

WHY INVEST IN CHARLESTON



CHARLESTON

ABOUT THE CITY

- Second most popular place to move in the US
- Average of 30+ newcomers per day
- The Charleston region's population is growing 3X faster than the U.S. average, to more than 813,000.
- 74th Largest among all U.S. metros

ECONOMY

- One of the top places for jobs, according to Forbes and WalletHub
- Large and growing tech scene nicknamed "Silicon Harbor"
- Local worldwide brand reach such as Boeing, Volvo, Benefitfocus, BMW, Google, Mercedes Benz
- Top ten largest shipping container terminals in North America
- Growing global importance due to deepening of Charleston Harbor and added transatlantic flight
- Growing pool of 380,000+ skilled workers

CULTURE & CONTEMPORARY LIFE

- Major tourism industry, rich historical value, well-preserved architecture, award-winning restaurants
- Growing number of luxury hotels, inns, hotel chains, diverse shopping
- Top 25 art destination, growing music and performing arts scene
- Highly regarded golf destination, 95 miles of coastline to enjoy in a desirable climate
- Weekly festivals, events, concerts, fundraisers, pop-up sales and farmer's markets



WHY INVEST IN CHARLESTON?

Live Like a Charlestonian

Housing: Residential areas range from the rural towns of Jamestown and St. George to the vibrant, urban areas of Charleston and North Charleston. The growing demand for housing has spawned a number of new residential opportunities throughout the region, and most price ranges are well represented.

Cost of Living: Compared to many other thriving coastal communities, Charleston offers a reasonable cost of living according to the ACCRA Cost of Living Index.

Climate: The climate of greater Charleston is considered "temperate to sub-tropical." On average, the region enjoys 230 days of sunshine each year. For the outdoors enthusiast, acres of freshwater lakes, a large national forest, miles of beaches and 160 parks provide the perfect setting for numerous outdoor activities, including sailing, kayaking, fishing, hiking, hunting, windsurfing and water skiing.

Work Like a Charlestonian

3.6% Unemployment Rate **2.9%** Unionization Rate

35.9% Future Job Growth **\$95,931** Average Household Income

Top Industries:

Aerospace:
Boeing
TIGHitco
Eaton Corporation
Advanced Security
SAIC
BAE Systems
VT Group
Evolt

Bio Medical:
HillRom, Inc.
Berchton Corporation
XIFIN
Wind Energy:
33 Wind energy facilities in SC employing over 1,100 people

Automotive:
Cummins Turbo Technologies
Mercedes-Benz
Mahle Behr
Volvo

Play Like a Charlestonian



Learn Like a Charlestonian

The College of Charleston is a state-supported comprehensive institution providing a high-quality education in the arts and sciences, education and business. The faculty is an important source of knowledge and expertise for the community, state, and nation. Located in the heart of historic Charleston, it strives to meet the growing educational demands primarily of the Lowcountry and the state and, secondarily, of the Southeast.

The Citadel is a landmark in Charleston and South Carolina that is noted for its educational reputation as well as its rich history. Founded in 1842, The Citadel has an undergraduate student body of about 3,506 students who make up the South Carolina Corps of Cadets.

The Medical University of South Carolina (MUSC) has grown from a small private medical school founded in 1824 into one of the nation's top academic health science centers, with a 700-bed medical center (MUSC Health) and six colleges.

EXPLORE

DINE

SHOP

Real Estate Climate

Market still hot for stable assets. Industrial, multifamily and medical offices continue to be the most active sectors. Extremely tight supply and near-zero vacancy rates have forced sales and rents to rise to record highs (according to CoStar). Smaller market economies are growing very fast as people who moved in from the big cities are now proving to be excellent consumers. Strong demand for online purchases of grocery and medicine, an uptick in last-mile delivery needs, and the shift toward just-in-case inventory continues to drive the need for industrial space. With most new construction preleased to corporate giants (like Amazon and UPS), finding 2500-5000 square foot facilities or land to build on has become a key focus for small- and mid-size businesses.

