

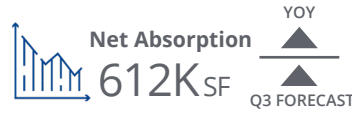
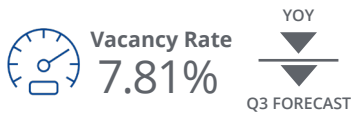


Charleston

Industrial 21Q2

Key Takeaways

- E-commerce is boosting industrial demand
- Charleston has 18.69 million square feet of industrial buildings either under construction or proposed to be built
- New construction will push rental rates up and vacancy rates down



E-commerce is still boosting industrial construction

E-commerce sales are predicted to increase by 13.7% during 2021 with e-commerce growth driving industrial demand. Existing warehousing cannot accommodate a typical fulfillment and e-commerce user which is the majority of the industrial demand. Traditionally, warehouses in Charleston are rear load, 32' ceiling height, 190' or below truck court which can accommodate an average manufacturing or industrial user. Fulfillment and e-commerce users generally need a cross dock facility with at least 40' ceilings, stronger ESFR sprinkler heads, additional trailer parking and laydown yards for empty containers.

Local Market Indicators

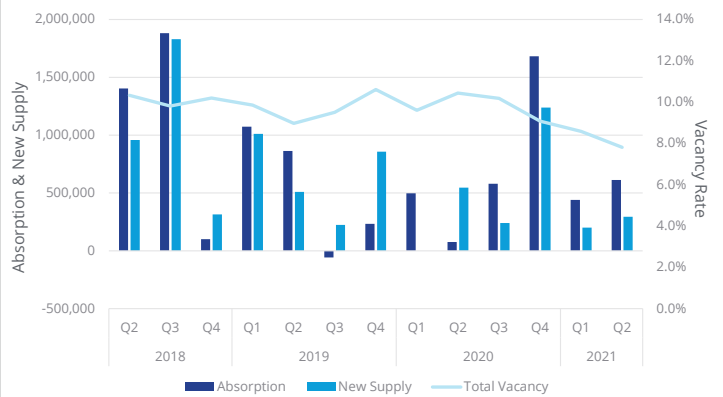


Historic Comparison

	20Q2	21Q1	21Q2
Total Inventory* (in Millions of SF)	50.0	51.9	52.1
New Supply (in SF)	0	200K	294.8K
Net Absorption (in SF)	545.9K	440.6K	612.3K
Overall Vacancy	10.4%	8.6%	7.8%
Under Construction (in Millions of SF)	1.5	3.2	6.2
Overall NNN Lease Rates (in \$/SF)	\$5.73	\$6.70	\$6.41

* Total inventory based on buildings 20K SF or larger

Absorption, New Supply & Vacancy Trends



Despite overall vacancy rate fluctuations over the past two years, steady industrial demand drove it back down below 8% during the second quarter of 2021. Absorption is outpacing new construction deliveries and is expected to continue to do so because overall industrial demand continues to increase.

Recent Transactions



Sale
Navy Yard at Noisette
N. Charleston | 78K SF



Sale
Crowfield Corp. Center
Goose Creek | 35.5K SF



Lease
410 Tradeport
S.ville | 247.8K SF



Lease
1301 Chs. Reg. Pkwy
Berkeley Co. | 115K S SF



Lease
300 Trade Zone
S.ville | 198.6K SF



Lease
320-324 Deming
S.ville | 148.9K SF

Sources: Colliers, CoStar

E-commerce is still boosting industrial construction

Since online spending is growing rapidly, these users are scrambling to find the space, but are having to wait to build it. This leads to increased shipping rates, longer delivery times to consumer, and many other bottlenecks in the supply chain. Therefore, new industrial construction will be necessary in the next few years to keep pace with shipping, storage and logistics needs. Charleston currently has 6.2 million square feet of industrial buildings under construction, and another 12.49 million square feet proposed to be built.

The need for new construction will push rental rates up and vacancy rates down despite new deliveries because tenants are competing for space. A construction boom will also create jobs and attract new residents to the area, thereby fueling demand for other types of industrial space.

