



Charleston industrial market report

Q2 2022

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Industrial market trends

01

Residential real estate impacting the industrial market

As people migrate to the Charleston area, there has been an increase in single-family home construction. This has led to increased demand for construction firms, as well as furniture companies. For instance, Twin Star Homes is occupying about one million sf in the Charleston Trade Center.

02

Increasing demand

Demand for industrial/flex product in the Charleston region has never been higher. In the second quarter of 2022, the market's net absorption rose by over 100% from the previous quarter, with 3.5 msf of positive absorption. Vacancy rates continue to decline, while direct asking rents have risen to \$7.42.

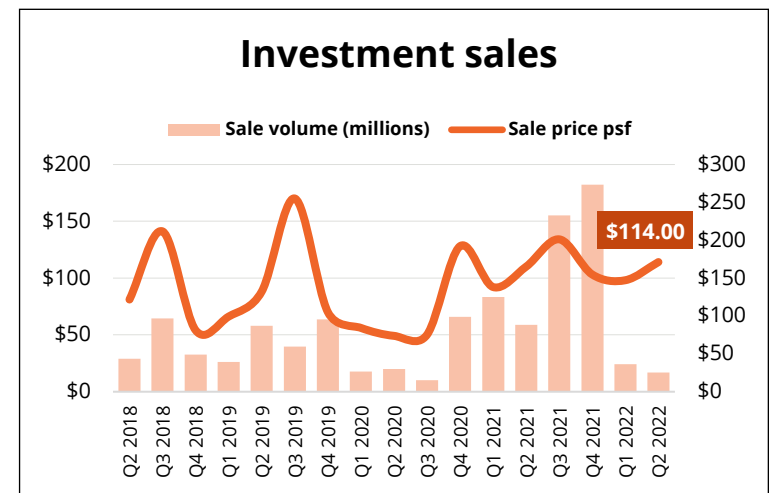
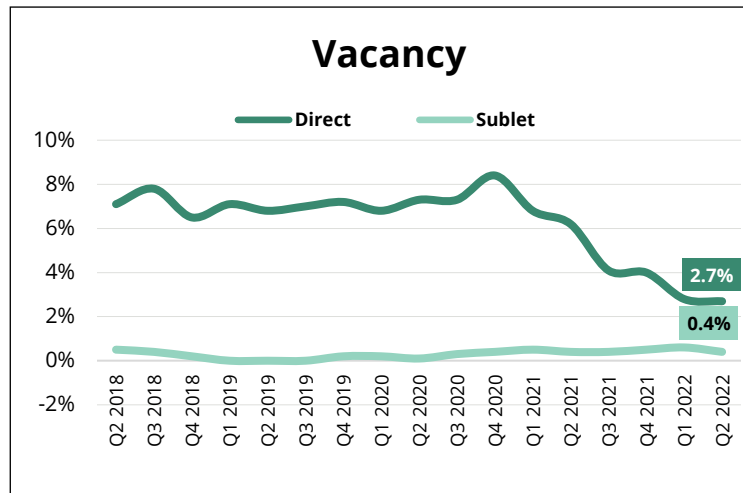
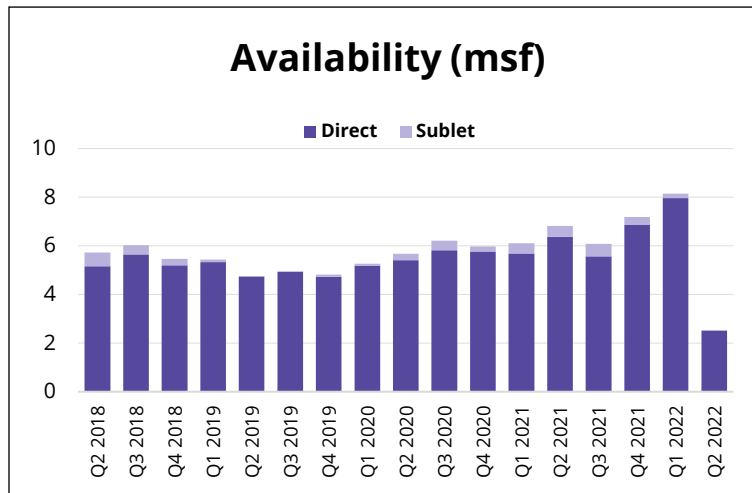
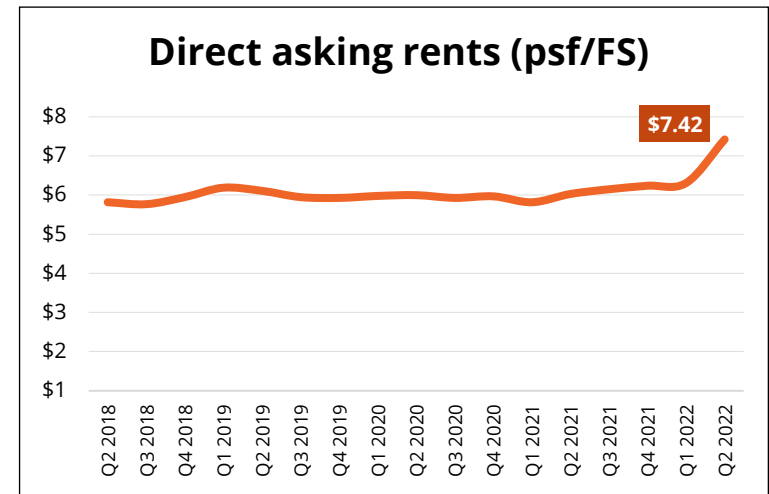
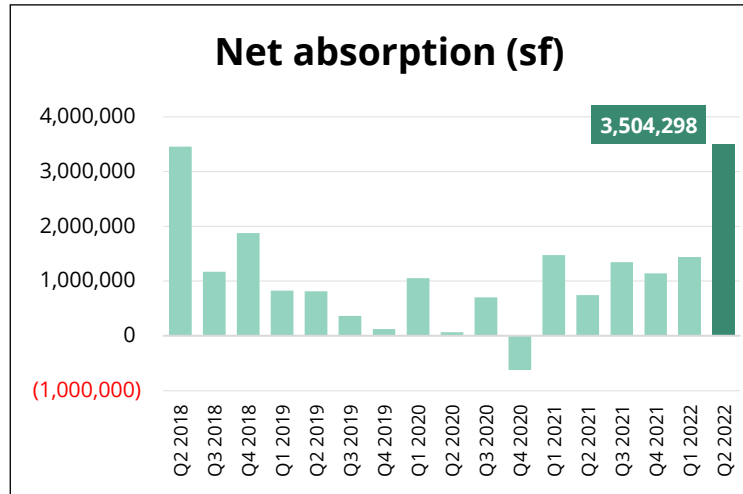
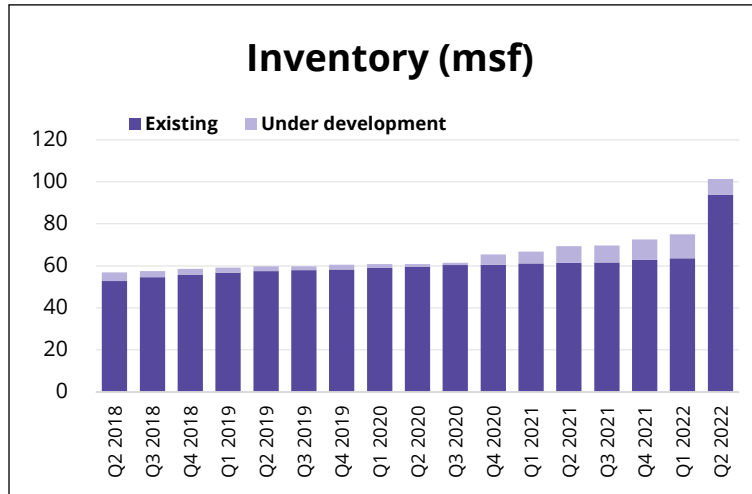
03

Strong investment pipeline

Industrial/flex space is selling at an average of \$114 psf in Charleston, which is \$16 psf higher than last quarter. As more product is delivered to the market, the investment sales volume is expected to remain steady through 2022. Surges in demand for consumer goods will drive investment in warehouse, logistics, and manufacturing space.



