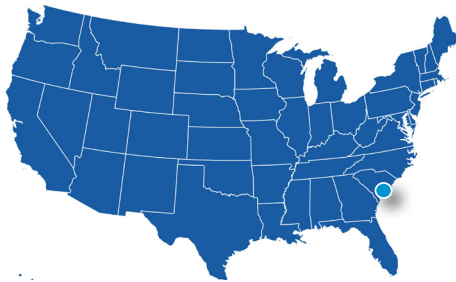




CHARLESTON, SOUTH CAROLINA INDUSTRIAL MARKET REPORT



Realizing The Recovery

The Charleston industrial market continues to tighten. Vacancy rates for the entire market are 10.9%, a decrease from 11.7% at year end 2011. Average asking rental rates have held steady at just over \$4.00 per square foot with landlord concessions waning. The overall market saw positive absorption in the first quarter of approximately 250,000 SF. This is the fourth consecutive quarter the industrial market reported positive absorption; confirming market recovery. Class A, bulk warehouse space contributed the most to absorption. Charleston presently has few options for Class A industrial product. Companies expanding or relocating are finding options limited and are choosing build-to-suit options or leasing older, well located facilities.

MARKET INDICATORS

	Q1	Q2
VACANCY	↓	↓
ABSORPTION	↑	↑
RENTAL RATE	↑	↑
LAND PRICES	↑	↑

PORT AND DISTRIBUTION

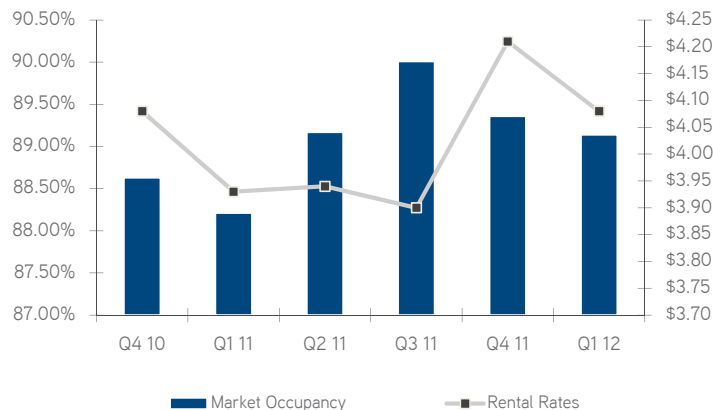
The Port of Charleston reported a 12% increase in container volume from the same month last year. The increasing trend is primarily due to a new Europe service. BMW exports and other roll-on/roll-off cargo type saw the best month since March 2008. Tonnage shipped is up over 20% from the previous year.

State legislature passed a bill to provide \$120 million for harbor deepening in addition to the \$180 million the state has already set aside. The dredging project will allow the port to handle fully loaded vessels well into the future.

KEY TRENDS & DRIVERS

- BOEING DELIVERY CEREMONY OCCURRED WITH GREAT FANFARE
- STATE SET ASIDE BOND CAPACITY FOR HARBOR DREDGING COSTS
- TIGHTENING MARKET

OCCUPANCY AND RENTAL RATES



CHARLESTON, SOUTH CAROLINA INDUSTRIAL MARKET

SUBMARKET	# OF BLDGS	TOTAL INVENTORY	DIRECT VACANT SF	DIRECT VACANCY RATE	OCCUPIED SPACE SF	NET ABSORPTION Q1	AVG. ASKING RATE
Clements Ferry	40	4,326,844	404,271	9.3%	3,922,573	54,830 \$	5.08
North Charleston	153	10,819,918	1,284,567	11.9%	9,535,351	(69,370) \$	4.22
Hanahan - N. Rhett	31	3,775,340	152,889	4.0%	3,622,451	195,000 \$	3.84
Goose Creek - Moncks Corner	16	2,300,734	343,050	14.9%	1,957,684	(47,050) \$	2.55
Summerville	58	7,157,877	810,216	11.3%	6,347,661	0 \$	3.61
West Ashley	14	838,670	51,000	6.1%	787,670	0 \$	6.70
Peninsula	28	2,772,896	427,400	15.4%	2,345,496	0 \$	4.59
MARKET TOTAL	340	31,992,279	3,473,393	10.9%	28,518,886	255,610 \$	4.08

MANUFACTURING

Boeing delivered their first Dreamliner bound for Air India representing the first Boeing plane built outside of Washington since World War II. Boeing’s goal is to produce 10 Dreamliners per month and currently they produce 3 per month.

Nexans, a global cable manufacturing company, announced it will build a 200 worker plant in Bushy Park Industrial Complex, having an \$85 million impact on the economy. General Dynamics Land Systems, occupying the former Force Protection facility, delivered its first of many Stryker vehicles to the Army. Several other manufacturers are considering the Charleston area but have not yet committed.

OUTLOOK

The market continues to tighten as Class A bulk space is all but absorbed. Tenants looking to expand are considering wanting to occupy spec facilities, buying land and building, or working with an older facility. Distribution companies are looking for surge space as additional requirements present themselves. Sites are being prepared for users as represented by the pads at the Rockefeller Group-MeadWestvaco Foreign Trade Zone, Omni Commerce Park and the larger pad at Charleston Regional Business Center. MeadWestvaco closed on the land on North Rhett Avenue and are progressing on clearing the land. Planned are a 256,000 SF single-loaded building, a 301,000 SF cross-dock building, and a flex facility.



512 offices in 61 countries on 6 continents

- \$1.5 billion in annual revenue
- 979 million square feet under management
- Over 12,500 professionals

FOR MORE INFORMATION:

Hagood Morrison, SIOR
Senior Vice President & Principal
National Director of Logistics & Transportation Solutions Group
TEL +1 843 270 5219

Simons Johnson, SIOR, CCIM
Senior Brokerage Associate
TEL +1 843 720 7509

Peter Fennelly, SIOR, MCR
Senior Vice President & Principal
TEL +1 843 720 7500

John Beam
Brokerage Associate
TEL +1 843 720 7506

Colliers International
25 Calhoun Street, Suite 220
Charleston, South Carolina 29401
TEL +1 843 723 1202
FAX +1 843 577 3837

This market report is a research document of Colliers International. Information herein has been deemed reliable and no representation is made as to the accuracy thereof. Colliers International Charleston, LLC is an independently owned and operated business and a member firm of Colliers International Property Consultants, an affiliation of independent companies with over 512 offices throughout more than 61 countries worldwide.



Accelerating success.