



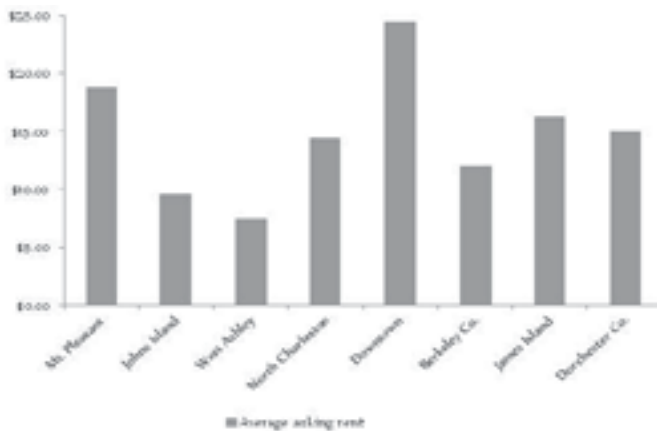
Overview

The state of South Carolina continues to keep pace with the nation with regard to falling unemployment rates. The state experienced a decline in the unemployment rate of 1.3 percent as compared to May of last year. Charleston continues to be one of the strongest contributors to the state's success. In May of 2013, Charleston's unemployment rate was 6.4 percent – a significant change from 7.5 percent one year prior as Charleston outpaces the nation by over 1 percentage point. Strong growth in manufacturing jobs as well as education, leisure and hospitality is expected to continue into 2013 with The Boeing Company alone employing more than 6,000 workers at four factories in North Charleston.

The overall Charleston market experienced positive net absorption of 166,471 square feet in second quarter while vacancy declined from 8.5 percent in first quarter to 7.8 percent. Most of that trend can be attributed to Class B buildings which accounts for 44 percent of the overall Charleston office market. During second quarter, Class B buildings had a positive net absorption of 133,733 square feet, Class C buildings had a positive net absorption of 32,932 square feet, and Class A remained basically flat at -194 square feet. Similarly, vacancy of Class B office buildings showed a one percent decline over first quarter while Class A vacancy remained the same at 9.9 percent.

There were no significant space completions during second quarter 2013 as compared to the five building completions totaling 109,072 square feet that were delivered during first quarter. The largest office building currently under construction is the Nexton Office Campus at 201 Sigma Drive totaling 100,000 square feet. The building is 35 percent leased and is expected to be completed by November of this year. Building I in the Nexton Office Campus will be the first LEED Gold Certified office building over 100,000 square feet in the Charleston area. In Charleston, Class A office space is difficult to find, and for the region to remain competitive for firms looking to move, new inventory is a must.

AVERAGE DIRECT ASKING RENT BY SUBMARKET



Resource: CoStar

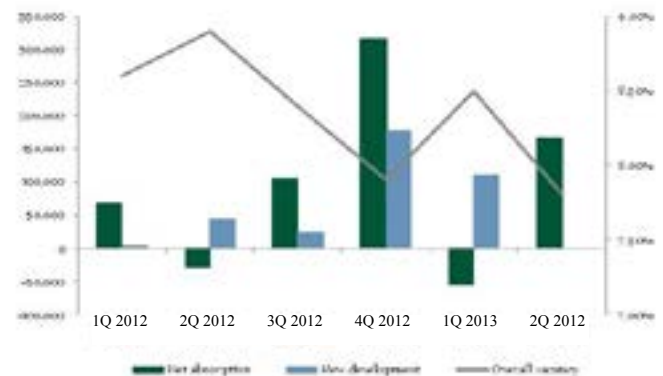
	1Q 2013	2Q 2013	12 MONTH FORECAST
Market Supply (SF)	25,597,723	25,597,723	↕
Vacancy (SF)	2,165,493	1,999,022	↕
Vacancy	8.5%	7.8%	↕
Net Absorption	(55,127)	166,471	↕
Direct Asking Rent (NNN)	\$17.76	\$17.02	↕

“With absorption increasing and vacancy rates decreasing, the Charleston Office market has tightened up the first half of the year”

- Mike Ferrer, CCIM

Vice President of Office & Industrial Brokerage

HISTORICAL VACANCY AND NET ABSORPTION



NEWS UPDATE

Lincoln Harris, partnering with Greystar, was selected by the Evening Post Publishing Company to develop Phase I of Courier Square. Courier Square is a mixed-use project at the corner of Meeting Street and Columbus Street in downtown Charleston. The 2.8 acre site will include apartments, office, retail and other commercial space wrapping a parking deck.

The project, part of a long-term redevelopment of 12 acres, is projected to break ground next year.

Chip Mark, Senior Vice President of South Carolina for Lincoln Harris, said the downtown office market is extremely tight and our overall product mix should be met by strong demand.



