

Office Snapshot Q3 2015

Charleston, SC

CHARLESTON OFFICE

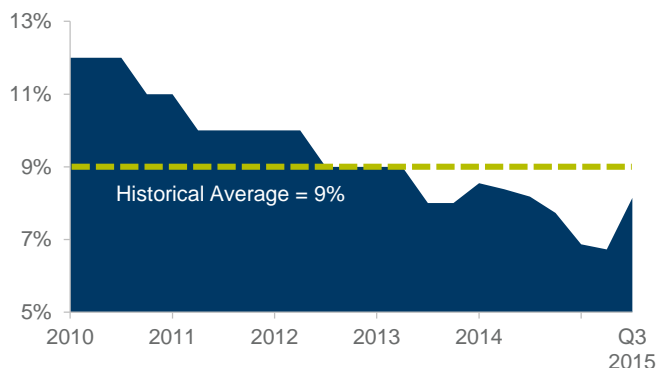
Economic Indicators

	Q3 14	Q3 15	12-Month Forecast
Charleston Employment	323k	332k	▲
Charleston Unemployment	5.4%	5.7%	▲
U.S. Unemployment	6.1%	5.1%	▼

Market Indicators

	Q3 14	Q3 15	12-Month Forecast
Overall Vacancy	8.2%	8.1%	■
Net Absorption	19k	-254k	▼
Under Construction	259k	384k	▲
Overall Average Asking Rent	\$18.03	\$21.12	▲

Overall Vacancy



Economy & Market Overview

Charleston's economy is at full throttle, a trend which is expected to continue at its present pace as the area has become a magnet for innovative start-ups and is attracting game-changing entrepreneurs. The future is optimistic to say the least bringing with it good tidings for the commercial real estate business. Inventory for all classes of space increased to 23.2 million square feet (msf). Third quarter overall vacancy rate rose to 8.1% from 6.7% reported in Q2.

About Cushman & Wakefield

Cushman & Wakefield is a global leader in commercial real estate services, helping clients transform the way people work, shop, and live. The firm's 43,000 employees in more than 60 countries provide deep local and global insights that create significant value for occupiers and investors around the world. Cushman & Wakefield is among the largest commercial real estate services firms in the world with revenues of \$5 billion across core services of agency leasing, asset services, capital markets, facilities services (branded C&W Services), global occupier services, investment management (branded DTZ Investors), tenant representation and valuations & advisory. To learn more, visit www.cushmanwakefield.com or follow @Cushwake on Twitter.

Class A inventory grew to 5.7 msf with an overall vacancy rate of 9.7%, up from 9.0% reported at the end of Q2. The overall asking rental rates for all classes increased \$0.59 per square foot (psf) from Q2 to \$21.12 psf. Class A rates rose \$0.30 psf to \$26.14 psf. Projects under construction totaled 383,780 square feet (sf). A partnership of Durlach and Trinity Capital Advisors broke ground on a 125,000-sf speculative building during third quarter; Faber Plaza in North Charleston is already 25% leased. Holder Properties' new spec building on Daniel Island is now 90% leased among the tenants being Cushman & Wakefield | Thalhimer Charleston office and Equifax, Inc. Third quarter deliveries totaled 384,000 sf.

Key Lease Transactions Q3 2015

PROPERTY	SF	TENANT	PROPERTY TYPE
Southpark Center III	19,425	MUSC	Class B
5965 Core Road - Bldg VI	11,409	Hendrick Automotive Group	Class B
1717 N Highway 17	7,916	Teak Hut	Class C
158 Meeting Street	7,393	Legal Concierge, Inc.	Class A

Key Sales Transactions Q3 2015

PROPERTY	SF	SELLER/BUYER	PRICE
Parkshore Centre	117,062	Durlach Family/The Medical University of SC	\$28,400,000
Faber Place Executive Park	66,672	3875/3955 Faber Place LLC/Sentinel RE	\$13,050,000
669 Marina Drive	52,980	Redus SC LLC/Bartone Joseph	\$400,000

Outlook

What is clear: 2015 will be the best year for the Charleston office market since pre-recession days. Speculative building is on the rise which is an indicator that demand is strong. Construction is at a healthy pace. The market will continue to tighten with occupancy rates increasing along with rental rates achieving record levels. Investors from out-of-town are highly motivated to discover any and all investment opportunities, particularly in the office sector, which bodes well for the Charleston economy.

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