



CBC Atlantic's Month of APRIL

Fed Rate Cut on Track Despite Rising Oil Prices - NumberNomics



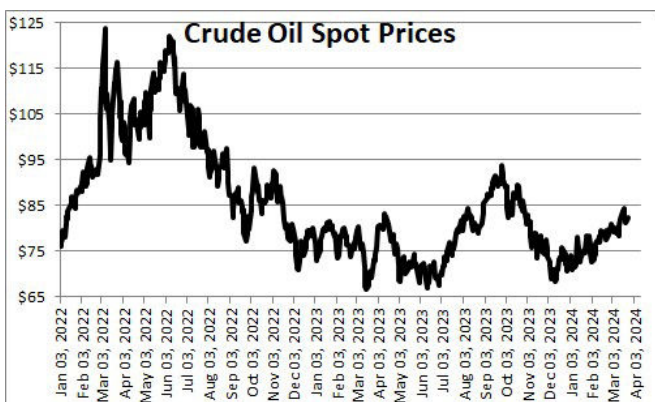
Contributed by Brent Case, CCIM - President/
Broker in Charge Written by Steven Slifer of
NumberNomics (March 29th, 2024)

Crude oil prices have been on the rise since the beginning of the year which some economists believe could delay a midyear Fed rate cut. We disagree. While both crude oil and gasoline prices have risen, there is likely to be little spillover into the core rate of inflation for either the CPI or the personal consumption expenditures deflator – the latter of which is the specific inflation measure that the Fed targets at 2.0%. It would take a far larger increase in energy prices to derail the summer rate cut. Once underway the funds rate should drop by 3.0 percentage points over the course of three years.

Crude oil prices have risen from \$71 per barrel at the end of last year to \$83 per barrel currently. That gain of nearly 20% is impressive, but it follows a sharp 22% drop in crude prices from \$91 per barrel at the end of September to \$71 at yearend. This is exactly why economists like to exclude food and energy prices from their analysis of the underlying rate of inflation. Those two commodities are particularly volatile and including them can make it difficult to assess changes in the trend rate of inflation.

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For what it is worth, the big drop in crude prices late last year was triggered by a dramatic increase in production from 12.2 million barrels per day at the end of July to 13.2 million barrels per day by early October. However,



MARKET WATCH

Windsor Hill Flex Space with Loading Dock Access For Sale



8120 Windsor Hill Boulevard
North Charleston, SC 29418
25,000 SF
\$5,900,000

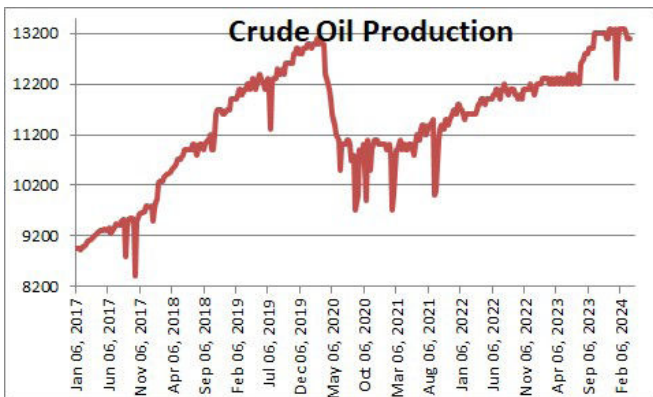
This flex space property is just received its CO. Flex space for office, retail or some warehouse. This is an investment sale. Tenants in place have new 5 and 10 year leases. The building has three phase power, 10x12 roll up doors. Drive in dock. 22 foot eave height, however it is not sprinkled. Rent roll will be proved with NDA and registration of client.

