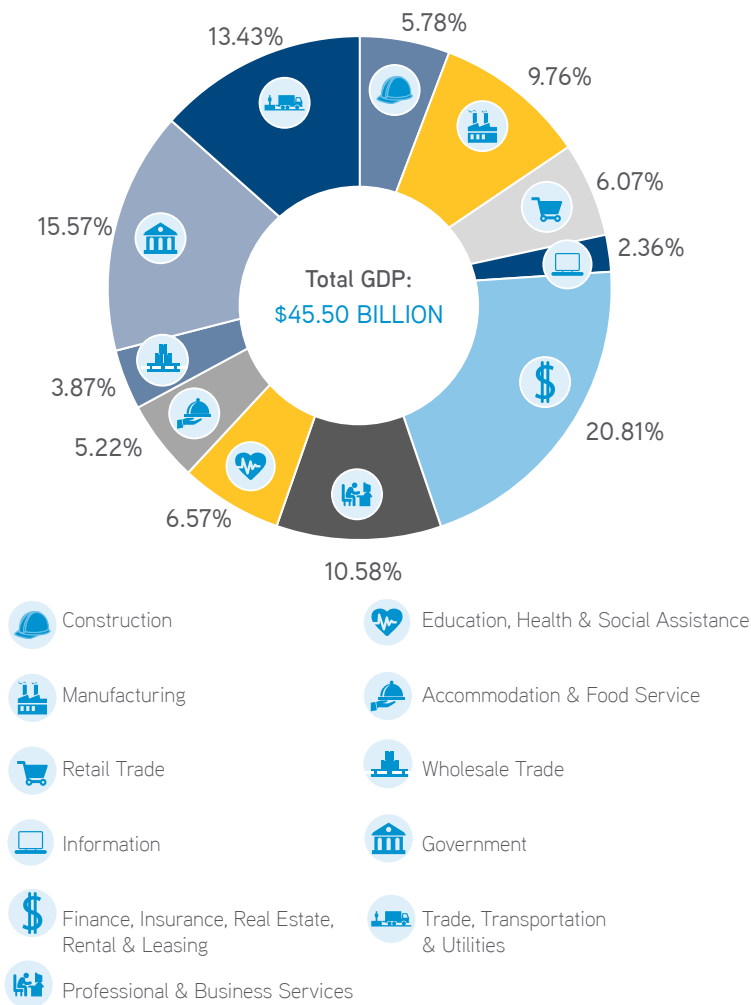
Source: ESRI Demographics, Colliers International Research

Economy & Labor Market

The region’s economy is largely driven by the finance, government, professional and business services and manufacturing. Additionally, Charleston continues to rank among the top cities to visit in the nation, driving a strong tourism industry that contributes to the region’s economy. In addition, the Port of Charleston’s record-setting shipping container volume further boosts the manufacturing employment sector.

According to the Bureau of Economic Analysis (BEA), gross domestic product (GDP) for the MSA totaled \$45.50 billion in 2017, accounting for 20.39% of South Carolina’s total GDP. The finance, insurance, real estate, rental and leasing sector consistently contributes to a greater portion of total GDP. In 2017, this sector accounted for 20.81% of total GDP, followed by Government which contributed 15.57%.

Major Sectors as a Percent of Charleston’s GDP (2017)



Source: Bureau of Economic Analysis, Colliers International

Steady Investment Activity

Charleston is supported by a business-friendly environment, state and local tax incentives, efficient logistics, right-to-work status and a talented labor force. This region has successfully recruited investments from various domestic and foreign companies.

Supply chain, logistics and manufacturing are major areas of capital investments in Charleston driven by record-breaking Port of Charleston national and global shipments.

Berkeley County will benefit from A & R Logistics investing \$60 million and creating around 60 jobs in the supply chain and logistics employment sector.

Overall, favorable cap rates, low interest rates, population growth and a strong global economy will maintain investor interest and draw new employers to the Charleston area for many years.

