



Market Report

GREATER CHARLESTON AREA

JULY 2013

Significant Transactions:

Bridgeview Office Properties, North Charleston, \$8,000,000 Sale of 3 Office Buildings totaling over 112,100 SF to Bridgeview Properties, LLC (R. Milton Thomas, III, CCIM, SIOR, Lee & Associates Charleston)

1013 Bankton Circle, Berkeley, \$2,944,118 Sale of an 80,149 SF Industrial Building (Thomas G. Buist, Jr., SIOR, Lee & Associates Charleston)

1545 Savannah Highway, West Ashley, \$725,000 Sale of former Regions Bank branch to VCKHS Magnolia, LLC (Will Sherrod, CCIM, Lee & Associates Charleston)

1929 Belgrade Avenue, West Ashley, \$300,000 Sale of 10,346 SF consisting of 3 separate commercial buildings to Greg Mappus (Gordon Geer, Lee & Associates Charleston)

4567 Piggly Wiggly Drive, North Charleston, 20,268 SF of Industrial space leased to HD Supply Power Solutions, LTD. (Thomas G. Buist, Jr., SIOR, Lee & Associates Charleston)

Boeing News and Other Activity Pushes the Commercial Real Estate Momentum

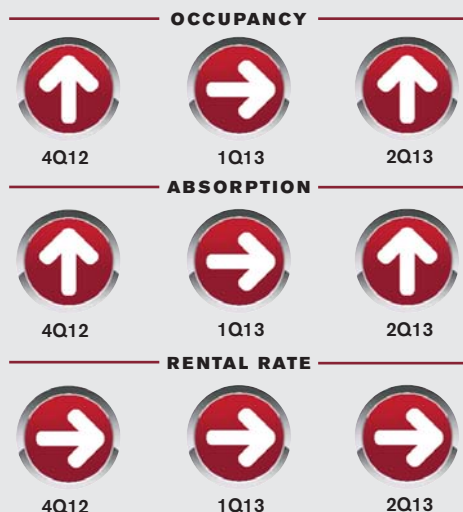
Attitude is everything and the local market has some solid momentum with continued news out of Boeing, a hot residential real estate market, and overall growth projections in the Charleston area. Last month, Boeing announced that it is on the hunt to open a new factory within the next year to assemble engine components for its 737 MAX jetliner. This news further fueled speculation of Charleston expanding its role with Boeing and its potential to handle the production of an additional Boeing aircraft. Also in the news, road and infrastructure construction will begin on the roadways to connect the airport to Palmetto Commerce Parkway. These improvements will not only allow easier access for Boeing and its suppliers, it will also ease traffic and open up land for development in what is already an active corridor.

While commercial real estate activity is up in all sectors, most transactions still remain volatile until the very end and are viewed under a microscope by the decision makers and anyone involved with a project. Leasing activity is up in all sectors with rents increasing as vacancy is quickly shrinking. Downtown development is extremely active with new hotels, multifamily, retail and office. In the suburban markets, new development is sporadic but will soon be more prevalent with the low vacancy and low interest rates.

Sales have gone from spotty to steady as land sales have re-entered the market. Both investors and users are finally coming off the sidelines to take advantage of pricing and low interest rates. Cap rates on investment real estate have compressed to bare bone levels with lenders offering aggressive long term amortization schedules on non-recourse debt. Distressed opportunities have thinned dramatically with most deals getting picked over before they hit the open market.

Overall, the market indicators continue to trend towards a healthier climate. 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

Total SF: 15,858,286

Available SF: 1,761,292 % Vacant: 11.11%
Rental Rates: \$19.04



SUMMERVILLE

North Charleston

Total SF.....6,314,849
Available SF..... 910,533
% Vacant 14.42%
Rental Rates \$16.29

Daniel Island

Total SF..... 1,126,538
Available SF..... 168,207
% Vacant 14.93%
Rental Rates \$17.46

WEST ASHLEY

West of the Ashley

Total SF..... 1,428,608
Available SF..... 242,686
% Vacant16.99%
Rental Rates \$18.29

NORTH CHARLESTON

DANIEL ISLAND

CHARLESTON

JOHNS ISLAND

JAMES ISLAND

MOUNT PLEASANT

Downtown

Total SF.....4,584,460
Available SF..... 228,227
% Vacant 4.98%
Rental Rates \$24.96

FOLLY BEACH

Mount Pleasant

Total SF..... 2,393,746
Available SF..... 211,639
% Vacant 8.84%
Rental Rates \$19.49

RETAIL

Total SF: 27,999,045

Available SF: 2,070,123 % Vacant: 7.39%
Rental Rates: \$15.27

Summerville

Total SF..... 3,670,117
Available SF..... 133,238
% Vacant 3.63%
Rental Rates \$13.24

North Charleston

Total SF..... 8,148,351
Available SF..... 571,472
% Vacant 7.01%
Rental Rates \$12.51

Berkeley

Total SF..... 2,612,042
Available SF..... 295,136
% Vacant 11.30%
Rental Rates \$12.20

West of the Ashley

Total SF..... 7,690,905
Available SF..... 569,775
% Vacant 7.41%
Rental Rates \$13.49

East of the Cooper

Total SF..... 4,748,752
Available SF..... 392,573
% Vacant 8.27%
Rental Rates \$18.61

Downtown

Total SF..... 1,128,878
Available SF..... 107,929
% Vacant 9.56%
Rental Rates \$28.50



WAREHOUSE/INDUSTRIAL

Total SF: 44,723,884

Available SF: 6,096,791 % Vacant: 13.63%
Rental Rates: \$5.17



SUMMERVILLE

Summerville

Total SF..... 7,884,974
Available SF..... 1,519,820
% Vacant 19.27%
Rental Rates \$4.51

North Charleston

Total SF..... 21,141,831
Available SF..... 1,922,747
% Vacant 9.09%
Rental Rates \$5.16

Berkeley

Total SF..... 8,915,912
Available SF..... 1,581,530
% Vacant 17.74%
Rental Rates \$4.49

WEST ASHLEY

West of the Ashley

Total SF..... 1,471,581
Available SF..... 165,034
% Vacant 11.21%
Rental Rates \$5.15

JOHNS ISLAND

JAMES ISLAND

CHARLESTON

DANIEL ISLAND

East of the Cooper

Total SF..... 4,222,071
Available SF..... 877,958
% Vacant 20.79%
Rental Rates \$5.98

MOUNT PLEASANT

Downtown

Total SF..... 1,087,515
Available SF..... 29,702
% Vacant 2.73%
Rental Rates \$9.94

FOLLY BEACH

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



BACK ROW: J. Ryan Welch, Chris Koepenick, CCIM, Will Sherrod, CCIM, Principal, R. Milton Thomas, III CCIM, SIOR, Principal, Thomas G. Buist, Jr., SIOR, Jonathan J. Chalfie.
MIDDLE ROW: J. Miles Barkley, Principal, Robert H. Nuttall, Jr. SIOR, CPM, Principal, Amanda Reeves, CCIM, LEED AP, Jack Owens, CCIM.
FRONT ROW: Gordon Geer, Reid P. Davis, CCIM, SIOR, Principal, Pete Harper, Henry B. Fishburne, Jr.

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