

	YoY Chg	12-Mo. Forecast
5.1% Vacancy Rate	▲	▲
217k Net Absorption, SF	▲	▼
\$5.71 Asking Rent, PSF	▲	▲

Overall, Net Asking Rent

ECONOMIC INDICATORS Q1 2021

	YoY Chg	12-Mo. Forecast
359.8k Charleston Employment	▼	▲
5.0% Charleston Unemployment Rate	▲	▼
6.0% U.S. Unemployment Rate	▲	▼

Source: BLS

ECONOMY: Port Traffic Reaches an All-Time High

National Association of Realtors listed the Charleston regional economy as one of the top 10 markets nationwide for opportunity in 2021 and 2022. Even considering the impacts of COVID-19, the region is expected to see more than 28,000 new jobs to be added over the next five years. South Carolina State Ports Authority (SCSPA) handled the most cargo in its history in March after moving 248,796 twenty-foot equivalent units (TEUs) across the Port of Charleston's Wando Welch and North Charleston container terminals. This was a considerable 34% increase year-over-year from last March. In addition, SCSPA made history with the opening of Hugh K. Leatherman Terminal. The new addition to the Charleston Port is the first container terminal to open in the U.S. since 2009.

SUPPLY and DEMAND: Development Activity Stays Active

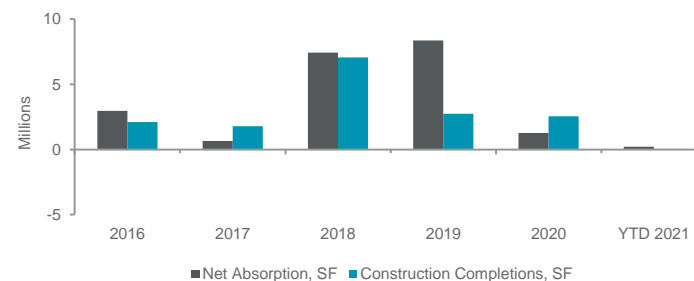
The Charleston Industrial market is having another record quarter. Charleston Industrial developers have been especially active, with expected delivery of over 5.4 million square feet (msf) of new inventory in 2021. This is a significant increase compared to the metro's typical 2.1 msf in annual deliveries. While construction costs are on the rise, this will not stop new speculative projects from coming online. Strong absorption is also expected to continue and occupy the new space being delivered. E-commerce, 3PI's and light manufacturing that services the automotive sector continue to take large blocks of space.

The Charleston industrial market is primed for continued expansion and positive activity through 2021 with present vacancy rates sitting at 5.1%. Absorption in the first quarter was 1.7 msf and should continue to rise along with lease rates. The large industrial pipeline is expected to be absorbed relatively quickly due to high demand and an ongoing influx of new warehouse and industrial prospects looking in the market.

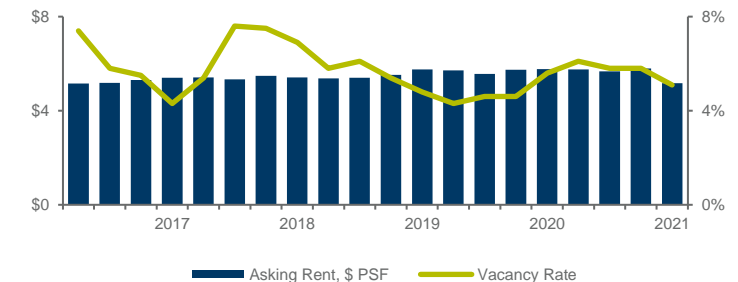
PRICING: Asking Rents and Activity Increase

Rent growth and sales volume both increased in the first quarter. Owners were able to push rents up by 3.5% over the past year with average asking rents reaching \$5.71 per square foot (psf) triple net. Sales volume in 2020 outpaced its historical average for the second year in row. Several sizable leases in the market were signed in the quarter. These included 3G Distribution Services taking the remaining 316,000 sf in Clarius Omni and Daye North America taking 310,000 sf in Commerce Center. Two notable sales were Portside Warehouse, a vacant 190,000-sf property that sold for \$91.00 psf, and the 587,000-sf Clarius Omni trading at \$84.00 psf.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Daniel Island	5,108,615	459,135	9.0%	-23,978	-23,978	2,102,759	0	0	0	\$8.81
Dorchester County	8,985,823	843,500	9.4%	16,839	16,839	3,036,200	0	\$7.50	0	\$6.04
Downtown Charleston	1,848,777	38,651	2.1%	11,664	11,664	0	0	0	0	\$13.53
E Charleston County	62,851	20,556	32.7%	-20,556	-20,556	0	0	0	0	\$6.50
East Islands/Mt Pleasant	1,011,681	88,120	8.7%	-1,944	-1,944	0	0	0	0	\$10.39
James Island/Folly Beach	477,552	0	0.0%	-12,083	-12,083	0	0	0	0	\$13.63
North Charleston	31,373,924	1,660,994	5.3%	66,653	66,653	79,350	29,122	\$10.69	\$12.36	\$10.64
Outlying Berkeley County	30,114,181	858,988	2.9%	159,918	159,918	2,102,759	10,350	\$4.71	\$10.00	\$4.97
W Charleston County	203,074	0	0.0%	0	0	0	0	0	0	0
West Ashley	987,014	23,396	2.4%	-713	-713	0	0	0	\$11.40	\$9.72
West Islands	565,212	132,828	23.5%	21,177	21,177	0	0	0	0	\$15.00
CHARLESTON TOTALS	80,738,704	4,126,168	5.1%	216,977	216,977	5,234,309	39,472	\$6.30	\$12.18	\$5.51

*Rental rates reflect weighted net asking \$psf/year

MF = Manufacturing OS = Office Service/Flex W/D = Warehouse/Distribution

KEY LEASE TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
1020 Northpointe Industrial	Outlying Berkeley County	XPO Logistics	305,423	New Lease
4289 Crosspoint Drive	North Charleston	Gerace Enterprise, Inc.	104,000	New Lease
1017 Northpointe Industrial Blvd	Outlying Berkeley County	Expeditors	104,000	New lease
7791 Palmetto Commerce Parkway	North Charleston	Undisclosed	83,245	New Lease
1701 Charleston Regional Parkway	Daniel Island	Lowe's	78,000	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
537 Omni Industrial Blvd	Outlying Berkeley County	Charleston Omni, LLC / ITC 537 Omni Industrial LLC	587,720	\$49,150,000/\$83.63
140 Portside Park Drive	Outlying Berkeley County	High Bay Distribution A, LLC / MSG Portside LLC	189,418	\$17,225,117/\$90.94
416 Jessen Lane	Outlying Berkeley County	Jessen Lane LLC / Lowdown Group LLC	22,297	\$2,800,000
1030 W Richardson Ave (Part of Multi-Property Sale)	Dorchester County	Pidgeon Bay Development Partners LLC / 310 Industrial Road LLC	16,200	\$895,684/\$55.29

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