Retail revival. The retail sector continues to undergo an evolution, with traditional big box spaces turning into fitness centers, restaurants, and experiential entertainment across the country. Appetite for both sales and leasing has taken off as COVID has become an accepted part of everyday life, with good triple-net locations getting quoted double their pre-pandemic pricing. We are seeing shortages of restaurant and retail shop space in many of our markets as franchisees look to open up their own independent businesses. While Class C and functionally obsolete centers may not fully recover, Class A and B centers are seeing demand soar - with a constant line of people inquiring if any openings will eventually come up.



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PRESS



"#2 Small U.S. City"
-Conde Nast Traveler
Readers Choice 2021

"#1 World's Best U.S. Cities awards"
-Travel + Leisure Magazine 2022

A "Best Place to Live in the U.S."
-Money Magazine 2019

The Souths "Best City to Live"
-Southern Living Magazine
2022

#1 Hotel Bennett
-USA Today 10Best Readers'
Choice Best Luxury Hotel 2021

Folly Beach "South's Best Beach Towns"
-Southern Living Magazine 2021



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TOURISM INDUSTRY



Events such as PGA/LPGA Tournaments, The Charleston Wine & Food Festival, Spoleto Performing Arts Festival, Weddings, North Charleston Business Expo, History / Ghost Tours, Museums, Plantation Tours, Battleship Tours, Cooper River Bridge Run, & Southeast Wildlife Expo drive visitor numbers



Piccolo Spoleto



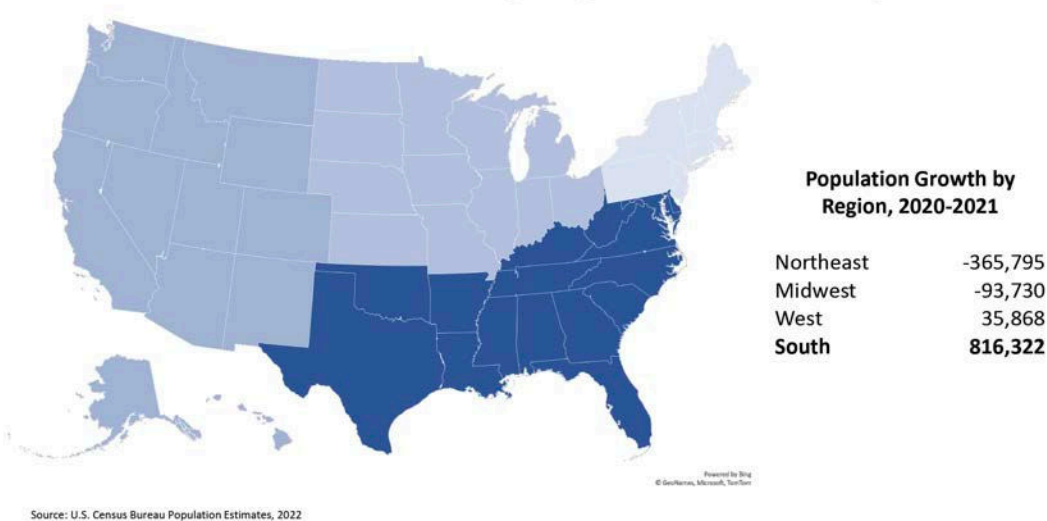
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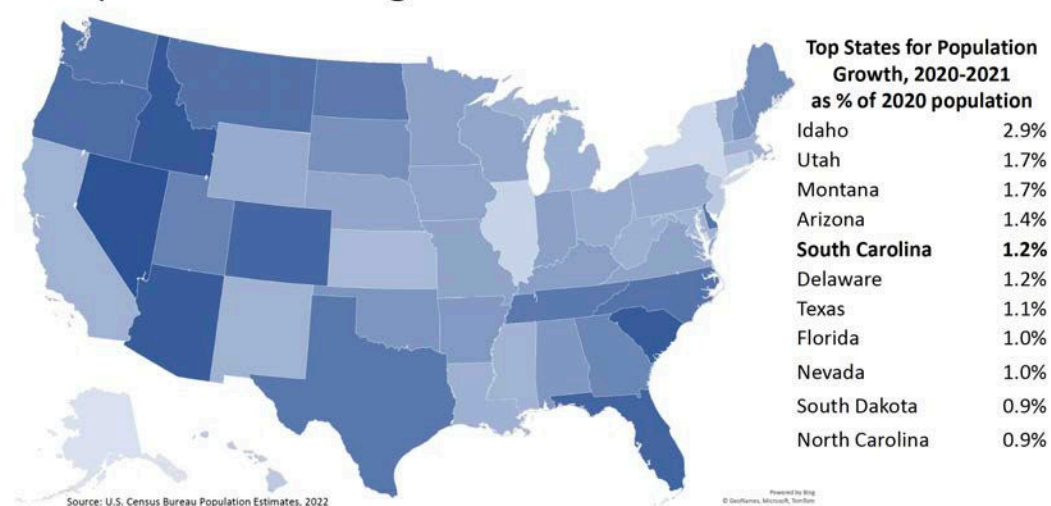
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COMMERCIAL REAL ESTATE

