



Market Report

GREATER CHARLESTON AREA

APRIL 2014

Significant Transactions:

- 411 Wando Park Blvd.,** Mt. Pleasant, \$2,240,000 Sale of a 25,115 SF Multi-Purpose Flex Building to BDLS Real Estate Holding, LLC (Jon Chalfie)
- 285 Meeting Street,** Downtown Charleston, \$1,800,000 Sale of a 6,919 SF Office Building to Corridor, LLC (Reid Davis, CCIM, SIOR)
- 2420 Mall Drive,** North Charleston, \$3,000,000 Sale of a 34,000 SF Multi-Tenant Office Building to Corporate Square 1, LLC (Chris Koepenick, CCIM)
- 1012 Physicians Drive,** West Ashley, \$1,125,000 Sale of a 4,906 SF Medical Office Building to Five S. Properties, LLC (Bob Nuttall, Jr., SIOR, CPM)
- 1533 Highway 17,** Mt. Pleasant, \$2,030,000 Sale of a 10,000 SF Multi-Tenant Retail Investment to Buck Investments (Will Sherrod, CCIM)
- 4340 Corporate Road,** North Charleston, 40,000 SF Office Building Leased to Boeing (Milton Thomas, CCIM, SIOR)
- 1011 Lake Hunter Circle,** Mt. Pleasant, \$940,000 Sale of a 4,780 SF Office Building to Premier Patient Advocates, LLC (Bob Nuttall, Jr., SIOR, CPM)

The greater Charleston area continues to experience strong growth compared with other markets around the country. The Milken Institute ranked Charleston 4th in the U.S. for high-tech industry output over the past five years, and Charleston ranked near the top 30 for population growth among U.S. cities according to a recent Census Bureau report. Growth in the aerospace, automotive, and other high-tech manufacturing sectors has allowed Charleston's tech industry to grow 30% faster than the national average since 2011. Charleston County's population has also gained the highest proportion of residents with advanced degrees nationwide since 2013.

Development is quite active, particularly in downtown Charleston, where over \$1 billion of new developments are progressing. Such large scale projects as Courier Square, Midtown, and the Cigar Factory are all on track for delivery within the next year. The suburbs are also experiencing a significant uptick in development activity from Mt. Pleasant all the way to Summerville, to include several new office developments and the conversion of the old Navy Hospital to a 400,000 SF office building. Demand for space in the West Ashley submarket is lagging behind the other areas, highlighted by the recent foreclosure of Citadel Mall, but it is slowly improving.

Rental rates are expected to rise for all property sectors throughout 2014, but some rates will appear flat for the year due to absorption of newly constructed buildings. Nationwide, businesses have shown a desire to enter into longer term leases, with the majority ranging from 36 to 60 months, and more than 75% of leasing deals filling less than 5,000 SF spaces. Local commercial real estate sales and leases are forecasted to remain steady as competitive companies aim to gain market share in a technologically advancing environment. Overall improving economic conditions across the nation and around the world are expected to fuel a general growth of commercial development across all sectors, and Charleston is expected to continue to lead the charge in the state and beyond.

Charleston remains a very desirable place to live and work, and although the commercial real estate market will remain complicated, the team at Lee & Associates is more than capable of keeping it simple for you. Let us show you how we put **People First; Properties Second. Advantage: Lee!**

Market Indicators



OFFICE

Charleston, Berkeley & Dorchester Counties

# of Properties.....	560
Total SF.....	17,838,668
Total Available SF.....	1,806,350 (10.1%)
Total Vacant SF.....	1,513,675 (8.5%)
Average Rental Rates.....	\$19.72/SF

SUMMERVILLE



Summerville / Goose Creek

# of Properties.....	52
Total SF.....	1,246,246
Total Available SF.....	257,338 (20.6%)
Total Vacant SF.....	236,061 (18.9%)
Average Rental Rates.....	\$19.29/SF



