

### Industrial Market Overview

The overall Charleston Industrial market experienced positive net absorption of 440,756 square feet during first quarter 2014 - a significant change when compared to the negative 518,041 square feet and the negative 122,688 square feet reported in third and fourth quarter of 2013 respectively. Vacancy rates declined by 80 basis points to 8.1 percent from fourth quarter 2013 with no new product delivered to the market. These first quarter trends were driven by the Warehouse sector with nearly 53 million square feet in product and net absorption of positive 444,872 square feet. The Flex sector, on the other hand, remained relatively flat with total net absorption of negative 4,116 square feet.

Outlying Berkeley County, Greater Charleston and Dorchester County were the submarkets that experienced the most significant space gain during first quarter. In Outlying Berkeley County, Husqvarna recently took the entire 450,000 square foot factory building that American LaFrance vacated last summer off of Jedburg Road. Bentley Packaging also moved into the 30,000 square foot building at 939 Commerce Circle in February. In Greater Charleston, Tides Enterprises moved into nearly 50,000 square feet off of Clements Ferry Road; a plan to consolidate headquarter operations. Additional acreage behind the Clements Ferry operation will serve as an expansion site for the company that could occupy half a million square feet by 2016. Charleston Rush of SC opened a new speedway in 22,000 square feet located at 3550 Ashley Phosphate Road in North Charleston and Charleston Liquidation is now using the 28,000 square foot building at 210 Industrial Drive for warehouse space.

Leases over 250,000 square feet were signed in the Charleston Industrial market throughout first quarter of 2014 and the North Charleston submarket signed nearly 180,000 square feet alone. The largest lease signed in North Charleston was at Pepperdam Industrial Park. Brown Distribution Center, Inc. will be expanding into 101,500 square feet in the 7391 Pepperdam Avenue building in mid-August of this year. ASM Modular Systems has plans to take the entire 25,600 square foot building located at 9500 Industrial Center Drive and Ferguson also signed a lease for approximately 16,500 square feet for Building 17 located at 4301 Dorchester Road. In other submarkets, Charleston Transload and Storage, LLC signed a lease in January for 26,250 square feet in Greater Charleston off of Clements Ferry Road and moved into the space in March.

There is only one industrial building currently under construction in the overall market that will be delivering 140,000 square feet in North Charleston in May 2014. With the industrial business in the Lowcountry outpacing the nation and more manufacturing plants moving and expanding, vacancies will continue to tighten in the market. Something that real estate professionals are excited about.

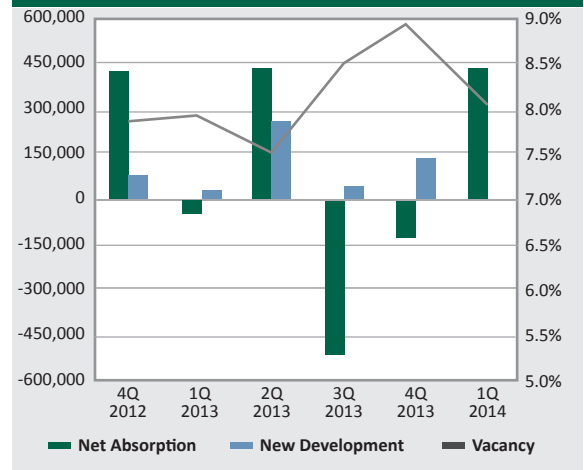
### MARKET STATISTICS

	1Q 2014	4Q 2013	FORECAST
Market Supply (SF)	56,532,238	56,532,238	▲
Vacancy (SF)	4,600,396	5,041,152	▼
Total Vacancy (%)	8.1%	8.9%	▼
Total Net Absorption (SF)	440,756	-122,688	▲
Average Asking Rent	\$4.32	\$4.32	▶

“ 2014 is off to a good start with over 440,000 square feet of deals completed. ”