Healthcare Services

The Charleston-North Charleston, MSA is served by a variety of healthcare systems and professionals based on geographical location. Major health systems include MUSC, Roper St. Francis, Trident Health and East Cooper Medical Center.

ROPER ST.FRANCIS

Hospital Beds: 657

Hospital Campuses: [Roper Hospital](#), [Bon Secours St. Francis Xavier Hospital](#), [Roper St. Francis Mount Pleasant Hospital](#)

TRIDENT HEALTH MEDICAL CENTER

Hospital Beds: 407

Hospital Campuses: [Trident Health Medical Center](#), [Summerville Medical Center](#), [Moncks Corner Medical Center](#), [Centre Pointe Emergency](#)

EAST COOPER MEDICAL CENTER

Hospital Beds: 130

Hospital Campuses: [East Cooper Medical Center](#), [Charleston Imaging Center](#), [Rehabilitation Centers](#), [Charleston Breast Center](#)

MUSC MEDICAL UNIVERSITY OF SOUTH CAROLINA

Hospital Beds: 713

Hospital Campuses: [MUSC Medical Center*](#)

*South Carolina's only comprehensive academic medical center.

Source: South Carolina Department of Health and Environmental Control

2019 Highlighted Capital Investments | Charleston / North Charleston, SC

COMPANY	COUNTY	INVESTMENT	JOBS CREATED	INDUSTRY
A & R Logistics	Berkeley	\$60,000,000	60	Supply Chain & Logistics
DC Machine	Dorchester	\$9,500,000	63	Manufacturing
VTL Precision	Berkeley	\$8,200,000	10	Manufacturing
eGroup	Charleston	\$6,300,000	35	Business IT
LAB Medical Manufacturing	Charleston	\$5,000,000	30	Manufacturing
Charleston Distilling Company	Charleston	\$4,200,000	29	Brewing & Distillery
High Wire Distilling Company	Charleston	\$3,000,000	45	Brewing & Distillery
Smithey Ironware Company	Charleston	\$2,000,000	22	Manufacturing
Spartan Motors, Inc.	Charleston	\$1,150,000	308	Vehicle Manufacturing
Victor Hoppenstein's Brewlab	Charleston	\$1,100,000	16	Brewing & Distillery

Source: Charleston Regional Development Alliance, South Carolina Department of Commerce, Colliers International

Employment Wages

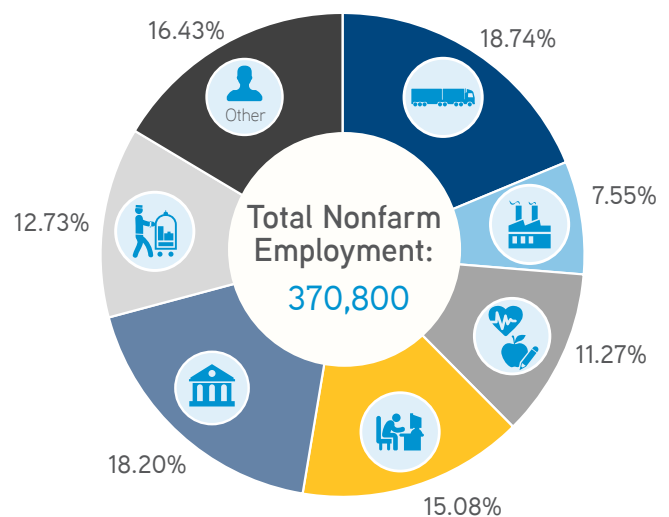
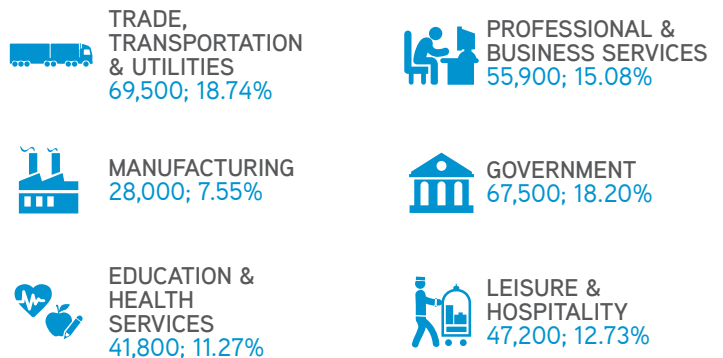
According to the Bureau of Labor Statistics, the Charleston-North Charleston overall employment wages are on the rise. The annual mean wage was \$46,200, slightly lower than the national mean wage of \$51,960 however, the cost of living in Charleston continues to increase more rapidly than the average wage. The average hourly wage in the Charleston region was \$21.48, also lower than the national hourly wage average of \$24.98. Wages are also increasing in the Charleston area for every social and economic class, providing more opportunities for minorities in Charleston.