South is the Fastest-Growing Region in the US, by Far



Population Shifting to Lower-Cost States

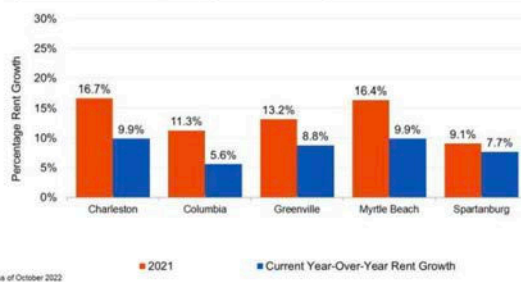


Multifamily Rent Growth is Slowing in Most SC Markets

Multifamily Key Themes

- ◆ Multifamily demand has slowed in nearly all markets. Net absorption remains positive in most markets, except for Columbia, where absorption has been slightly negative.
- ◆ Coastal markets have retained the highest levels of rent growth.
- ◆ 2021 extremely high household formation rates are likely normalizing.
- ◆ Construction levels, while not at record levels, remain high, which should lead to cooler rent growth in the coming quarters.

Rent Growth Shows Signs of Slowing in Most Markets

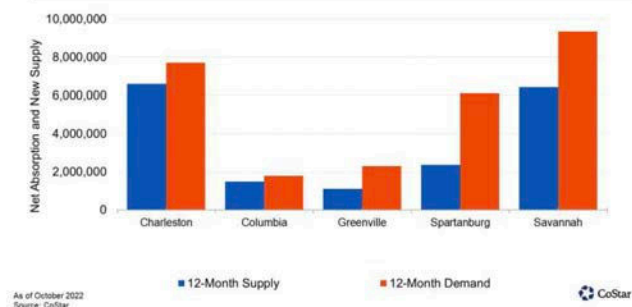


Industrial Demand Still Outpacing New Supply – But for How Long?

Industrial Key Themes

- ◆ While industrial leasing activity has slowed slightly in the third quarter across many markets, absorption is continuing to outpace supply across all South Carolina markets, and especially port markets like Savannah and Charleston.
- ◆ Port activity continues to increase at Charleston, though imports leveled off in September compared to August.

