

Q1 MARKET SNAPSHOT - FLEX/INDUSTRIAL UNDER 50K

OVERALL INVENTORY
8,978,196 SF

VACANCY
3.3%

RENT/SF
\$16.93/SF

CONSTRUCTION
34.1K SF

12 MONTH DELIVERY
77,905 SF



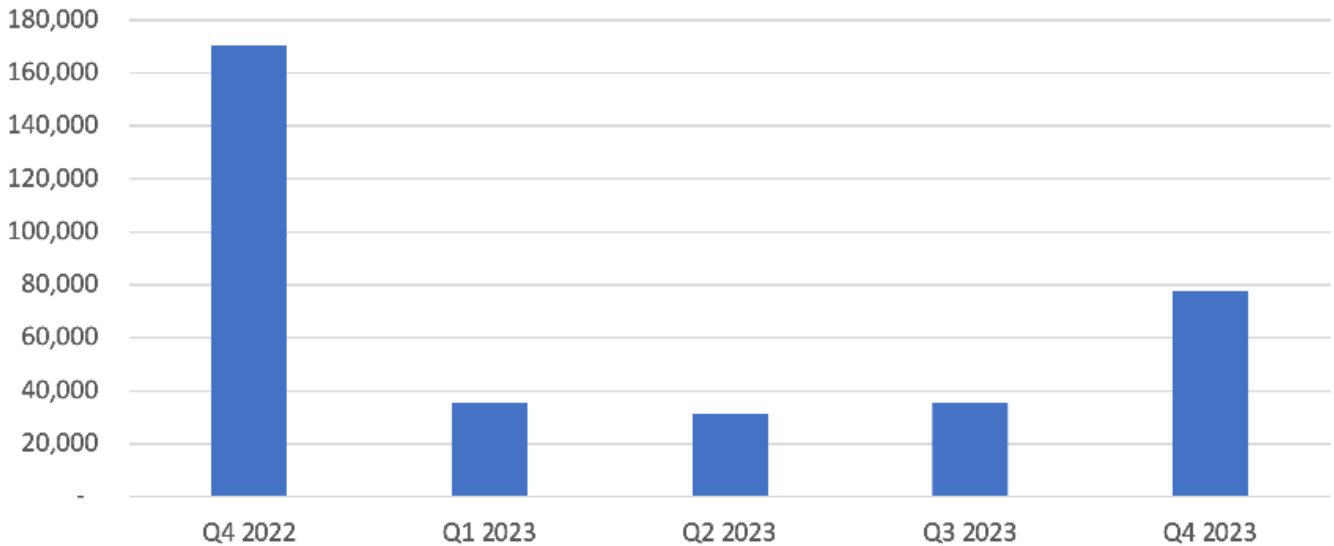
Q1 TRENDS & HIGHLIGHTS

- Vacancy has remained static in the flex space sector, with vacancy in Q4 2023 dropping to 3.3% from 3.9% in Q3 2023.
- Absorption is continuing to trend in a positive direction with the 12-month net absorption for Q4 2023 at 77,905 SF. This however is down from Q3 2023 12-month net absorption number at 132,343 SF.
- Average market rent in the Tri-County area has increased slightly, going up to \$16.93/SF in Q4 2023 as opposed to \$16.76 in Q3 2023.