Major Employment Sectors

Approximately 370,800 individuals were employed by a non-agricultural job in the Charleston-North Charleston MSA, a 2.4% increase from September 2018 through September 2019. Major employment sectors include: manufacturing; mining, logging and construction; trade, transportation and utilities; professional and business services; and education and health services. Trade, transportation and utilities employment made up 18.74% of total non-agricultural employment as of September 2019, with 69,500 jobs. The government sector has 67,500 jobs accounting for 18.20% of the total non-farm Charleston employment. Professional and business services accounted for 15.08% of total non-agricultural employment, with 55,900 jobs.

Charleston is designated as a model region for the advancement of vocational training by the U.S. Department of Labor. The innovative apprenticeship education is based on the German model including on-the-job training, classroom instruction and payment of a living wage. Often these apprenticeships will end with a career at the participating company and an opportunity to further their knowledge with mentorship from experienced employees, also learning soft skills important in day-to-day employment.

Employment by Sector & Percent of Total Employment (Sept. 2019)



Source: Bureau of Labor Statistics

Largest Employers | Charleston, SC

COMPANY	NUMBER OF EMPLOYEES	INDUSTRY	COUNTY
Joint Base Charleston	20,000	Military	Charleston/Berkeley
Medical University Of South Carolina	13,000	Health Services/ Education	Charleston
The Boeing Company	7,000	Manufacturing	Charleston
Berkeley County School District	6,999	Education	Berkeley
Charleston County School District	6,950	Education	Charleston
Roper St. Francis Healthcare	6,982	Health Services	Charleston
Dorchester County School District II	4,500	Education	Dorchester
Charleston County	2,600	Government	Charleston
Trident Health System	2,500	Health Services	Charleston
Walmart Inc.	3,000	Retail Merchandise	Region
Robert Bosch	3,000	Manufacturing	Charleston
U.S. Postal Service	3,000	Government	Region

Source: Charleston Metro Chamber of Commerce, Colliers International

2019 Charleston Awards & Accolades



Charleston ranked #1 city in the U.S. & 12th Best City in the World
Travel + Leisure

Charleston ranked a “Best Place to Live”
Outside Magazine

Charleston ranked a top 10 “Small American City of the Future”
FDI Magazine

Charleston named South Carolina’s Top STEM City
Insurify

Higher Education


The Charleston region is home to multiple public and private universities, as well as technical college systems, collectively offering training and education programs that support the growing regional labor force.



Charleston Southern University is an independent, Christian liberal arts university.

52 undergraduate majors
7 graduate degree programs

Fall 2018 Enrollment:
Undergraduate: 3,414



The Medical University of South Carolina is comprised of 6 colleges: Dental Medicine, Graduate Studies, Health Professions, Medicine, Nursing and Pharmacy.

*South Carolina’s only comprehensive academic medical center.



College of Charleston is a public research university located in Charleston’s downtown.

60 undergraduate majors
19 master’s degree programs


Fall 2019 Enrollment:
Undergraduate: 9,880
Graduate: 903



Trident Technical College is a a two-year technical college that serves Berkeley, Charleston and Dorchester counties at 9 campuses.

17 programs & majors

Fall 2019 Enrollment:
Undergraduate: 12,351



The Citadel’s undergraduate student population makes up the South Carolina Corps of Cadets. The Citadel was recently recognized as the top public college in the South for institutions granting up to a master’s degree, according to U.S. News & World Report, for the seventh consecutive year.