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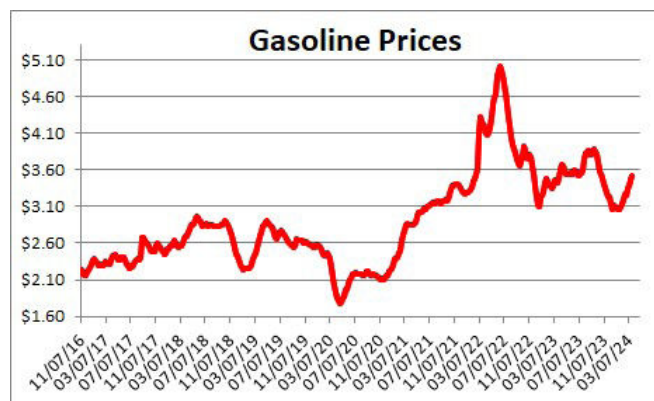
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the Energy Information Agency expects no further increase in production between now and the end of 2024 and, as a result, it anticipates a rebound in crude prices to \$88 per barrel by yearend versus the current price of \$83. Such a further increase should not be troublesome.



Perhaps more relevant to consumer prices is the price of gasoline. Its behavior has mirrored that of crude prices, but to a lesser extent. At the end of September gasoline was \$3.84 per gallon. It fell to \$3.11 by the end of the year, and is today at \$3.52. Importantly, the EIA expects

gas prices to be \$3.48 at the end of 2024. If that is correct, gasoline prices should have a negligible impact on either the CPI or the PCE inflation measures for the year.



We continue to expect the core CPI to shrink from 3.8% today to 3.4% at year end. We anticipate the targeted core PCE deflator to be steady at 2.8% through December.

Our belief in a further slowdown in inflation is based to a large extent on the Fed continuing to shrink its balance sheet for several more months thereby eliminating all of the surplus liquidity it created between the spring of 2020 and March 2022 when it purchased literally trillions of dollars

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Industrial Building For Sale



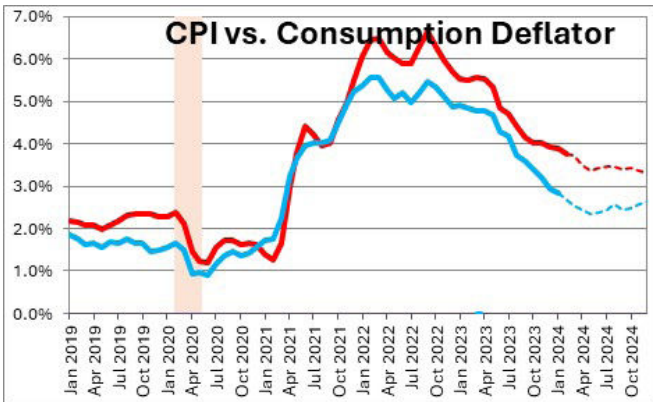
166 Quality Drive
Summerville, SC 29483
7.3 AC | 43,501 SF
\$7,900,000

43,501 SF warehouse/office for sale on 7.3 acres consists of 35,591 SF of manufacturing area and 7,910 SF of office space in one of the fastest growing industrial zones for the Tri-County area. Greater Charleston is comprised of Boeing, Volvo, Redwood Materials, Charleston AFB and the Charleston Ports Authority. Known for our historic district, hospitality, beaches and temperate climate, Charleston continues to be the next destination for many corporations looking for the right location with ample workforce and "business friendly" regulations.

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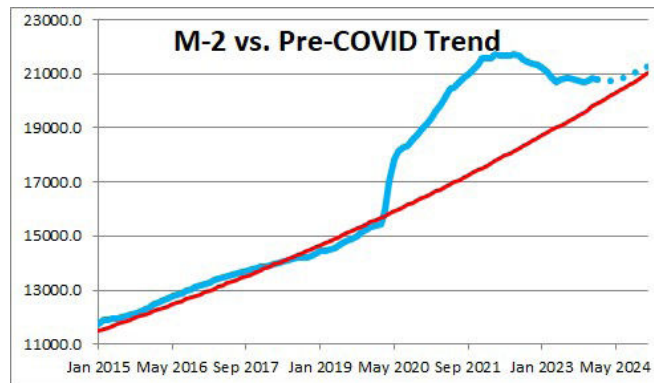
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of U.S. Treasury and mortgage-backed securities. When the Fed finally stopped purchasing securities in March 2022 the economy was awash in \$4.0 trillion of surplus liquidity. That surplus liquidity was the root cause of the explosion in inflation. That amount has shrunk