MARKET KNOWLEDGE: CHARLESTON OFFICE OVERVIEW

SIGNED LEASE
TRANSACTIONS

LOCATION	SUBMARKET	SF	ASKING PRICE/SF
1941 Savage Rd	Charleston	10,099	\$11.20
1470 Tobias Gadson Blvd	Charleston	1,929	\$14.00
3900 Leeds Ave	North Charleston	13,575	\$13.00
1078 E Montague Ave	North Charleston	7,353	\$13.00
1141 Remount Rd	North Charleston	12,787	\$16.25

CLOSED SALE
TRANSACTIONS

ADDRESS	CITY, STATE, ZIP CODE	SF	SALE PRICE	SALE PRICE/SF
1675 Belle Isle Ave	Mt Pleasant	36,524	\$8,250,000	\$225.88
1051-G Johnnie Dodds Blvd	Mt Pleasant	1,918	\$232,500	\$121.22
1810 Old Trolley Rd	Summerville	8,794	\$625,000	\$71.07
1311-202 Chuck Dawley Blvd	Mt Pleasant	7,926	\$499,000	\$62.96

OFFICE STATISTICS
BY SUBMARKET

BY SUBMARKET	Inventory (Buildings)	Inventory (SF)	Overall vacant SF	Overall vacancy %	YTD net absorption	Asking rent PSF
Dorchester County	361	1,684,109	117,357	7.0%	(8,807)	\$14.94
Downtown Charleston	429	5,942,096	185,168	3.1%	30,228	\$24.33
E Charleston County	4	37,783	2,500	6.6%	0	\$15.36
East Islands/Mt Pleasant	390	3,592,697	230,161	6.4%	87,628	\$18.82
Greater Charleston	533	4,148,397	407,039	9.8%	17,512	\$18.40
James Island	128	493,398	8,532	1.7%	12,532	\$16.27
North Charleston	688	8,227,449	901,194	11.0%	(41,814)	\$14.46
Berkeley County	208	1,164,874	124,173	10.7%	14,582	\$11.99
W Charleston County	20	55,578	10,940	19.7%	0	\$7.41
West Islands	62	251,342	11,958	4.8%	(517)	\$9.56
MARKET TOTAL	2,823	25,597,723	1,999,022	7.8%	111,344	\$17.02

OFFICE
STATISTICS
BY TYPE

BY CLASS	Inventory (Buildings)	Inventory (SF)	Overall vacant SF	Overall vacancy %	YTD net absorption	Asking rent PSF
Class A	77	5,249,366	518,509	9.9%	29,481	\$23.48
Class B	1,245	12,945,748	1,042,896	8.1%	200,621	\$17.03
Class C	1,501	7,402,609	437,617	5.9%	(118,758)	\$9.30
MARKET TOTAL	2,823	25,597,723	1,999,022	7.8%	111,344	\$17.02

Resource: CoStar



FOCUS ON: 1671 BELLE ISLE AVENUE

The Offices at Belle Hall

1671 Belle Isle Avenue
Mt Pleasant, SC 29464

For more information, contact
Mike Ferrer, CCIM
843-568-3427
Mike.Ferrer@LincolnHarris.com



We are pleased to announce...



Mike Ferrer, of Lincoln Harris, represented
SPPOTT Investments, LLC in their office building purchase
at 1671 Belle Isle Avenue in Mount Pleasant, SC.

- ▶ Office suites are available for lease in the building
- ▶ The suites consist of 8-10 private offices, a conference room, an open bullpen for up to 6 workstations, a reception area, a storage room and a break room.
- ▶ The building is ideally located within the Belle Hall development providing visibility from I-526.



LINCOLN
HARRIS

Mike Ferrer, CCIM
843.568.3427
mike.ferrer@lincolnharris.com

Terms and conditions

Suite	SF	Price
Suite 110	2,227 SF	\$27.50/sf/yr FS
Suite 125	2,287 SF	\$27.50/sf/yr FS
Combined	4,514 SF	\$24.00/sf/yr FS



MIKE FERRER, CCIM

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Experience

Mike Ferrer has been helping buyers, sellers and users of real estate get the best value for their dollar since 2002. Prior to Lincoln Harris, Mike was Vice President at Avison Young where he was responsible for the assemblage of properties and site selection data for tenant/buyer representation and development of market comparisons and evaluation in dispositions of landlord/seller representation. He earned his Certified Commercial Investment Member (CCIM) designation in 2008. Mike is married and has a Boykin Spaniel named Hunter. Mike is a licensed broker in South Carolina. He earned his Bachelor of Arts from Clemson University.

Education and Affiliations

- CCIM Designation
- National Association of Realtors (NAR)
- South Carolina Association of Realtors (SCR)
- Charleston Trident Association of Realtors (CTAR)
- Charleston Propeller Club
- The Footlight Players
- Proficient in Spanish

ABOUT LINCOLN HARRIS

Lincoln Harris, an affiliate of Lincoln Property Company, is a full-service corporate real estate company focused on development, commercial brokerage, corporate real estate services, retail services, land services, project services, property management and asset management. Based in Charlotte, NC, Lincoln Harris has over twenty-three service offices across the country.