23 undergraduate majors
25 graduate certificate programs
26 master’s degree programs

Fall 2018 Enrollment:
Undergraduate: 2,784

Schools

The Charleston region consists of 4 school districts. All school districts received absolute ratings of excellent. Many schools offer magnet programs and place a strong emphasis on STEM (science, technology, engineering and mathematics) education.

2019 School Districts Charleston, SC				
COUNTY	SCHOOL DISTRICT	# OF SCHOOLS	# OF EMPLOYEES	TOTAL ENROLLMENT
Berkeley	1	47	5,200	35,794
Charleston	1	85	6,500	50,000+
Dorchester	2	24	3,901	25,354
Dorchester	4	6	173	2,288

Source: South Carolina Department of Education

Area Attractions

There is much to see and do throughout Charleston. Below are some of the area's popular attractions.

HISTORIC DOWNTOWN CHARLESTON

Charleston's downtown is full of history, culture and arts. King Street offers a variety of upscale dining and shopping options. The Historic Charleston City Market features vendors in open-air buildings.

www.charleston.com/neighborhoodsdowntown-charleston.aspx

FORT SUMTER

Fort Sumter is a national monument and is the location where the first shots of the Civil War were fired. Fort Sumter is located on an island in the Charleston Harbor.

www.nps.gov/fosu/index.htm

USS YORKTOWN

The USS Yorktown was the tenth aircraft carrier to serve in the United States Navy. Visitors can also visit CLAMAGORE, the only GUPPY III submarine preserved in the U.S.

www.patriotspoint.org

SOUTH CAROLINA AQUARIUM

The South Carolina Aquarium in Charleston's downtown features many animals and plants native to South Carolina with animals from both land and sea.

scaquarium.org

AREA BEACHES

Charleston is home to five beach towns, Kiawah Island, Isle of Palms, Folly Beach, Seabrook Island, and Sullivan's Island.

www.charlestoncvb.com/beaches

CHARLESTON CARRIAGE RIDES

Charleston has several options for carriage rides along the brick and cobblestone streets from touring through historic homes to learning about the history of the region.



Living Here

The Charleston region provides a high quality of life for families and young professionals alike. It has received accolades for its attractiveness to Millennials and Gen-Z professionals. The region features rich history and Southern charm, offers various outdoor recreational opportunities, first-class dining and shopping options, as well as various beaches. Year-round festivals include concerts and food- sure to be fun for all ages. Downtown is vibrant with restaurants and retail boutiques for daytime entertainment, and features a booming nightlife with bars and a growing brewery scene.

Home Sales & Prices

In 2018, statewide home sales were higher than the previous year, they climbed 3.8% as 87,256 homes were sold. In addition, the South Carolina median home price rose 3.4% to \$206,425 in 2018. The Charleston market home sales were down 1.4% from 2017 and there were 18,159 homes sold. The median home price in this market increased to \$275,000 which is 2.3% higher than it was in 2017.

2018 Median Home Prices

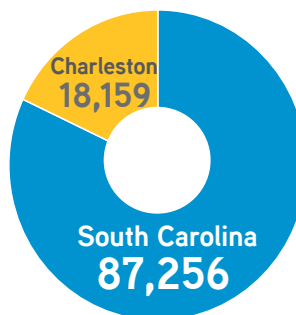


South Carolina



Charleston

2018 Total Closed Home Sales



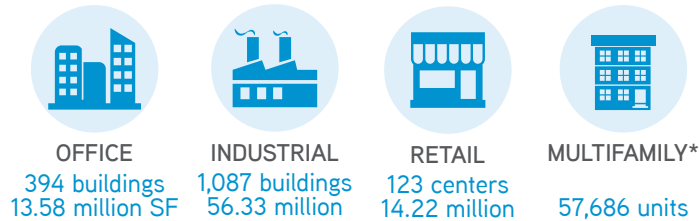
Median Home Price
Change from 2017: +2.3%
Charleston: \$275,000

Total Closed Home Sales
Change from 2017
Charleston Trident: -17.1%

Source: South Carolina REALTORS® Association

Commercial Real Estate in Charleston

Commercial real estate is strong with a booming economy. Construction starts continue to rise, rental rates are reaching historically-high levels in many markets and vacancy rates are trending down for several property types. South Carolina's commercial real estate markets closely mirror national trends and are welcoming significant interest from both users and investors.



