



MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
11.9% Vacancy Rate	▲	▬
-485.7K YTD Net Absorption, SF	▼	▬
\$7.65 Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▼	▲

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
433.2K Charleston Employment	▲	▲
3.4% Charleston Unemployment Rate	▲	▬
4.1% U.S. Unemployment Rate	▲	▼

Source: BLS

ECONOMY: Industrial Sectors Drove Labor Growth

The Charleston economy measured job growth despite rising unemployment. All industrial job sectors expanded in the third quarter. The most notable growth was in the construction (8.5%), manufacturing (4.8%) and trade, transportation and utilities (3.0%) industries. Annual nonfarm employment gains of 4.2% led to an increase of 17,600 jobs throughout the market over that same period. Additionally, a short-term contract extension was reached by the International Longshoremen’s Association and port owners, postponing constraints it may pose to the supply chains in the region.

SUPPLY AND DEMAND: Vacancy Dropped as Leasing Rose

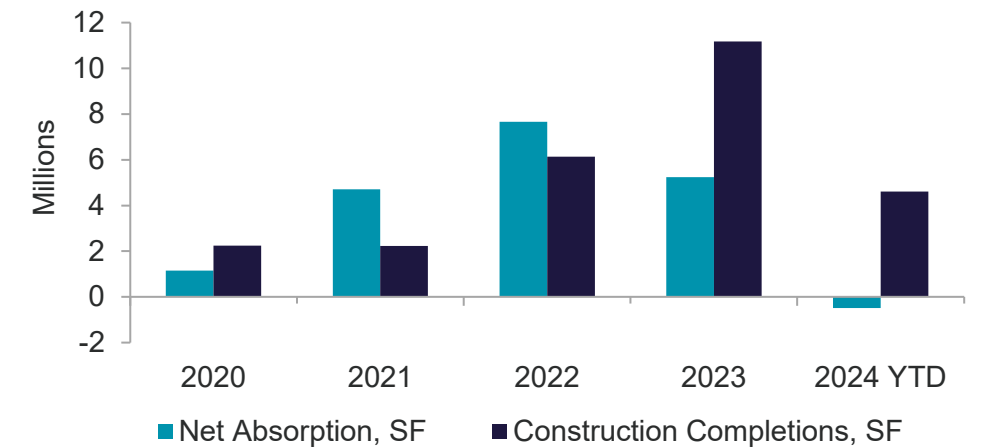
In Q3, the amount of vacant industrial space shrank for the first time in six quarters. At 11.9%, the vacancy rate fell by 50 basis points since the prior quarter as occupancy gains outweighed new, vacant supply. Overall absorption of nearly 836,000 square feet (sf) was measured in Q3 as prior leasing resulted in the first quarter of positive occupancy this year. Demand was significantly boosted by Outlying Berkely County, accounting for nearly 92.0% of all absorption gains. Three new projects totaling 395,952 sf completed in Q3, including Charleston Tradeport - Building 3, a speculative project in the Outlying Berkely County submarket which delivered fully vacant, offering 354,202 sf of high-quality space to prospective tenants.

New leasing activity totaled over 1.4 million square feet (msf) in Q3 - the highest figure in over six quarters - boosting the year-to-date total to 2.7 msf. Leasing activity was concentrated in the North Charleston and Outlying Berkely County submarkets, which logged 47.6% and 46.5% of new deals respectively.