Industrial Demand Outpacing Supply in Most Carolinas Markets



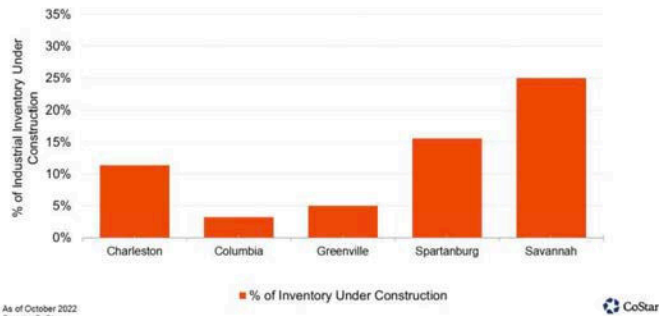
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Record Levels of Industrial Construction Set to Deliver

Speculative industrial construction is at record levels across most major South Carolina markets

Port-oriented markets such as Savannah and Charleston, as well as inland-port and I-85 markets such as Spartanburg and Greenville are scheduled to see the biggest expansions of inventory.

Record Industrial Construction Expansions in Port, I-85 Markets

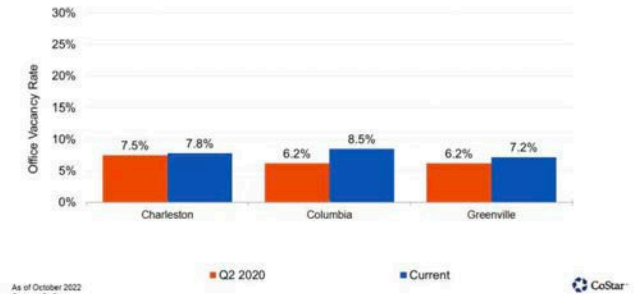


Office Vacancies Up Across South Carolina

While vacancies remain higher in all SC markets than pre-pandemic lows, absorption in both Greenville and Charleston has been positive since late 2021. Columbia absorption has been negative.

Vacancies peaked at 8.8% in 21Q3 in Greenville and 8.9% in 21Q1 in Charleston.

Office Vacancies Up in Large SC Markets



Retail Real Estate

- Suburbs dominating the space, also nothing new but significantly heightened.
- Retail supports living – how do people want to spend their time and shop (the shopping not done through ecommerce)
- New retail desired over older retail.
- Experiential over necessities (Top Golf, Market Common-esq)
- Multiple entertainment options, outdoor seating, multi-purpose paths, attractiveness and attractions.
- Malls are largely out; still. (except in SoCal)

Industrial Real Estate

- 90% of major markets are in expansion phase. No other sector is even close to this imbalance. (IRR – 2022)
- Is this over zealous? Will people significantly slow online purchasing?
- Only to the extent income constrains it.
- The habit is formed. (See the book, Atomic Habits)

Office Real Estate

- The office sector has suffered the biggest blow of c-19.
- Memento mori. Many people don't want to work in an office. Times have changed. It's not the escape it once was. You used to be able to smoke and drink in your office – that was awesome, but it is no more.

LOCAL NEWS

REDWOOD MATERIALS ESTABLISHING OPERATIONS IN BERKELEY COUNTY WITH LARGEST ECONOMIC DEVELOPMENT ANNOUNCEMENT IN STATE HISTORY

Redwood Materials, a producer of anode and cathode battery components for electric vehicles, along with Governor Henry McMaster, today announced plans to establish operations in Berkeley County. The company's \$3.5 billion investment, which marks the largest economic development announcement in the history of South Carolina, will create 1,500 new jobs.

"Redwood Materials' record-breaking announcement shows that our state's strategic plan to remain a top destination for automobile manufacturers and their suppliers as the industry innovates is working," said Gov. Henry McMaster. "This \$3.5 billion investment, and the 1,500 jobs it will create in Berkeley County, is a transformative accomplishment that can only be attributed to the strong, talented, hardworking South Carolinians who make our state as great as it is."

Headquartered in Carson City, Nevada, and founded by Tesla's former Chief Technology Officer and Co-Founder JB Straubel, Redwood Materials will use its South Carolina campus to create a circular supply chain for electric vehicles. To do so, the company will onshore production of the most critical components in batteries – the anode and cathode – to drive down costs and emissions while securing the supply chain within the United States. All battery components will be built from as much recycled material as possible. The more than 600-acre campus, located at Camp Hall Commerce Park in Ridgeville, will initially produce enough anode and cathode material for 100 gigawatt-hours (GWh) of battery cell production or 1 million electric vehicles each year.