to \$0.8 trillion currently, and if the Fed continues to shrink its portfolio it should be eliminated by midyear. As the amount of liquidity in the economy once again approaches the amount that the economy actually needs, the inflation rate should continue to slow gradually.

If that inflation outlook is accurate the Fed should soon begin to cut the funds rate. Currently, the funds rate is 5.5%, the core CPI is 3.8%, hence the "real" funds rate is the difference between those two numbers or +1.7%. The Fed believes that when the economy is in equilibrium – i.e., the unemployment rate is around the 4.0% mark at which level everybody who wants a job has one, GDP growth is roughly in line with its long-run potential growth rate (currently estimated to be about 2.0%), and inflation is steady at the desired 2.0% pace, the funds rate should be 2.5%. Given that inflation in that world is 2.0%, then the so-called equilibrium "real" funds rate should be +0.5%. The current "real" funds rate is +1.7%. Fed policy is in restrictive mode as it should be with the core CPI still far too high at 3.8%.



MARKET WATCH

Industrial Warehouse Flex Space - Unit B For Lease



7360 Industry Drive Unit B
North Charleston, SC 29418
9,920 SF
\$15 - \$18 PSF NNN

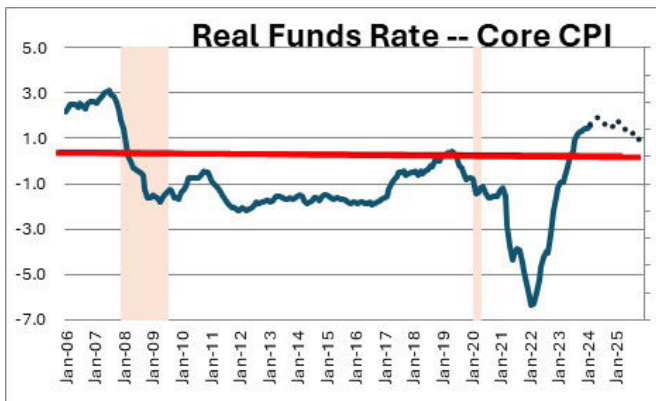
New construction 9,920 total sf Warehouse with 1,250 sf office. Reception area, full kitchen, two bathrooms, four 14' overhead doors, Warehouse ceiling height of 16'. Totally secured Building and Parking area by fencing with 15+ parking spaces just off I-26 and Ashley Phosphate Rd in North Charleston. Zoning M-1 Light Industrial City of North Charleston. Power-200A/110-220V 1 Phase.

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However, it seems appropriate for the Fed to gradually lower the “real” rate with the goal of it returning to the long-term equilibrium level of +0.5% by 2026. With the unemployment rate very low at 3.9%, the economy chugging along at roughly a 2.2% pace, and inflation continuing to shrink gradually, the Fed can begin the easing process, but it does not have to be in any great rush.



funds rate currently. The pace of Fed easing should be only slightly faster than the slowdown in inflation. If all goes well the core CPI should slow further to 2.6% by the end of 2025. We expect the Fed to reduce the funds rate further to 3.5% by the end of that year. Thus, the “real” funds rate should drop to +0.9% by the end of 2025.

The point of all this is that the recent run-up in energy prices should have little impact on Fed policy for the balance of this year, and the Fed should initiate an extended easing cycle by summer with the funds rate falling by 3.0 percentage points over the course of three years.