Based on commercial real estate inventory tracked by Colliers International South Carolina, CoStar & Real Page (multifamily).

*Based on apartments with 150+ units

Office Market

As the office market tightens tenants compete for available office space in Charleston. Throughout 2018, the vacancy rate in Charleston continued to rise quarter-over-quarter. The rise in vacancy was most likely due to 11 office buildings delivering to the market throughout 2018 that totaled 433,024 square feet of new construction. Therefore, the Charleston office market also posted a net negative absorption of 77,251 square feet. This negative absorption and rise in vacancy rate is not an indication of a weak office market; however, it will take a few quarters for the demand to catch up to the supply. The overall average weighted rental rate in Charleston is also lower than it was during the fourth quarter of 2017; however, as high-quality space continues to be delivered to the market, that rental rate is expected to increase with the quality of office space being offered. Both the upper and lower peninsula areas are attracting tenants due to space that is unique to each tenant; modern upgrades to existing office; walking proximity to restaurants, shops and spas and high-tech amenities.

Industrial Market

During 2018, the Charleston industrial market absorbed 3,307,801 square feet of industrial space, one-third of which was within the Summerville submarket. There were 23 new property deliveries this year, adding approximately 4.02 million square feet to the market. Thus, the Charleston industrial vacancy rate rose from 8.52% during the fourth quarter of 2017 to 9.20% during the fourth quarter of 2018. Due to the new construction delivery throughout 2018, the overall average weighted rental rate increased from \$4.97 per square foot during the fourth quarter of 2017 to \$5.73 per square foot in 2018. As the global economy continues to positively affect Charleston and increase employment and investor interest within the market, the industrial market demand will catch up to the supply.

Retail Market

During 2018, the Charleston retail market absorbed 78,502 square feet; likewise, non-core shop space absorbed 124,128 square feet, however, core shop space posted a net negative absorption. There were 369,106 square feet of retail space under construction within the Charleston retail submarkets last year and 323,163 square feet of shopping center space completed construction this year. The overall vacancy rate dropped from 6.08% during the fourth quarter of 2017 to 5.53% during the fourth quarter of 2018. The overall average triple net weighted retail rental rates dropped slightly from \$2.50 per square foot during the fourth quarter of 2017 to \$2.40 per square foot this quarter, largely due to the lack of quality available space factored into the weighted average.

Multifamily Market

Due to a strong Charleston economy, high quality of life and low unemployment rate, the Charleston multifamily market has been robust over the past couple of years and the demand for apartments has been high. However, through 2017 into 2019 apartment occupancy growth, while still positive, is growing slower than in past years. While this may only be a short lull due to the strong draw to the Charleston region, a challenge for residents is finding a place to live which is close to their employment. In the past, the frustration of traffic congestion mixed with long commutes is forcing residents to seek housing closer to their place of employment and may cause a slow-down in the multifamily market if there are houses which are more conveniently located than apartments.

Commercial Real Estate Growth Cycle: Where the market stands and where it is going.



400 offices in
68 countries on
6 continents

\$3.3

billion in
annual revenue

2

billion square feet
under management

17,000+

professionals
and staff

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Colliers International (NASDAQ, TSX: CIGI) is a leading global real estate services and investment management company. With operations in 68 countries, our 14,000 enterprising people work collaboratively to provide expert advice and services to maximize the value of property for real estate occupiers, owners and investors. For more than 20 years, our experienced leadership team, owning more than 40% of our equity, have delivered industry-leading investment returns for shareholders. In 2018, corporate revenues were \$2.8 billion (\$3.3 billion including affiliates), with more than \$26 billion of assets under management.

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