Source: https://www.crda.org/news/local_news/redwood-materials-establishing-operations-in-berkeley-county-with-largest-economic-development-announcement-in-state-history/

NEW ROPER HOSPITAL MEDICAL CAMPUS TO BE "PARADIGM FOR PROVIDING HEALTHCARE"

Roper St. Francis Healthcare will make an unprecedented investment in Lowcountry patients by building a new Roper Hospital Medical Campus in North Charleston.

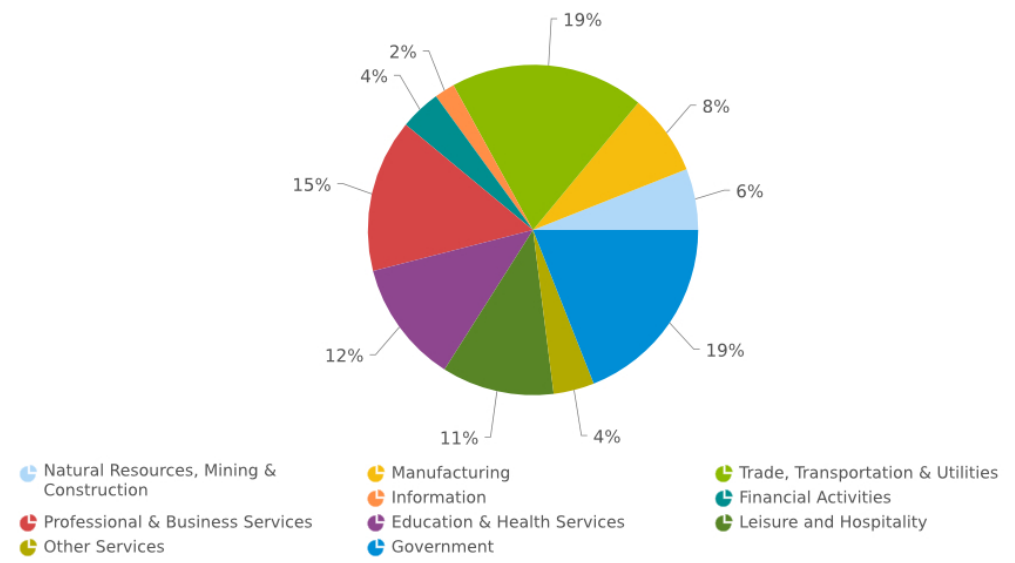
The campus will occupy 27-acres near Interstates 26 and 526 and be easily accessible for patients living in Berkeley, Charleston or Dorchester counties. The \$1 billion project will be one of the largest, most advanced healthcare construction projects on the East Coast and will meet the healthcare needs of one of the fastest growing areas in the country.

"This new medical campus will be a paradigm for providing healthcare, whether that's complex surgeries in a hospital or an annual checkup in an outpatient office," said Dr. Jeffrey DiLisi, president and chief executive officer of Roper St. Francis Healthcare. "We made the bold decision one year ago to move Roper Hospital, and I'm grateful to our North Charleston partners for breathing life into this dream. This new campus will ensure our ability to continue delivering the quality care that's been the hallmark of our brand for generations."

The new Roper Hospital Medical Campus is expected to include a full-service acute care hospital with a 24-hour Emergency Room. The campus also will have a Medical Office Building where a vast array of outpatient and specialty care will be provided. Roper St. Francis Healthcare has secured six premium real estate parcels off Mall Drive near North Charleston City Hall to build the campus.

Source: https://www.crda.org/news/local_news/new-roper-hospital-medical-campus-to-be-paradigm-for-providing-healthcare/

AN INTERNATIONAL DESTINATION FOR BUSINESS & TALENT



Employers by Industry: Greater Charleston continues to attract corporate investment, with both multi-national corporations and fast-growing startups taking advantage of our skilled workforce, world-class infrastructure, and globally competitive business environment.