Source: <https://numberronomics.com/fed-rate-cut-on-track-despite-rising-oil-prices/>

How 3 restaurant executives are meeting changing employee expectations

MARKET WATCH

Hanahan Shopping Center For Lease



1750 Remount Road Suite F
Charleston, SC 29406
7,000 SF
\$12 PSF NNN

Suite F contains approximately 7,000 sqft, which is roughly a 20% footprint within the Hanahan Shopping Center. This unit was previously a gym, but can be easily converted into retail, or subdivided to as small as 2,500 sqft. The open layout of the vanilla shell interior is ideal for a quick and easy upfit tailored to the specs of the tenant. The interior features a retail counter, a back office, store closet, and 2 large restrooms. There is also a large rear door, which backs up to the rear driveway, making it easy for pickups/deliveries. New HVAC installed.

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Executives at Cava, Freddy's, and Red Lobster said there is a clear return on investment when it comes to people strategies, and happier employees lead to happier guests.

Contributed by Bryan Fogle - Associate
Written by Alicia Kelso | Apr 16, 2024

There has been no shortage of news coming out of the restaurant industry the past couple of years about companies adding new benefits like mental health coverage, tuition reimbursement, caretaker

subsidies, equity opportunities, and more. Indeed, new data from Bento-Box finds that "paid time off" mentions in industry job listings have increased by 386% in the past year, while "paid vacation" has increased by 175%, and "mental health" has increased by 53%.

The pandemic and ensuing labor shortages, as well as changing demands from younger employees, have served as a catalyst for restaurant companies to rethink their people strategies. This was the topic of conversation during a Restaurant Leadership Conference panel and follow up roundtable discussion titled, "Meeting the moment – leading with possibility," including Kelly Costanza, chief people officer at Cava, Laura Rueckel, chief marketing officer at Freddy's Frozen Custard, and Sara Bittorf, chief experience officer at Red Lobster. I had the privilege of facilitating the panel, while the roundtable discussion was facilitated by Sarah Lockyer, chief brand officer of The Elliot Group. Here are the biggest takeaways:

- Yes, soft skills are critical now. Costanza said Cava is even in the process of operationalizing soft skills alongside the company's job skills.
- The employee experience must be owned by everyone, not just HR or the CPO, and Rueckel and Bittorf are also both very much involved in their respective companies' employee experience efforts. Communication at all levels, including franchisees, is the most effective way to achieve buy-in on such efforts.
- Bittorf said retention can't be the only employee-focused metric, noting that engagement is more critical. Companies should make sure employees are engaged in whatever role they may have.

MARKET WATCH

Horse Farm For Sale Angel Winds Horse Sanctuary



3449 Rehoboth Road
Cottageville, SC 29435
92.4 AC
\$1,600,000

This offering is for the sale of a 92-acre farm with approximately 44 acres remaining in timber. Approximately 48 acres are cleared and used as a horse farm with a majority of this area fenced as individual paddocks; 14 total paddocks with 15 run-in sheds and 9 ponds. The 100' x 40' barn (12' eave height) has 8 large stalls to include berthing stalls, tack room and an apartment. There's a 576 SF 1BR/1BA manager's house. Other features: gated entrance, office/guard house, additional residence quarters, garden area and old growth timber.

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- All three panelists cautioned against trying to do too much, despite the increasing demands for more. Any company getting started on a people strategy should prioritize based on employee feedback, demographics, and budget.
- About that budget – there is a clear return on investment when it comes to people initiatives, the panelists said, and the work Cava, Freddy's, and Red Lobster has done so far has resonated with their respective employees. This return is measured by employee surveys and other feedback mechanisms, as well as retention.
- It's important to note that the employee proposition isn't just about benefits or pay. Throwing too much at them – including new processes or menu items – can also make things difficult and simplifying operations or adding technology like mobile scheduling can make their lives easier.
- This work will continue to evolve as employee expectations continue to evolve, so it's important to constantly listen to employees' needs, create one-of-a-kind experiences for them, and address any issues that arise.
- As Costanza explained, people expect their companies to make their lives better now, not just to provide them with jobs. Restaurants have to be nimble to meet these changing demands. If they can do that, and employees are happy in their role, that will translate to the guests' experience, and it will help your business thrive.