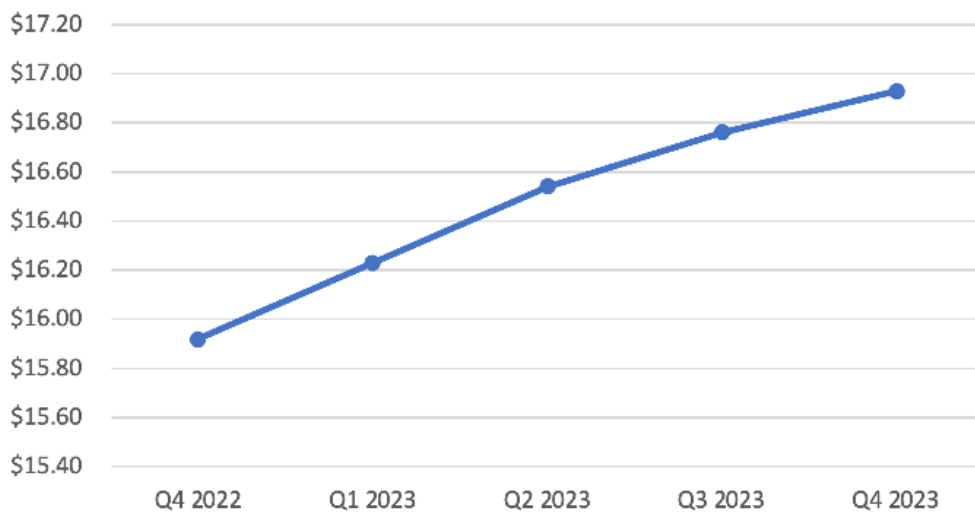
FLEX MARKET OVERVIEW

The Charleston Flex market is experiencing a period of growth due to port activity and manufacturing growth within the region. Currently sitting at a vacancy rate of 3.3% in Q4 2023, we can see just how in demand flex spaces are within the market, as evidenced by the vacancy rate of 3.9% in Q3 2023. This is also supported by the fact that we are seeing positive absorption in the area, to the tune of 77,905 SF positively for the past 12 months, and 34.1K SF under construction. The area is making a big push to be an ideal location for larger manufacturing and distribution services, so we can only expect to see this trend increasing.

12 Month Net Absorption in Charleston Market (SF)



Rent in Charleston Market (Per/SF)



2023 RECAP

Recap

- Charleston's Flex market has seen a period of extraordinary growth, fueled from corporate manufactures moving to the area in past years such as Volvo and Mercedes-Benz.
- Currently there are 2 flex properties under construction to bring another 34.1K SF on the market, and an additional 6 properties proposed.
- Rental Rates are averaging \$16.93 per SF up from \$16.76 in Q3 2023. For Q4 2023 the average annual rent growth is showing at 6.9%.