More information about Lincoln Harris can be found at www.lincolnharris.com.

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PROPERTY SPOTLIGHT

<p>FOR LEASE</p> <p>800 Area Knaply Blvd Mt Pleasant, SC 29464</p> <p>Lincoln Harris is pleased to present an excellent opportunity for the 800 Area Knaply Blvd. This property is currently being leased to a tenant. The property is a large, modern office building with a total area of approximately 100,000 sq ft. The building features a modern design with large windows, a central atrium, and a parking garage. The property is located in a prime area with easy access to major highways and public transportation. For more information, please contact Mike Ferrer at (843) 952-2060.</p> <p>Terms and conditions</p> <table border="1"> <thead> <tr> <th>Suite</th> <th>SF</th> <th>Price</th> </tr> </thead> <tbody> <tr> <td>Suite 110</td> <td>2,227 SF</td> <td>\$27.50/yr FS</td> </tr> <tr> <td>Suite 125</td> <td>2,287 SF</td> <td>\$27.50/yr FS</td> </tr> <tr> <td>Combined</td> <td>4,514 SF</td> <td>\$24.00/yr FS</td> </tr> </tbody> </table> <p>TMS 459-13-03-014 County Charleston Year Built 2005</p> <p>For more information contact MIKE FERRER, CCIM (843) 568-3427 direct Mike.Ferrer@lincolnharris.com</p>	Suite	SF	Price	Suite 110	2,227 SF	\$27.50/yr FS	Suite 125	2,287 SF	\$27.50/yr FS	Combined	4,514 SF	\$24.00/yr FS	<p>FOR SALE/LEASE</p> <p>800 Area Knaply Blvd Mt Pleasant, SC 29464</p> <p>Lincoln Harris is pleased to present an excellent opportunity for the 800 Area Knaply Blvd. This property is currently being leased to a tenant. The property is a large, modern office building with a total area of approximately 100,000 sq ft. The building features a modern design with large windows, a central atrium, and a parking garage. The property is located in a prime area with easy access to major highways and public transportation. For more information, please contact Mike Ferrer at (843) 952-2060.</p> <p>Terms and conditions</p> <table border="1"> <thead> <tr> <th>Suite</th> <th>SF</th> <th>Price</th> </tr> </thead> <tbody> <tr> <td>Suite 110</td> <td>2,227 SF</td> <td>\$27.50/yr FS</td> </tr> <tr> <td>Suite 125</td> <td>2,287 SF</td> <td>\$27.50/yr FS</td> </tr> <tr> <td>Combined</td> <td>4,514 SF</td> <td>\$24.00/yr FS</td> </tr> </tbody> </table> <p>TMS 459-13-03-014 County Charleston Year Built 2005</p> <p>For more information contact MIKE FERRER, CCIM (843) 568-3427 direct Mike.Ferrer@lincolnharris.com</p>	Suite	SF	Price	Suite 110	2,227 SF	\$27.50/yr FS	Suite 125	2,287 SF	\$27.50/yr FS	Combined	4,514 SF	\$24.00/yr FS	<p>FOR LEASE</p> <p>The Offices at Belle Hall 1671 Belle Isle Avenue Mt Pleasant, SC 29464</p> <p>Lincoln Harris is pleased to present the exclusive listing for the lease of 1671 Belle Isle Avenue in Mount Pleasant, South Carolina. The suites consist of eight to ten private offices, conference room, and an open bullpen for up to six workstations. Reception, storage room and breakroom. This office complex is located off of Long Point Road within the Belle Hall mixed use development with visibility from I-26.</p> <p>Demographics (3-mile) Population 38,177 Household: 16,138 Avg. HH Income: \$63,960.00</p> <p>Terms and conditions</p> <table border="1"> <thead> <tr> <th>Suite</th> <th>SF</th> <th>Price</th> </tr> </thead> <tbody> <tr> <td>Suite 110</td> <td>2,227 SF</td> <td>\$27.50/yr FS</td> </tr> <tr> <td>Suite 125</td> <td>2,287 SF</td> <td>\$27.50/yr FS</td> </tr> <tr> <td>Combined</td> <td>4,514 SF</td> <td>\$24.00/yr FS</td> </tr> </tbody> </table> <p>TMS 459-13-03-014 County Charleston Year Built 2005</p> <p>For more information contact MIKE FERRER, CCIM (843) 568-3427 direct Mike.Ferrer@lincolnharris.com</p>	Suite	SF	Price	Suite 110	2,227 SF	\$27.50/yr FS	Suite 125	2,287 SF	\$27.50/yr FS	Combined	4,514 SF	\$24.00/yr FS
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