160+ INTERNATIONAL COMPANIES (CENTER FOR BUSINESS RESEARCH)

5% OF REGIONAL POPULATION IS INTERNATIONAL (CENTER FOR BUSINESS RESEARCH)

4TH ON "AMERICA'S BIGGEST BOOMTOWNS" (MAGNIFYMONEY)

TOP 20 U.S. METRO FOR HIGH-TECH GDP GROWTH SINCE 2014 (MILKEN INSTITUTE)

#6 BEST STATE IN THE U.S. TO DO BUSINESS (CHIEF EXECUTIVE)

Global trade and investment are driving the Charleston region's continued success. From the Port of Charleston to the automotive industry to tourism, Charleston's industries are global in nature - with international competitors, supply chains, R&D, and talent. Attracting and supporting foreign direct investment (FDI) is a foundational element of our market's global competitiveness.

The Charleston region offers local employers a growing pool of 380,000+ skilled workers. The region's education and workforce training system continues to build a solid base of technically - skilled workers in engineering, information technology and more.

TRAVEL TO CHARLESTON

So far this year, Charleston airport has seen 3.5 million travelers. Compared to 2019, the last year before COVID-19 disrupted airline flights around the globe, CHS has picked up more than 239,000 more passengers this year.

Airport officials have predicted the terminal will set a new record this year of more than 5 million passengers.

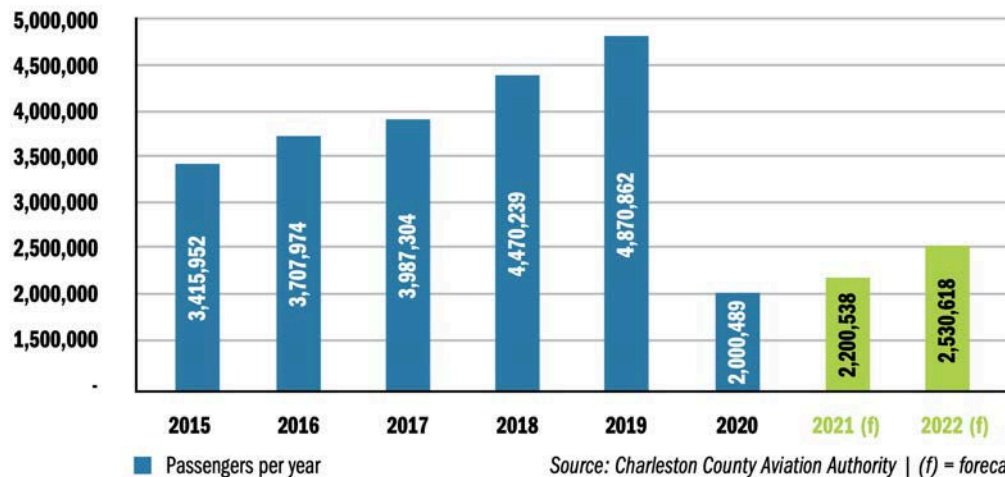
David McMahon, federal security director with the Transportation Security Administration for South Carolina, believes the airport will reach and probably surpass the 5 million passenger goal this year.

"We have seen good success with the new flights being added, so one can only expect that we will see decent numbers for the rest of the year," McMahon said.

Breeze Airways will add nonstop flights to Las Vegas, Los Angeles and Phoenix in early November, which will help to boost the number of travelers, including during the usually busy, long Thanksgiving holiday weekend.

He expects September's passenger count to be comparatively down a bit since schools are now back in session without required remote learning and less ability of parents to travel more freely.

To help with the increased passenger load, airport officials will dedicate the addition of three new gates on Sept. 22. They are also placing more seats in the waiting areas and plan to add automated curbside check-in stations to alleviate overcrowding at airline ticket counters.



Sources:

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