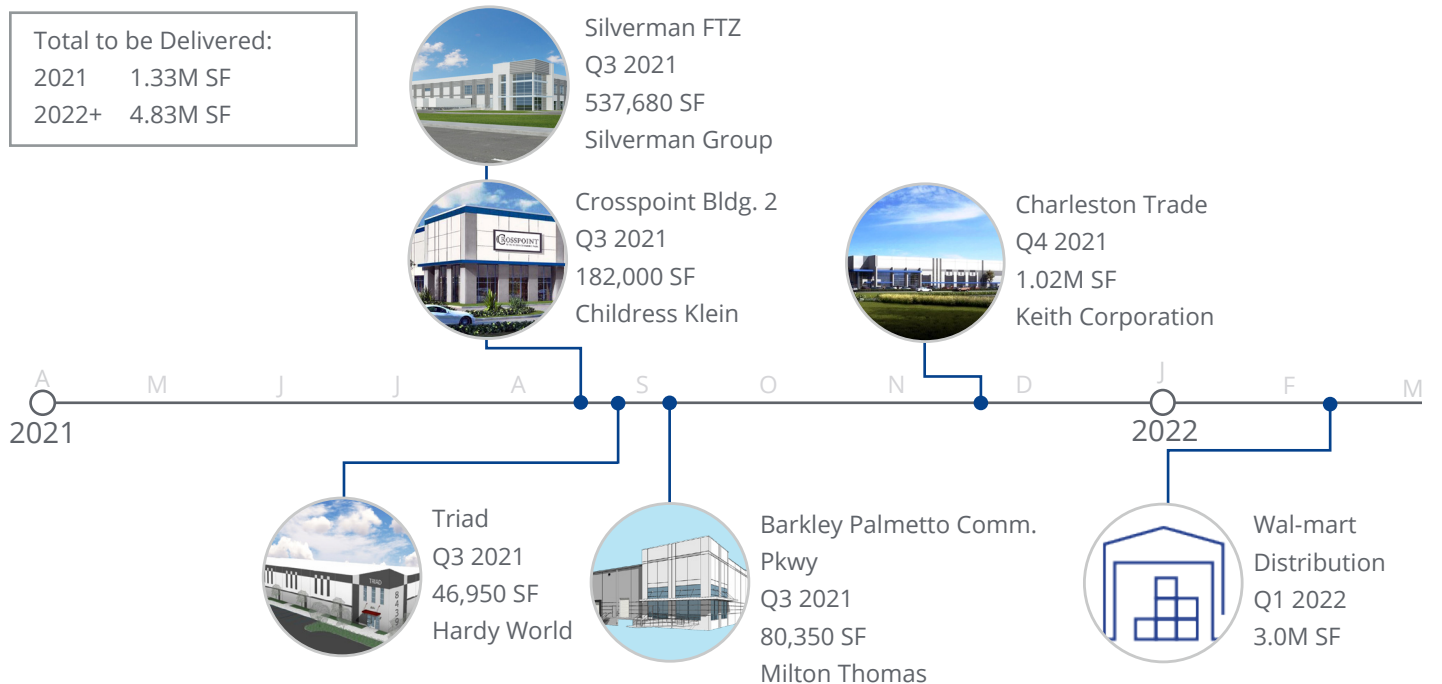
Charleston Capital Investments

January 2021 - June 2021

Date	Company	Investment / Jobs	County	Industry
Apr-21	M.C. Dean, Inc.	\$7.3M / 126	Charleston	Service
Apr-21	Bourne Group	\$3.7M / 43	Charleston	Manufacturing
May-21	ADMA Biologies	- / 50	Charleston	Manufacturing - Medical
Jun-21	Robert Bosch	\$80M / 430	Charleston	Manufacturing
Jun-21	Charleston Coffee Roasters	\$2.2M / 28	Charleston	Manufacturing - Coffee
Jun-21	Cummins Turbo Tech	10.7M / 252	Charleston	Manufacturing
Jun-21	Polestar Cars	\$118M / -	Charleston	Manufacturing- Auto
Jun-21	Century Aluminum	\$60M / 100	Berkeley	Manufacturing

Development Pipeline

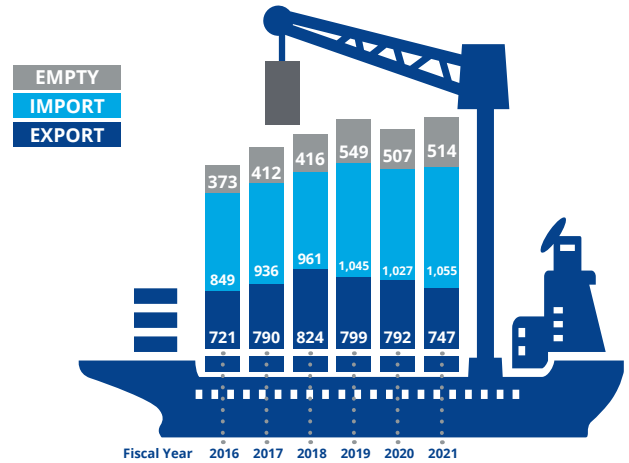
Charleston



Coastal Port Tonnage

The South Carolina Ports Authority is a dominant economic driver for South Carolina; it creates one in ten jobs within the State and approximately \$63 billion in annual economic activity. The South Carolina Ports posted record cargo volume during the consecutive months of March - June, 2021. Loaded imports were up 46.5% year-over-year during May of 2021 due to home goods and retail purchases. According to the South Carolina Ports Authority, a capital spending plan of \$349.4 million was approved for 2022 to enhance terminals, equipment, and the information technology infrastructure, which will vastly boost TEU volume in 2022. Also, the opening of the Hugh K. Leatherman terminal has greatly increased the overall port capacity.