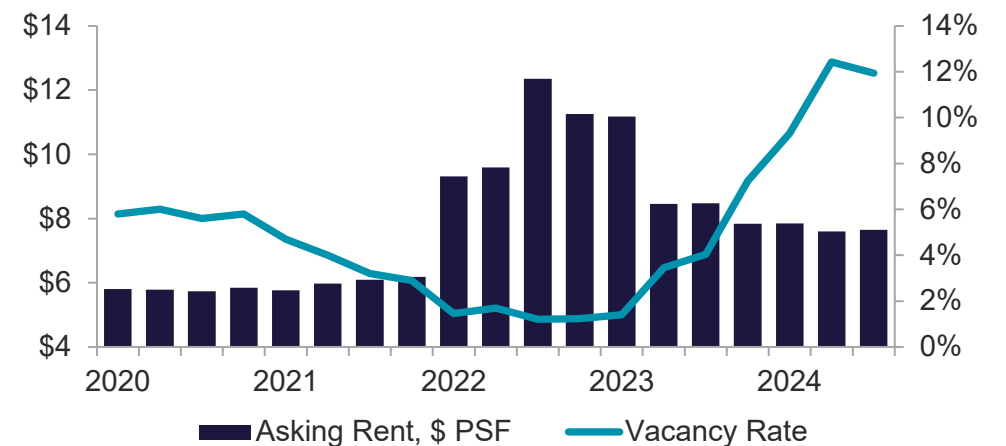
PRICING: Rents Increased With New Supply

Average asking rates rose minimally in Q3, growing to \$7.65 per square foot (psf) overall, driven by the new supply. The market continued to rebalance towards institutional-quality rates as vacant supply remained abundant with Warehouse/distribution space recording average asking rates \$7.47 psf overall. Rates are expected to rise in the near-term as nearly 2.9 msf of Class A product is set to deliver in the next nine months.

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 CONSTRUCTION (SF)	CONSTRUCTION COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)*	OVERALL WEIGHTED AVG NET RENT (FX)*	OVERALL WEIGHTED AVG NET RENT (W/D)*
Daniel Island	5,112,726	302,045	5.9%	0	-110,000	0	0	-	\$17.90	\$7.75
Dorchester County	15,045,771	3,484,134	23.2%	40,000	-369,923	635,328	2,534,113	\$7.50	-	\$7.03
Downtown Charleston/ NOMO	1,793,504	1,650	0.1%	0	0	0	0	-	-	-
James Island/Johns Island/Hwy 17 S	836,530	17,637	2.1%	-2,476	-2,476	0	0	-	\$11.38	\$9.50
Mt. Pleasant/Hwy 17 N	962,451	0	0.0%	0	0	483,696	0	-	-	-
North Charleston	35,365,098	2,809,629	7.9%	29,171	255,193	473,852	1,380,410	\$7.60	\$16.93	\$8.10
Outlying Berkeley County	41,255,053	5,479,128	13.3%	769,273	-260,529	1,318,280	697,312	-	\$15.06	\$7.46
West Ashley	957,802	0	0.0%	0	2,000	0	0	-	-	-
MARKET TOTALS	101,328,935	12,094,223	11.9%	835,968	-485,735	2,911,156	4,611,835	\$7.56	\$16.66	\$7.47

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

FX = Flex MF = Manufacturing W/D = Warehouse/Distribution

KEY LEASE TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
7063 Palmetto Commerce Pkwy	North Charleston	Amazon	315,000	Build-to-Suit
North Pointe Industrial Park – 7413 Magi Rd	Outlying Berkeley County	SAIC	302,400	Renewal*
Shipyards Creek Logistics Center – Building 2	North Charleston	East Coast CES of South Carolina Inc.	259,200	Build-to-Suit
North Pointe Industrial Park – Building 1	Outlying Berkeley County	Perfection Hytest	145,803	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	SELLER BUYER	SF	PRICE \$ PSF
1116 Business Park Rd	Outlying Berkeley County	Fruit of the Loom LRC Properties	753,222	\$50.0M \$66.38