Source: <https://www.nrn.com/workforce/how-3-restaurant-executives-are-meeting-changing-employee-expectations>



Associate - Industrial

Miles Barkley, Jr.

In the First Quarter of 2024 we can see single tenant cap rates rise across the country across sectors. One of the more surprising statistics to come out of this analysis, was the national average for Single Tenant Industrial Properties coming in

MARKET WATCH

Retail/Office Space For Lease



1192 Amelia Street
Orangeburg, SC 29115
1,908 SF
\$12 PSF NNN

Discover the perfect commercial space for your business at 1192 Amelia Street. With 1908 square feet of versatile and adaptable area, this property offers excellent visibility, boasting an impressive glass frontage on a signaled corner that draws in customers and clients alike. Orangeburg is a city on the rise as a result of its orientation along Interstate 95, the major corridor between Charleston and Columbia, South Carolina. An ideal location for growing businesses looking to capitalize on markets with strong upward trajectories. Owner is willing to consider Tobacco or Vape use so long as Tenant has compelling financials or is an experienced user.

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at 7.02%. This is an extremely high number on a sector that we have traditionally perform with lower vacancy numbers.

Here in Charleston, SC we see a much different scenario being played out. Currently the cap rate for existing Single Tenant industrial and flex properties is sitting at 2.8% vacancy, much lower than the national average. Why might this be the case? South Carolina, and Charleston more specifically, has been put in great position for this type of space due to foreign investment such as Mercedes-Benz and Volvo having a presence in the area, but also because of the investment we have received in the port.

The Charleston Port is a top-10 busiest port in the country by volume, so in return investment is needed to make sure that stays the same. Once ships are offloaded goods need a place to be stored until they are transported to their ultimate destination. This will also draw in companies that work with the port and these large manufacturing plants that move into the area.



Senior Broker - Under All Is Land

James A. Dingle

Office to residential conversions should be a new focus in the future for real estate pioneers. There are opportunities as far as the eyes can see. Currently, there are roughly 100 conversion projects in the pipeline in the United States through 2023 and now. We will see this trend continue to climb as developers and cities work together for the neces-

sary good.

Office vacancy rates remain high since Covid and conversions to residential can help a significant need. Strategic conversions of obsolete offices can supply the affordable housing shortage. There is a learning curve and an understanding of the complexities of rezoning, repurpose and redesign of an office conversion. It will be a specialty to those who make it their niche. The public sectors as well as private sectors must be creative with robust tax rebates and incentives to stimulate finance and redevelopment

MARKET WATCH

Comet Creek Center For Pre-Lease



451 Comet Creek Lane
Summerville, SC 29486
1,400 SF - 8,400 SF
\$35 PSF NNN

10,000 square foot strip center to be constructed. Expected delivery in 4Q 2025 and currently Pre-leasing. Just outside of the Carnes Crossroads and Sangaree housing development and down the street from the busy Saint James Avenue and N Main Street intersection.

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opportunities.

As demand grows in conversions of office to multifamily, its success is contingent upon key factors like acquisition costs, interest rates and municipal acceptance. Conditions could not be more favorable for metro cities to be a leader in this space that have experienced the flight of office businesses. The vision of a smart city can be realized with new neighborhoods in an urban core that thrives.