North Charleston

# of Properties.....	184
Total SF.....	6,849,524
Total Available SF.....	812,942 (11.8%)
Total Vacant SF.....	709,493 (10.4%)
Average Rental Rates.....	\$16.77/SF

NORTH CHARLESTON

Daniel Island

# of Properties.....	35
Total SF.....	1,287,232
Total Available SF.....	135,450 (9.5%)
Total Vacant SF.....	99,335 (7.7%)
Average Rental Rates.....	\$17.58/SF

DANIEL ISLAND

WEST ASHLEY

West of the Ashley

# of Properties.....	56
Total SF.....	1,462,728
Total Available SF.....	189,997 (13.0%)
Total Vacant SF.....	155,212 (10.6%)
Average Rental Rates.....	\$19.78/SF



CHARLESTON

JOHNS ISLAND

JAMES ISLAND

MOUNT PLEASANT

Downtown

# of Properties.....	126
Total SF.....	4,437,701
Total Available SF.....	246,612 (5.6%)
Total Vacant SF.....	233,336 (5.3%)
Average Rental Rates.....	\$27.59/SF

FOLLY BEACH

Mount Pleasant

# of Properties.....	104
Total SF.....	2,412,269
Total Available SF.....	151,851 (6.3%)
Total Vacant SF.....	80,238 (3.3%)
Average Rental Rates.....	\$20.79/SF

RETAIL

Charleston, Berkeley & Dorchester Counties

of Properties.....816
Total SF..... 28,490,452
Total Available SF.....2,470,439 (8.6%)
Total Vacant SF.....1,905,657 (6.7%)
Average Rental Rates..... \$13.90/SF

SUMMERVILLE



Summerville / Goose Creek

of Properties..... 199
Total SF..... 6,689,100
Total Available SF..... 580,549 (8.5%)
Total Vacant SF..... 514,397 (7.7%)
Average Rental Rates..... \$12.21/SF



North Charleston

of Properties..... 211
Total SF..... 8,324,310
Total Available SF..... 780,646 (9.4%)
Total Vacant SF..... 501,766 (6.0%)
Average Rental Rates..... \$11.66/SF

Daniel Island

of Properties..... 10
Total SF..... 400,806
Total Available SF..... 33,111 (8.3%)
Total Vacant SF..... 34,047 (8.5%)
Average Rental Rates..... \$15.45/SF

WEST ASHLEY

West of the Ashley

of Properties.....177
Total SF..... 7,319,847
Total Available SF..... 635,153 (8.7%)
Total Vacant SF..... 455,115 (6.2%)
Average Rental Rates..... \$12.97/SF

NORTH CHARLESTON



DANIEL ISLAND



JOHNS ISLAND

JAMES ISLAND

CHARLESTON

MOUNT PLEASANT

Downtown

of Properties..... 88
Total SF..... 1,575,507
Total Available SF..... 64,731 (4.1%)
Total Vacant SF..... 46,528 (3.0%)
Average Rental Rates..... \$27.26/SF

FOLLY BEACH

Mount Pleasant

of Properties.....122
Total SF..... 4,241,295
Total Available SF..... 357,003 (8.4%)
Total Vacant SF..... 334,558 (7.9%)
Average Rental Rates..... \$17.41/SF

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INDUSTRIAL/FLEX

Charleston, Berkeley & Dorchester Counties

# of Properties.....	1,091
Total SF.....	56,673,758
Total Available SF.....	6,936,453 (12.2%)
Total Vacant SF.....	4,633,204 (8.2%)
Average Rental Rates.....	\$4.63/SF

SUMMERVILLE



Summerville / Goose Creek

# of Properties.....	275
Total SF.....	18,969,393
Total Available SF..	2,978,586 (15.7%)
Total Vacant SF.....	2,058,629 (10.9%)
Average Rental Rates.....	\$4.05/SF



North Charleston

# of Properties.....	631
Total SF.....	29,458,632
Total Available SF..	3,044,109 (10.3%)
Total Vacant SF.....	1,917,853 (6.5%)
Average Rental Rates.....	\$4.68/SF