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

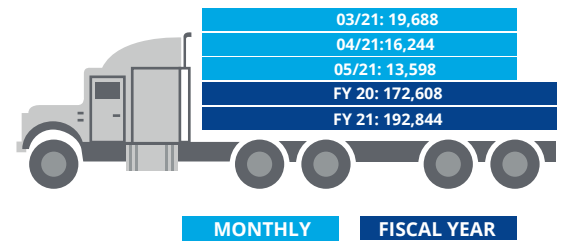


Source: South Carolina Ports Authority

Inland Port Tonnage

South Carolina Ports Authority reported its strongest fiscal year for both rail moves and cargo volumes at inland ports during 2021. The two inland terminals both set cargo records, rail moves were up 11.7% from one year ago. Inland Port Greer, located in the Upstate, reported 157,842 rail moves in fiscal year 2021, a year-over-year increase of 12.6%. Inland Port Dillon reported 35,002 rail moves in fiscal year 2021, up 7.9%.

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



Source: South Carolina Ports Authority

Infrastructure Improvements

South Carolina

Project Name	Project Type	Description	Status	Estimated Completion Date
Hugh K. Leatherman	Port	Additional North Charleston container terminal	Open	Q1 2021
Charleston International Airport	Airport	Adding a third concourse	Construction to begin Q4 2021	Q4 2023
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	Q3 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

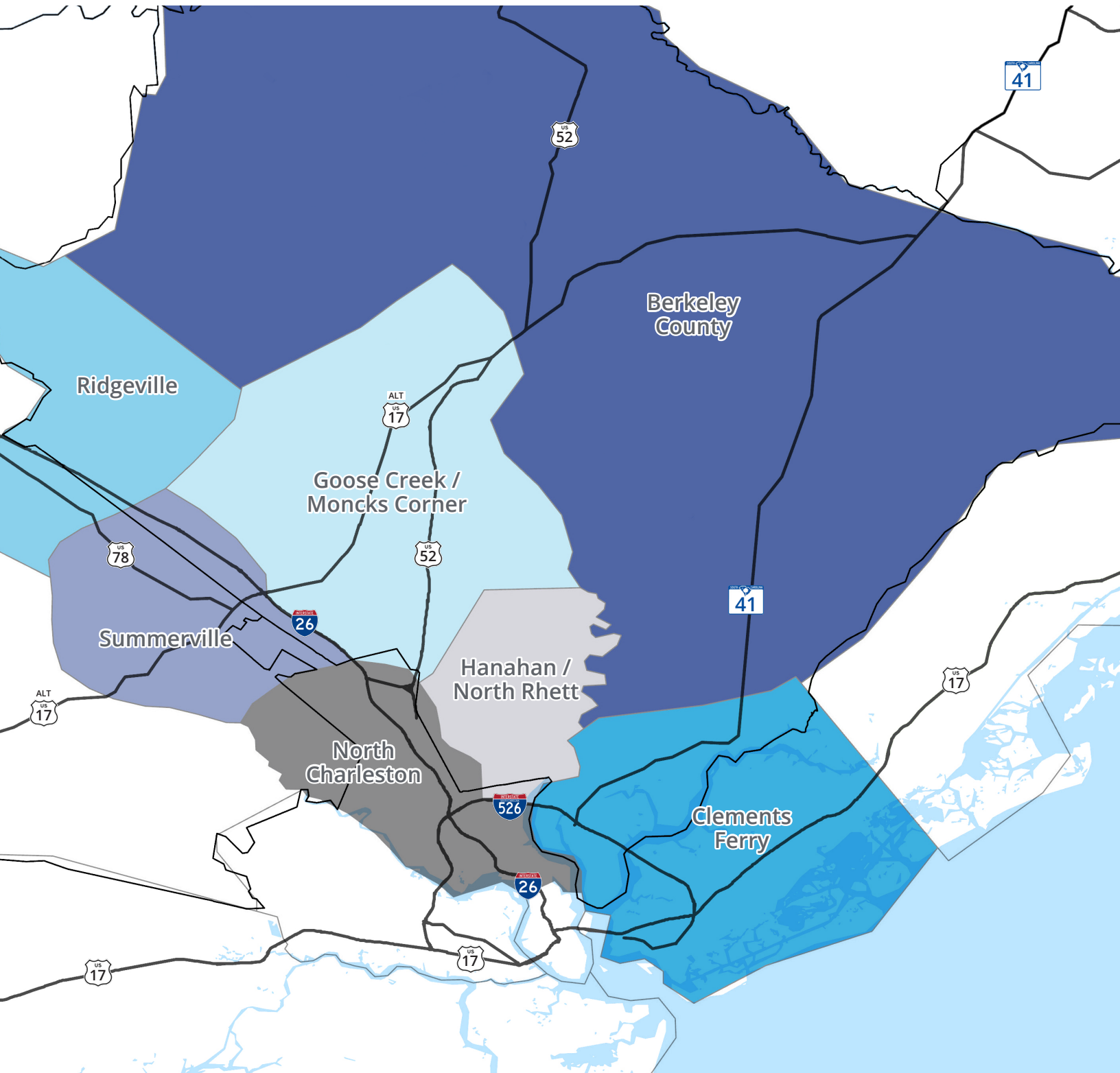
Source: SCDOT, South Carolina Ports Authority