Coldwell Banker Commercial Atlantic Announces New CCIM Designation Recipient

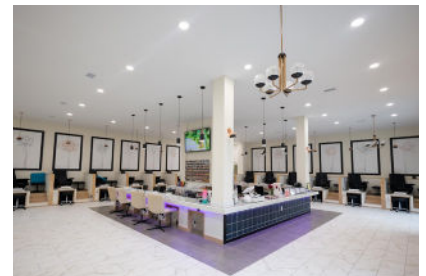
NORTH CHARLESTON, S.C. (April 18, 2024) – Coldwell Banker Commercial Atlantic announced today that one of the brand's brokerage professionals, Julia Donovan, CIPS, was awarded the Certified Commercial Investment Member (CCIM) designation by the CCIM Institute, one of the leading commercial real estate associations in the world.

According to the CCIM Institute, "CCIM Designees are proven leaders in commercial real estate who care as much about the expertise, ethical responsibility, and quality of their service, as they do about the result." Individuals earn their CCIM designation by completing a rigorous program including an elite curriculum; demonstrating a depth of proven experience; and exemplifying a commitment to ethics and deal-making.

Donovan is a highly accomplished and licensed real estate agent, recognized for her expertise in residential investment properties and commercial properties. With a strong educational background, she holds a bachelor's degree in business management from Rocky Mountain College. Originally from China, Donovan has resided in the United States since 2005, which has allowed her to develop a deep understanding of both cultures and languages.

MARKET WATCH

Sublease & Business Sale: The Nail Place of Johns Island



3303 Maybank Highway
Johns Island, SC 29455
3,000 SF
\$450,000

Amazing Opportunity to own one of Charleston's most sought-after luxury nail salons. Located in the fastest growing area of Charleston, this newly constructed neighborhood center has over 3,000 SF of open aired space. Ample parking & incredible Maybank Highway street visibility. Lease requires the sale of the business. Contact listing agent for details.

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Donovan's career in real estate is distinguished by her extensive sales experience and exceptional bilingual abilities in Chinese and English. She leverages her language skills to bridge the gap between her Chinese clients and the American real estate market, providing invaluable translation assistance and ensuring a seamless experience throughout the entire transaction process.

Recognized as a top-performing agent in both 2021 and 2022, Donovan's commitment to excellence is evident in her track record of success. Her exceptional results have earned her a reputation as a trusted and reliable advisor in the real estate community. Donovan is also a member of the Certified International Property Specialist (CIPS) network, specializing in assisting international buyers in their real estate endeavors.

"Coldwell Banker Commercial's dedication to service, integrity and education closely aligns with the CCIM philosophy and curriculum. We are proud to congratulate on Julia on earning the prestigious CCIM designation," said Dan Spiegel, senior vice president and managing director for Coldwell Banker Commercial.

Since 1967, more than 20,000 commercial real estate professionals in over 30 countries around the world have completed the CCIM Designation program. According to the CCIM Institute, industry research demonstrates that CCIM Designees significantly outperform non-designated professionals across key metrics, including compensation. The CCIM Institute has built a reputation as the world's premier commercial real estate organization, delivering the most in-depth education, analytical tools, technology and marketing resources available in the commercial real estate industry. Its 59 local chapters across the globe offer networking, deal-making, and educational opportunities, with members hailing from all areas of the commercial real estate industry. Learn more at www.CCIM.com.

About Coldwell Banker Commercial Affiliates

Coldwell Banker Commercial Atlantic, an affiliate of Coldwell Banker Commercial®, provides commercial real estate solutions serving the needs

MARKET WATCH

Centrally Located Office Space For Lease



941 Houston Northcutt Blvd, 102
Mount Pleasant, SC 29464
2,100 SF
\$28.50 PSF

Welcome to 941 Houston Northcutt Blvd, where an exceptional 2,100 square foot space awaits your business endeavors. Nestled in the heart of Mount Pleasant, SC, this prime commercial space offers a perfect blend of sophistication, accessibility, and versatility. The location is strategically positioned on Houston Northcutt Blvd, ensuring high visibility. The surrounding area boasts a large mix of residential and commercial establishments, offering a vibrant community for your business to thrive and be a part of. Convenience is key, with easy access to major roads and highways, enhancing accessibility for both clients and employees. Ample parking spaces also ensure that your patrons can visit without hassle. Whether you're launching a new business, or expanding your office footprint, or just looking for a new location, 941 Houston Northcutt Blvd provides the ideal backdrop for your business aspirations. Take advantage of this opportunity to establish your presence in one of Mount Pleasant's premier locations and join a thriving business community. Don't miss out on this rare chance to transform this 2,100 square foot space into the perfect setting for your business success. Schedule a viewing today and envision the endless possibilities that await at 941 Houston Northcutt Blvd.