NORTH CHARLESTON

Daniel Island

# of Properties.....	67
Total SF.....	4,637,987
Total Available SF.....	467,078 (10.1%)
Total Vacant SF.....	208,637 (4.5%)
Average Rental Rates.....	\$5.55/SF

WEST ASHLEY

West of the Ashley

# of Properties.....	74
Total SF.....	1,893,397
Total Available SF.....	144,571 (7.6%)
Total Vacant SF.....	96,813 (5.1%)
Average Rental Rates.....	\$7.00/SF



CHARLESTON

DANIEL ISLAND



JOHNS ISLAND

JAMES ISLAND

MOUNT PLEASANT

Downtown

# of Properties.....	35
Total SF.....	1,289,256
Total Available SF.....	258,902 (20.1%)
Total Vacant SF.....	258,902 (20.1%)
Average Rental Rates.....	\$12.44/SF

FOLLY BEACH

Mount Pleasant

# of Properties.....	37
Total SF.....	871,331
Total Available SF.....	120,827 (13.9%)
Total Vacant SF.....	102,872 (11.8%)
Average Rental Rates.....	\$9.16/SF

Lee & Associates Service Line

3 Solid areas of Expertise in a recovering Economy

1. Brokerage

The brokers of **Lee & Associates** serve a select group of Charleston clients with comprehensive leasing, sales and corporate service skills. All Lee & Associates brokers are dedicated to superior client service, and will represent our clients' interests with proven expertise and the utmost integrity, whether for landlords or tenants, buyers or sellers. From office, retail, warehouse and industrial, to land site selection and corporate services, Lee & Associates brokers are committed to results. That's one more way we put *"People First, Properties Second."*

2. Management

Lee & Associates currently manages a large portfolio of commercial properties for clients who own office buildings and retail centers, as well as several commercial property regimes. We are also capable of providing corporate services for clients who own properties in multiple states. We are one of the largest third-party property managers in Charleston. We have achieved our present level of success through an absolute commitment to client satisfaction. Client satisfaction means removing the headaches of commercial property ownership. It means managing property and protecting the investment as if it were our own. We handle dozens of details, large and small, including physical maintenance, tenant relations, fiscal reporting, and so much more.

3. Development

Lee & Associates stands out among Charleston's commercial property developers. Through many years of varied experience of property development in the Charleston real estate market, we have mastered the fine details. We anticipate the bumps in the road. This allows us to offer our commercial clients an unsurpassed level of personal customer service. Property development entails high stakes and high expectations, and it requires a unswerving commitment to superior service and processes. Lee & Associates property development experience, our commitment to superior service and our desire to always do things better have paved the way to success in the Charleston market. Past satisfied clients include Emery Worldwide, Applied Industrial Technologies, EDO Corporation, ITT and Linq Industrial Fabrics. Find out what we can do for you.



COMMERCIAL REAL ESTATE SERVICES

Daniel Island Office: 126 Seven Farms Drive, Suite 110
Charleston, SC 29492

Downtown Office: 293 East Bay Street
Charleston, SC 29401



Robert H. Nuttall, Jr.
SIOR, CPM
Principal



R. Milton Thomas, III
CCIM, SIOR
Principal



Reid P. Davis
CCIM, SIOR
Principal



Will Sherrod
CCIM
Principal



J. Miles Barkley
Principal



Chris Koepenick
CCIM



Gordon Geer



Pete Harper



Jack Owens
CCIM



Thomas G. Buist, Jr.
SIOR



J. Ryan Welch



Amanda Reeves
CCIM, LEED AP®



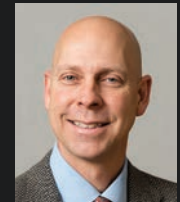
Henry B. Fishburne, Jr.



Jonathan J. Chalfie



Drew Munnerlyn



Doug Hart