Charleston | Q2 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	1	48,000	24,000	-	24,000	50.00%	-	\$12.00
Manufacturing	-	-	-	-	-	-	-	-
Warehouse/Distribution	8	1,676,468	189,418	-	189,418	11.30%	247,830	-
Berkeley County Total	9	1,724,468	213,418	-	213,418	12.38%	247,830	\$12.00
Clements Ferry								
Flex/R&D	9	301,883	135,083	-	135,083	44.75%	-8,176	\$10.36
Manufacturing	9	462,737	-	-	-	0.00%	-	-
Warehouse/Distribution	33	4,169,988	286,703	109,260	395,963	9.50%	67,245	\$11.56
Clements Ferry Total	51	4,934,608	421,786	109,260	531,046	10.76%	59,069	\$10.48
Goose Creek / Moncks Corner								
Flex/R&D	9	1,382,951	-	-	-	0.00%	-	-
Manufacturing	12	2,868,567	-	-	-	0.00%	-	-
Warehouse/Distribution	16	1,506,941	-	-	-	0.00%	-	-
Goose Creek/Moncks Corner Total	37	5,758,459	-	-	-	0.00%	-	-
Hanahan / North Rhett								
Flex/R&D	1	33,594	-	-	-	0.00%	-	-
Manufacturing	5	738,383	305,423	-	305,423	41.36%	-	\$5.80
Warehouse/Distribution	30	3,757,416	-	-	-	0.00%	104,000	-
Hanahan / North Rhett Total	36	4,529,393	305,423	-	305,423	6.74%	104,000	\$5.80
North Charleston								
Flex/R&D	24	1,030,963	42,661	-	42,661	4.14%	46,050	-
Manufacturing	39	2,675,321	43,617	-	43,617	1.63%	-	\$7.95
Warehouse/Distribution	172	14,992,883	1,459,687	68,000	1,527,687	10.19%	120,644	\$6.52
North Charleston Total	235	18,699,167	1,545,965	68,000	1,613,965	8.63%	166,694	\$6.55
Ridgeville								
Flex/R&D	-	-	-	-	-	-	-	-
Manufacturing	1	660,000	-	-	-	0.00%	-	-
Warehouse/Distribution	-	-	-	-	-	-	-	-
Ridgeville Total	1	660,000	-	-	-	0.00%	-	-
Summerville								
Flex/R&D	5	415,421	-	-	-	0.00%	-	-
Manufacturing	29	2,970,286	-	-	-	0.00%	-	-
Warehouse/Distribution	66	9,843,568	1,016,600	92,000	1,108,600	11.26%	35,500	\$5.65
Summerville Total	100	13,229,275	1,016,600	92,000	1,108,600	8.38%	35,500	\$5.65
Other Submarkets								
Flex/R&D	14	672,710	6,839	-	6,839	1.02%	-6,839	-
Manufacturing	9	853,385	-	-	-	0.00%	-	-
Warehouse/Distribution	22	1,069,061	293,222	-	293,222	27.43%	-28,910	\$5.45
Other Submarkets Total	45	2,595,156	300,061	-	300,061	11.56%	-35,749	\$5.45
Charleston Overall Market								
Flex/R&D	63	3,865,522	208,583	-	208,583	5.37%	31,035	\$10.62
Manufacturing	104	11,228,679	349,040	-	349,040	3.11%	35,000	\$5.99
Warehouse/Distribution	347	37,016,325	3,245,630	269,260	3,514,890	9.50%	546,309	\$6.20
Market Total	514	52,130,526	3,803,253	269,260	4,072,513	7.81%	612,344	\$6.41

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 16 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.

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