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of owners and occupiers in the leasing, acquisition and disposition of all property types. With a collaborative network of independently owned and operated affiliates, the Coldwell Banker Commercial organization comprises almost 200 companies and more than 3,000 professionals throughout the U.S. and internationally. For additional information, visit www.cb-cworldwide.com.



Congratulations to Lauren Anderson on passing her South Carolina Real Estate Exam!

Born and raised in Charleston, South Carolina, Lauren attended Charleston Southern University where, in May of 2021, she graduated with a degree in Business Administration in Human Resource Management.

Throughout the past three years, Lauren has worked in the Human Resource department at Berkeley County Government in Moncks Corner, South Carolina. She then transitioned to her interest in Real Estate and came across the amazing opportunity to work as the Executive Assistant to Brent Case, CCIM, President and Broker in Charge at Coldwell Banker Commercial Atlantic. She recently received her certification to be a licensed agent in 2024.

TRANSACTIONS

04.01.2023 - Brent Case and Hannah Kamba of Coldwell Banker Commercial Atlantic represented the landlord Azalea 888 Shou Tang LLC in the lease of 3,080sf of retail space at Unit 104 & 105 at 143 Berkeley Circle in Summerville, SC. Bill Goodwin of The Goodwin Group represented the tenant DWL LLC. Summerville Print Shop will be opening late 2024.

04.02.2024 - Kip Bowman and Sara Bodell of Coldwell Banker Commercial Atlantic represented the seller in the sale of 2.25 acres of retail lot for \$475,000 at 5605 Savannah Hwy in Ravenel, SC. Matt Poole of Carolina One Real Estate represented the buyer.

04.19.2024 - Neal Walsh and Caine Halter of Coldwell Banker Commercial Atlantic represented the buyer Ruth's House, Inc. and the seller Russell Eugene Boyd in the sale of 22,300 sf of warehouse/showroom space at 7630 Old State Road in Holly Hill, SC.

04.24.2024 - Brent Case of Coldwell Banker Commercial Atlantic represented the seller in the sale of 2.49 Acres of retail space at 0 Dorchester Road in North Charleston, SC. Ben Chase and Sara Bodell of Coldwell Banker Commercial Atlantic represented the buyer. Hero's Wash, LLC will begin construction in late 2024.

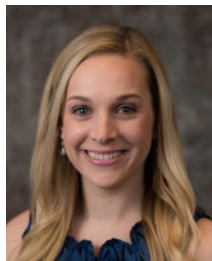
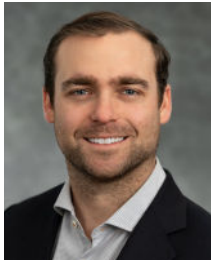
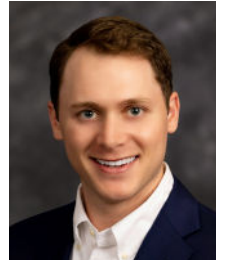
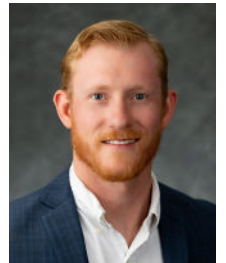
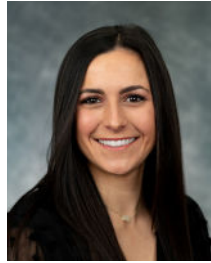


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“LOCAL PRESENCE, GLOBAL POWER”