

CHARLESTON, SC

July 2004

2004 MID-YEAR MEDICAL MARKET

Total Medical Market

Market	Total	Available	Sublet	Avg. Rate	Vacancy	Proposed
Downtown Charleston	270,442	12,935	0	\$20.83	4.8%	80,000
North Charleston	383,658	27,724	0	\$19.70	7.2%	52,100
West Ashley	559,993	41,660	6,000	\$20.65	8.5%	104,500
East Cooper	563,419	24,584	3,464	\$24.23	6.1%	27,000
Total Market	1,777,512	106,903	9,464	\$21.35	6.65%	263,600

MARKET TRENDS

The only constant in the Charleston medical office market is change. Growth and improvement continue in each of the four major sub-markets. At year-end 2003 we reported approximately 240,000 square feet of proposed medical product. With about 50,000 square feet of that number now on-line, construction of expansion and speculative medical space continues to increase. Overall occupancy for the Charleston area was strong at year-end 2003 and remains at 93.4%, as this new product is absorbed in the market.

NORTH CHARLESTON

Though overall lower rental rates and a slightly higher vacancy rate have remained, the market surrounding Trident Hospital foresees future growth. A limited number of sites for the user-owned smaller practices on Medial Plaza Drive and Medcom and Tricon Streets will force growth further east and across University Boulevard. Trident Hospital is currently in the process of renovating certain areas of the hospital facility, in anticipation of inevitable growth in the near future. The area should see a new 40,000 sf medical condominium project across University Boulevard come out of the ground within the next six to nine months.

DOWNTOWN CHARLESTON

With the restrictive elements of downtown for expansion, the vacancy rate remains low at only 4.8%. Currently no new medical office buildings (MOB's) of size, not exclusively used or owned by hospitals, are proposed. Roper Hospital, however, has begun construction of the largest expansion in its 150 year history, adding a seven floor, 245,000 square foot tower adjacent to its current tower fronting Calhoun Street. The total cost over the next two years will exceed \$77 million. Meanwhile, MUSC hopes to begin phase one of a \$290 million project this fall to ultimately replace the entire hospital.



Roper Hospital's expansion of 245,000 SF at Calhoun Street and Courtenay Drive

MEDICAL MARKET

151 Meeting Street / Ste 350
P.O. Box 610
Charleston, SC 29402 USA
Tel: 843.723.1202
Fax: 843.577.3837
www.collierskeenan.com





247 Offices Worldwide

137 Americas
105 United States
17 Canada
15 Latin America
72 Europe, Middle East & Africa
38 Greater Asia

United States Cities

Akron, OH	Minneapolis, MN
Allentown, PA	Nashville, TN
Atlanta, GA	New Haven, CT
Austin, TX	New Jersey, NJ
Bakersfield, CA	New York, NY
Baltimore, MD	Oakland, CA
Beachwood, OH	Ogden, UT
Bellevue, WA	Orlando, FL
Boise, ID	Palo Alto, CA
Boston, MA	Park City, UT
Carlsbad, CA	Philadelphia, PA
Charleston, SC	Phoenix, AZ
Charlotte, NC	Pittsburgh, PA
Chicago, IL	Pleasanton, CA
Cincinnati, OH	Plymouth Meeting, PA
Clearwater, FL	Portland, OR
Cleveland, OH	Provo, UT
Columbia, SC	Raleigh, NC
Dallas/Ft. Worth, TX	Reno, NV
Dayton, OH	Roseville, CA
Denver, CO	Sacramento, CA
Detroit, MI	Salt Lake City, UT
Fairfield, CA	San Diego, CA
Ft. Lauderdale, FL	San Francisco, CA
Ft. Myers, FL	San Jose, CA
Fresno, CA	San Mateo, CA
Gilroy, CA	Scottsdale, AZ
Greenville, SC	Seattle, WA
Hartford, CT	St. Charles, MO
Honolulu, HI	St. Louis, MO
Houston, TX	St. Paul, MN
Indianapolis, IN	Stamford, CT
Jacksonville, FL	Stockton, CA
Kansas City, MO	Sun Valley, ID
Las Vegas, NV	Tacoma, WA
Los Angeles, CA	Tampa, FL
Louisville, KY	Walnut Creek, CA
Memphis, TN	Washington, DC
Miami, FL	Wilmington, DE
Milwaukee, WI	

151 Meeting Street / Ste 350
P.O. Box 610
Charleston, SC 29402 USA
Tel: 843.723.1202
Fax: 843.577.3837
www.collierskeenan.com



EAST COOPER

Mt. Pleasant remains a tight market but will grow with the 15,000 square foot MUSC Hollings Cancer Center later this fall. Physicians search for areas in which to build practices as investors examine locales for speculative single and multi-tenant medical office buildings. With traffic congestion around East Cooper Regional Medical Center (ECRMC) increasing, physician groups in the area must look at location more carefully. Only a few thousand feet remain available around ECRMC, while the majority of vacancy in East Cooper exists in the outer areas of Long Point Road and Daniel Island. Rental rates increased on average to over \$24/SF and remain the highest in the market.



MUSC's new Hollings Cancer Center in Mt. Pleasant on Bowman Road

WEST ASHLEY

The West Ashley sub-market continues to have the highest vacancy rate at 8.5% including sublet space, but it is also seeing continued growth. The 32,000 square foot St. Francis Medical Plaza has recently been completed and is currently about 93% leased. New construction across Glen McConnell Parkway on Charlie Hall Boulevard is moving forward with several groups committed for space. One prospect, Carolina Eye Care, LLC, is already in need of doubling its capacity after occupying its new building this year. Only a few building sites remain available with Essex Medical Park, and rental rates remain strong.

Note: Permission is granted to quote from this publication only when Colliers Keenan is credited as the source. All information contained herein was compiled utilizing data from sources deemed reliable. It is submitted without warranty. Statistical data was collected as of June 30, 2004 for leased medical properties of 5,000 square feet or more.



The St. Francis Medical Plaza recently completed in West Ashley

FORECAST

The overall medical office market will continue its growth through 2004, with rental rates holding firm. East Cooper, West Ashley and North Charleston will observe new construction of smaller facilities from physician groups, while Downtown Charleston will witness the larger activity of Roper Hospital and the 80,000 square foot Charleston High School conversion and expansion activity for smaller projects will be minimal.

SURVEY METHODOLOGY

The Colliers Keenan Greater Charleston Medical Office Market Report surveys facilities not exclusively used or owned by hospitals, including single and multi-tenant medical office buildings and certain multi-tenant office buildings containing medical practices equal to or in excess of 5,000 square feet. All statistics provided in this survey are based solely on the individual properties actually surveyed. Colliers Keenan acknowledges and appreciates those individuals who provided information about the properties they own or represent.

For further information on the Charleston, SC medical office market contact:
Mark A. Mattison, II
at 843.723.1202 or
mmattison@collierskeenan.com