



## CHARLESTON INDUSTRIAL

## Economic Indicators

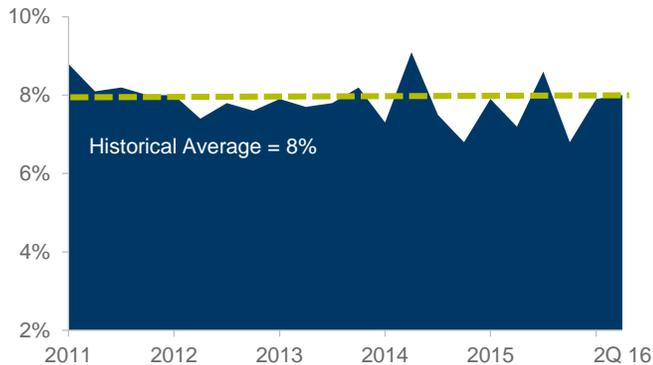
	2Q 15	2Q 16	12-Month Forecast
Charleston Employment	332k	339k	▲
Charleston Unemployment	5.2%	5.1%	▼
U.S. Unemployment	5.4%	4.9%	▼

## Market Indicators (Overall, All Product Types)

	2Q 15	2Q 16	12-Month Forecast
Vacancy	7.2%	8.0%	▼
Net Absorption (sf)	301k	250k	▲
Under Construction (sf)	30k	4.1M	▲
Average Asking Rent*	\$4.53	\$5.18	▲

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

## Overall Vacancy



## Economy

Charleston's job market is one of the hottest in the nation, as nearly a third of the region's companies say they plan to hire more people in the coming months. Some 32% of Charleston-area employers plan to add staff in 3Q 2016, according to a recent survey by the human-resources consulting firm ManpowerGroup.

Forbes Magazine announced Charleston as the 3rd Best City in America for jobs in 2016. Charleston, South Carolina is now the second-most-popular destination for movers in the United States, according to United Van Lines annual Movers study, averaging 45 newcomers a day and over 1,000 per month. The millennial population has grown 58% since 2005 with an average worker in the market now being 34 years of age.

## Market Overview

Palmetto Railways' began construction at the Charleston Naval Base on their future 100-acre rail yard, which will provide a container transfer facility for cargo headed for the S.C. State Ports Authority's new cargo terminal. The new port terminal is under construction at the south end of the Navy Base and is expected to be online in 2018. Port traffic increased 4% in 2Q 2016 year-over-year. Viva Holdings Group, a combination of Moncks Corner-based VivaSC Recycling; and Zhang Baofa, a partner in Jingxin Chemical Group, is building a \$28-million rubber and plastics recycling business. This new venture will create 200 jobs. ThyssenKrupp, a full-service provider of customized product management solutions company, expanded in Charleston County increasing their total occupancy to 400,000 square feet (SF). The new development is expected to create 32 new jobs. Suncap Property Group of Charlotte NC announced the opening of their new 350,000-SF cross-dock facility in Berkeley County with asking rates of \$5.25 per square foot (PSF). Keith Corporation, also of Charlotte, NC acquired 200 acres in Berkeley County and will begin construction on a speculative 300,000-SF facility with asking rates of \$4.90 PSF. Overall vacancy rates remained stable at 8.0% for the second straight quarter. Rental rates did increase on average to \$5.18 PSF up from \$4.92 PSF in 1Q 16. Direct net absorption totaled 875,333 SF year-to-date with over 4.1 million square feet of speculative or expansion space under construction.

## Outlook

The remainder of 2016 is looking strong with port traffic on the increase. In addition to Daimler and Volvo expansion projects well under construction, the industrial warehouse and industrial market will continue to tighten. Investment sales remain strong with land sites taking the lead.