**CHIP MARK**  
Senior Vice President - South Carolina

### HISTORICAL VACANCY & NET ABSORPTION



### PROPERTY SPOTLIGHT

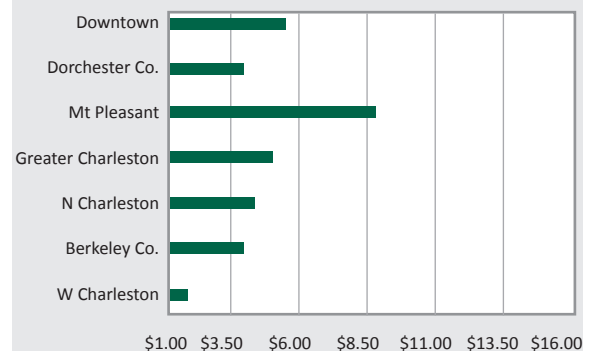


**For Lease**  
2725 W 5th North Street  
Summerville, SC 29483

Unit B - 100,000 sf  
\$3.15psf /NNN

Approximately 95,500 square feet of warehouse space with 4,500 square feet of office space. This warehouse is located in Foreign Trade Zone #21 and is in close proximity to I-26, I-526 and I-95. There are 8 dock -high doors in the available space. The warehouse dimensions are 400' x 240'.

### SUBMARKET ASKING RATES - 1Q 2014



Source: CoStar; Lincoln Harris Research

## INDUSTRIAL MARKET STATISTICS

	Buildings	Inventory	Vacant Space	Vacancy Rate	YTD 2014 Absorption	Asking Rent (PSF)
DOWNTOWN CHARLESTON	22	955,324	231,800	24.3%	0	\$5.50
DORCHESTER COUNTY	114	5,367,573	949,253	17.7%	70,864	\$3.87
E CHARLESTON COUNTY	2	43,466	0	0.0%	0	-
EAST ISLANDS/MT PLEASANT	37	871,331	101,272	11.6%	(14,207)	\$9.03
GREATER CHARLESTON	158	6,327,687	368,556	5.8%	101,221	\$5.12
JAMES ISLAND/FOLLY BEACH	17	484,282	8,004	1.7%	0	\$15.00
NORTH CHARLESTON	535	24,277,295	1,416,746	5.8%	(37,563)	\$4.52
OUTLYING BERKELEY COUNTY	184	17,674,986	1,447,532	8.2%	320,441	\$4.00
W CHARLESTON COUNTY	7	141,821	69,733	49.2%	0	\$2.71
WEST ISLANDS	13	388,473	7,500	1.9%	0	-
<b>MARKET TOTALS</b>	<b>1,089</b>	<b>56,532,238</b>	<b>4,600,396</b>	<b>8.1%</b>	<b>440,756</b>	<b>\$4.32</b>

## INDUSTRIAL STATISTICS BY TYPE

Building Class	Buildings	Inventory	Vacant Space	Vacancy Rate	YTD 2014 Absorption	Asking Rent (PSF)
Flex	162	3,630,367	465,682	12.8%	(4,116)	\$11.11
Warehouse	927	52,901,871	4,134,714	7.8%	444,872	\$4.05
<b>MARKET TOTALS</b>	<b>1,089</b>	<b>56,532,238</b>	<b>4,600,396</b>	<b>8.1%</b>	<b>440,756</b>	<b>\$4.32</b>

## RECENT INVESTMENT SALES

Building	Submarket	RBA	Sale Price	Price/SF
7255 A&B Cross Park Drive	N Charleston	7,200	\$725,000	\$100.69
7221 Peppermill Parkway	N Charleston	7,000	\$450,000	\$64.29
315 Marymeade Drive	Berkeley Co.	162,000	\$8,750,000	\$54.01
257 Deming Way	Dorchester Co.	58,123	\$2,950,000	\$50.75
1951 Belgrade Avenue	Greater Charleston	14,400	\$475,000	\$32.99

## SIGNED LEASE TRANSACTIONS

Building	Submarket	Size	Asking Price/SF
7555-B Palmetto Commerce Pkwy	N Charleston	100,000	\$3.85
2725 W 5th North Street	Dorchester	100,000	\$3.05
906 Commerce Circle	Berkeley Co.	50,000	\$4.00
1888 Clements Ferry Road	Greater Charleston	26,250	\$3.75
4301 - 17A Dorchester Road	N Charleston	16,250	\$5.75

## 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 twenty-three service offices across the country.

Source: CoStar; Lincoln Harris Research

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