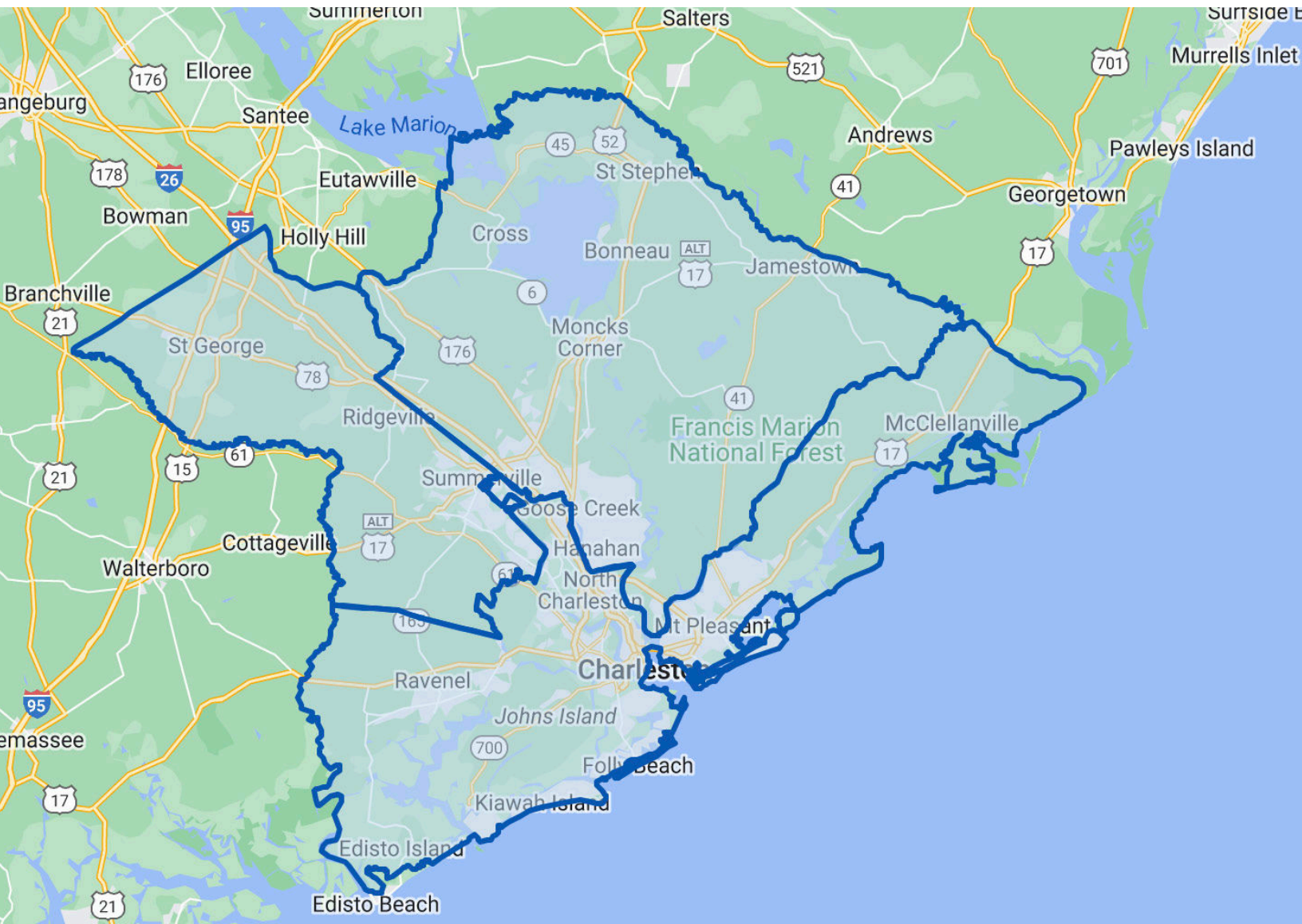
Economic Insight

- Higher interest rates are put pressure on overall development costs, but we are still seeing projects being put in the pipeline.
- Volvo, Mercedes, and Boeing showing their commitment to the region with the size of their projects shows a vote of confidence in the direction we are going economically.
- As the port continues to grow, we can expect to see a direct correlation with prospective tenants looking to move to the area.

Path of Growth

- We continue to see flex and industrial growth within the Charleston MSA as evidenced by the positive absorption in the market.
- We can also point to individual projects underway such as the construction going along Palmetto Commerce Parkway and Ingleside Plantation.
- Properties are continuing to expand up the I-26 Corridor as well, with more and more construction taking place in Summerville and northern areas such as Jeddburg Rd.
- One specific example we can point to as a positive growth indicator is Redwood choosing to put their battery plant at Camp Hall. Having a tenant of this size and caliber will drive expansion as they will bring and attract smaller tenants that do business with them.

CHARLESTON MARKET



The Charleston Market is made up of Berkeley, Charleston, and Dorchester Counties which allows the Charleston Industrial/Flex market to have an expansive footprint. With South Carolina positioning itself as one of the most popular states in the country for relocation, the market has to adjust to that accordingly and can see the effects of this with new developments underway. To the North, we have the Nexton area of Summerville but going further the market extends to St. George. The Eastern boundary extends down to Edisto Island and to the West it extends up to McClellanville.

FLEX/INDUSTRIAL OPPORTUNITIES



100 LAMPLIGHT CIRCLE, WAREHOUSE FOR SALE - \$2.1M - MARLENA FRANKLIN, CCIM



2925 MEETING STREET ROAD, WAREHOUSE FOR LEASE: \$15 PSF NNN - BEN CHASE



5515 RIVERS AVE, COMMERCIAL SALE: \$3.125M - JAMES DINGLE



7640 SOUTHRAIL ROAD, WAREHOUSE FOR LEASE: \$16 PSF NNN - BRENT CASE, CCIM & STEVE HUND

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