

MARKETBEAT

Charleston, SC

Industrial Q3 2017



CUSHMAN & WAKEFIELD

THALHIMER

CHARLESTON INDUSTRIAL

Economic Indicators

	Q3 16	Q3 17	12-Month Forecast
Charleston Employment	348k	353k	▲
Charleston Unemployment	3.9%	3.3%	▼
U.S. Unemployment	4.9%	4.4%	▼

Market Indicators (Overall, All Property Types)

	Q3 16	Q3 17	12-Month Forecast
Vacancy	6.8%	8.0%	▲
Net Absorption (sf)	-43k	-182k	▼
Under Construction (sf)	3.5M	5.7M	▲
Average Asking Rent*	\$5.31	\$5.48	▲

*Rental rates reflect net asking \$psf/year

Overall Asking Rent/Overall Vacancy

4-QTR TRAILING AVERAGE



Economy

In September, Inc. magazine named Charleston a top east coast city attracting millennials. Charleston's millennial population grew by 48% (2000-2016) making it one of the top millennial magnets in the nation (outpacing the U.S. at 11% growth). Charleston's rapidly growing tech scene, 250 plus tech companies, is adding

jobs that offer the opportunity to do cutting-edge work all while balancing surfing lunches, bringing your dog to work, and more to match Millennials to the 22,000 new jobs the region expects over the next two years. South Carolina Aerospace projects the State of South Carolina total economic impact of the aerospace industry should nearly double to \$35 billion in the next decade. At present, there are over 400 firms servicing the aerospace industry in the state. That number is expected to grow to over 800 firms and 200,000 jobs.

Market Overview

Volvo announced plans to create an additional 1,900 jobs and invest another \$500 million in Berkeley County, doubling its initial investment a year ahead of producing its first car in South Carolina. This announcement expands the company's 2015 plans to create 2,000 jobs initially and invest \$500 million to produce S60 sedans from its 1,600 acre U.S. automotive campus under construction near Ridgeville. Isringhausen GmbH, a global leader in the development of seating systems for commercial vehicles, is launching new manufacturing operations in Charleston County. The facility is projected to bring more than 130 new jobs.

South Carolina Ports Authority reported 10% container volume growth in September and strong results for the first quarter of the 2018 fiscal year. SCPA moved 179,856 twenty-foot equivalent container units (TEU) last month, the strongest September on record. The month pushed SCPA's volume for the first quarter of FY2018 to 539,995 TEUs, a nearly 4% year-over-year increase.

A joint venture formed by North Signal Capital LLC paid \$5 million for 30 acres in North Pointe Business Park off North Rhett Avenue with plans to add 400,000 square feet (sf) of commercial space at the Hanahan industrial site. The Beach Co. of Charleston in partnership with Samet Development recently bought 18 acres at Palmetto Commerce Park, where it plans to build a 200,000-sf warehouse.

Outlook

Volvo and Daimler are wrapping up contract awards and new suppliers are entering the market seeking existing product to meet the late 2018 delivery dates. Port volume increase has also added fuel to the warehouse demand. Expected speculative warehouse space will be coming online in late 2017 and early 2018.

Cushman & Wakefield | Thalhimier
1 Central Island Plaza
115 Central Island Street, Suite 175
Charleston, SC 29492
www.thalhimer.com

For more information, contact:
Basil Hallberg
Tel: +1 804 697 3560
basil.hallberg@thalhimer.com

About Cushman & Wakefield

Cushman & Wakefield is a leading global real estate services firm that helps clients transform the way people work, shop, and live. Our 43,000 employees in more than 60 countries help investors and occupiers optimize the value of their real estate by combining our global perspective and deep local knowledge with an impressive platform of real estate solutions. Cushman & Wakefield is among the largest commercial real estate services firms with revenue of \$5 billion across core services of agency leasing, asset services, capital markets, facility services (C&W Services), global occupier services, investment & asset management (DTZ Investors), project & development services, tenant representation, and valuation & advisory. To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.

Copyright © 2017 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources considered to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy. Alliance firms are independently owned and operated.