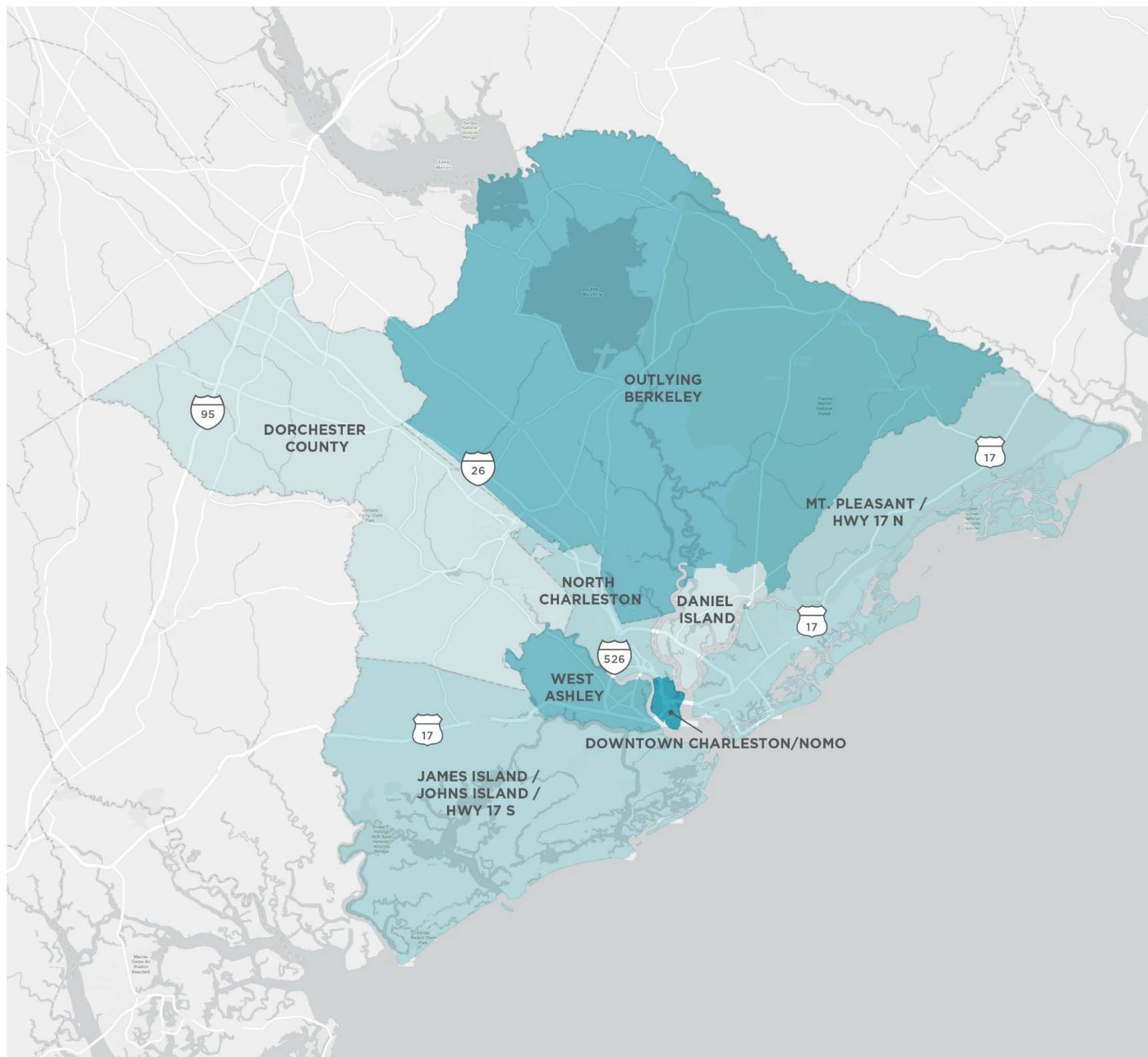
KEY CONSTRUCTION COMPLETIONS YTD 2024

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER DEVELOPER
Palmetto Logistics Center	North Charleston	N/A	1,321,840	Oaktree Capital Management Dalfen Industrial
Port 95 Business Park – Buildings 1 & 2	Dorchester County	BID Group	1,219,772	Cresset Partners Janko Group
Jedburg Logistics Park – Buildings 1 & 2	Dorchester County	Amazon	780,260	Iconic Equities Trinity Capital Advisors

KEY PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	CONSTRUCTION TYPE	SF	OWNER DEVELOPER
Berkeley Commerce Center – Buildings 1 & 2	Outlying Berkeley County	Speculative	773,280	Rushmark Properties
Charleston Global Crossing	Dorchester County	Speculative	635,328	Robinson Weeks Partners
Camp Hall – Campus 5	Outlying Berkeley County	Speculative	545,000	BentallGreenOak RL Cold

INDUSTRIAL SUBMARKETS



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