Industrial market indicators



Industrial market activity

Recent leasing activity

Tenant name	Address	Sign date	Size	Transaction type	Lease type	Term	Rent
Volvo	2260 Volvo Car Dr	April 2022	501,504	New	Direct	5 years	\$5.45 NNN
Cummins	7770 Palmetto Commerce Pky	April 2022	84,220	New	Direct	10 years	\$6.75 NNN
Perfection Hy	1004 Trident St	May 2022	42,411	New	Sublease	4 years	\$6.50 NNN
CE Rental	5802 N Rhett Ave	April 2022	42,925	New	Direct	7 years	\$8.50 NNN
Ethos Therapy	3265 Fortune Dr	April 2022	28,200	New	Direct	5 years	\$8.25 NNN

Recent sales activity

Buyer	Address	Sale date	Sale price	Sale price psf	Seller
Woodhill Real Estate	4280 Pace St	April 2022	\$12,500,000	\$79	SPE Properties
Peak Construction	10170 Bellwright Rd	April 2022	\$4,000,000	\$114	LJT Realty
DESETA Group	1159 Cainhoy Rd	April 2022	\$3,650,000	\$91	Kohler Moving & Storage
Unknown Buyer	8302 Dorchester Rd	June 2022	\$1,575,000	\$70	RE/MAX Pro Realty
Unknown Buyer	216 Industrial Rd	April 2022	\$1,400,000	\$62	Unknown Seller

Large contiguous space availabilities

Owner	Address	Date available	Block size	Floors	Asking rent	Landlord Broker
NorthPoint Development	410 Tradeport Dr	Dec 2022	354,200	1	Withheld	Bridge Commercial
Weber USA	0 Weber Blvd	July 2022	342,160	1	\$7.50 NNN	JLL
SunCap Property Group	7755 Palmetto Commerce Pky	Jan 2023	245,000	1	\$7.0 NNN	CBRE
Portman Industrial	2266 Volvo Car Dr	Oct 2022	219,055	1	\$6.45 NNN	JLL

Industrial market stats by submarket

By Submarket	Inventory (sf)	Vacancy	Net Absorption	SF Under Construction	Average Asking Rent
		Total %	2Q22	Total	Total
North Charleston	35,605,107	2.60%	484,132	1,389,600	\$8.83
Outlying Berkeley County	32,861,638	3.10%	11,200	5,297,265	\$5.46
Dorchester County	12,741,912	0.70%	3,201,230	505,213	\$7.82
Daniel Island	5,318,347	2.90%	-143,612	194,400	\$9.48
Downtown Charleston	2,462,862	2.90%	-10,743	-	\$19.76
West Ashley	1,649,422	1.70%	-6,026	-	\$15.01
East Islands/Mt Pleasant	1,363,143	0.90%	-1,572	-	\$12.75
West Islands	806,655	23.30%	-37,838	-	\$14.45
James Island/Folly Beach	731,301	1.80%	13,980	-	\$15.56
W Charleston County	305,671	2.80%	-6,453	-	\$15.74
E Charleston County	88,510	0.00%	0	-	\$6.50
Market Total	93,934,568	2.7%	3,504,298	7,386,748	\$7.42

Industrial market stats by product type

By Product Type	Inventory (sf)	Vacancy	2Q Absorption	SF Under Construction	Available Sublease
Warehouse / Distribution	89,899,315	2.4%	3,554,729	7,386,748	-
Flex	4,035,253	5.4%	-50,431	-	40,700
Market Total	93,934,569	2.7%	3,504,298	7,386,748	40,700

For more market insights
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