



Mid-Year Industrial Market

Q2 | 2007



Port of Charleston

The Port of Charleston's solid gains continue. Port management anticipates a 5% container traffic growth for the next fiscal year. Recent port happenings include:

- Commenced construction on the new 280 acre terminal which is predicted to be operable in 2013 and will increase capacity from two million TEU's to four million TEU's;
- Received post panamax cranes for use for larger ships;
- Mediterranean Shipping Line (MSC) is making Charleston its South Atlantic Corporate Headquarters and will relocate to a new 45,000 square foot office building;
- A consortium of four shipping companies, the New World Alliance, cited Charleston's deep channel and the Port's proximity to the open ocean in its decision to renew its five year shipping contract.

MARKET INDICATORS

	Q1	Q2
OCCUPANCY	↑	↑
ABSORPTION	↑	↑
RENTAL RATE	↑	↑
LAND PRICES	↑	↑

QUICK UPDATES

- PORT OF CHARLESTON CONTINUES TO EXPAND
- MANUFACTURING BASE STRENGTHENS CONSIDERABLY
- LAND PRICES ARE AT AN ALL TIME HIGH

Manufacturing

The growth of manufacturing in Charleston is significantly enlarging the economic base of this community. Growth is fueled primarily by:

- Force Protection and Protected Vehicles - Two local companies realizing exponential growth in orders and production of mine resistant vehicles for the US armed forces and its allies. Raw materials are imported through the Port of Charleston, parts integration and electronics installation are performed in Charleston.
- Vought/Alenia - Recently completed facility constructs the aft fuselage component of the new 787 Dreamliner, the first large commercial airplane made mostly of carbon fiber components. The launch of this aircraft is poised to be the most successful commercial aircraft launch in history based on existing orders.
- Daimler Chrysler Plant - Commenced assembly in March 2007 of the next generation Sprinter Vans. Demand is strong for these highly efficient and versatile vehicles.

Industrial Land

Industrial land prices are at an all time high. Owners of port proximate entitled land are asking \$150,000 per acre and \$ 50,000 per acre for interior unentitled land.

The Macalloy land (86 acres) sold for \$ 350,000 per acre with the value being attributed to its wharf capabilities and its proximity to the future Port of Charleston.

Industrial Building Sales

Johnson Development Associates is under contract with CB Richard Ellis Realty Trust to purchase approximately 5 million square feet of warehouse space across the state for approximately \$45 per square foot. This includes property at North Rhett Business Center, Jedburg Commerce Park and Mt. Holly Commerce Park. Other industrial properties currently for sale



		Total	Available	Vacancy	Lease Rate
East Cooper	Warehouse	2,704,692	32,000	1.18%	\$4.78
	Flex	267,300	8,400	3.14%	\$7.89
	Total	2,971,992	40,400	1.36%	\$5.06
Summerville	Warehouse	2,609,005	316,000	12.11%	\$3.77
	Flex	251,784	27,825	11.05%	\$4.56
	Total	2,860,789	343,825	12.02%	\$3.84
West Ashley	Warehouse	725,310	116,800	16.10%	\$4.60
	Flex	113,360	14,000	12.35%	\$5.77
	Total	838,670	130,800	15.60%	\$4.76
North Charleston	Warehouse	8,257,722	272,300	3.30%	\$4.03
	Flex	922,140	237,566	25.76%	\$5.13
	Total	9,179,862	509,866	5.55%	\$4.14
Berkeley	Warehouse	5,566,370	128,177	2.30%	\$4.04
	Flex	216,100	0	0.00%	\$4.99
	Total	5,782,470	128,177	2.22%	\$4.08
Peninsula	Warehouse	732,877	138,065	18.84%	\$3.66
	Flex	149,807	13,500	9.01%	\$4.46
	Total	882,684	151,565	17.17%	\$3.80
Market	Warehouse	22,229,162	1,003,342	4.51%	\$4.14
	Flex	3,008,491	292,891	9.74%	\$5.31
	Total	25,237,653	1,296,233	5.14%	\$4.28

COLLIERS INTERNATIONAL

266 OFFICES IN 56 COUNTRIES
ON 6 CONTINENTS

USA 98
Canada 18
Latin America 14

Asia Pacific 46
EMEA 65

\$54B in annual transaction volume
828M SF under management
10,171 Professionals

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are the Masisa Building (203,223 SF), the Mikasa Building (603,214 SF), the Leeds Park Facility (886,902 SF), the AGFA facility (348,000 SF) and the waterfront Chevron fuel plant (40 acres). The sale of these facilities will not materially dampen demand for functional DC's.

Forecast

In the next six months:

- Progress will be made in construction of the infrastructure for the Jedburg projects planned by Hillwood Development (9,100,000 SF), Rockefeller Group (2,600,000 SF) and the Baucom site (2,000,000 SF).
- Container traffic increases and manufacturing growth will increase demand for industrial buildings and record absorption will continue;
- Building and facility sales will set records;
- Lease rates for large functional DC's will be established in the \$ 4.70 NNN range;
- Manufacturers and suppliers will seek sites and buildings not only in Jedburg but in other outlying areas in Dorchester County.

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