



Columbia

Industrial 22Q3

Key Takeaways

- 3PL activity is high in the Columbia market
- Vacancy is at an all-time low of 3.16%
- 1.8 million square feet are under construction with only 407,160 square feet still available to lease



Record-breaking activity in the Columbia industrial market

Third-party logistics (3PL) companies, often also referred to as fulfillment, offer outsourced logistic services for storing and shipping items. 3PL activity is at an all-time high in the Columbia industrial market which is indicative of the strength and continuing growth of the local manufacturing market. Despite macroeconomic headwinds, industrial tenant velocity remains strong pushing the overall Columbia vacancy rate to an all-time low of 3.16% this quarter. There are currently 1.8 million square feet under construction with only 407,160 square feet of speculative Class A available for lease due to pre-leasing activity. Current under construction availabilities include 210,600 square feet (Collett Industrial) delivering in January of 2023 and 196,560 square feet (Magnus Development Partners) delivering during the second quarter. 2022 has already been a record setting year for the Columbia industrial market in both speculative development absorption and construction.

Local Market Indicators



Historic Comparison

| | 21Q3 | 22Q2 | 22Q3 |
|--------------------------------------|--------|--------|--------|
| Total Inventory* (in Millions of SF) | 70.0 | 70.1 | 70.7 |
| New Supply (in Thousands of SF) | 191.9 | 0 | 577.7 |
| Net Absorption (in Thousands of SF) | 30.2 | 265 | 975.2 |
| Overall Vacancy | 4.89% | 3.76% | 3.16% |
| Under Construction (SF) | 194K | 1.6M | 1.8M |
| Overall NNN Lease Rates (in \$/SF) | \$4.30 | \$4.17 | \$4.32 |

* Total inventory based on buildings 20K SF or larger

Absorption, New Supply & Vacancy Trends



The overall market vacancy rate is at an all-time low. Absorption and new building deliveries were at their highest during the third quarter of 2022.

Recent Transactions



Part of Portfolio Sale
Saxe Gotha Industrial Park | Cayce/West Columbia
1.02M SF



Sale
2219 Fish Hatchery
Cayce/West Columbia
61K SF



Sale
800 S. Brecon
Lexington County
60K SF



Lease
122 Palmetto Commerce
Orangeburg
534.7K SF



Lease Renewal
185 McQueen
Cayce/West Columbia
273.3K SF

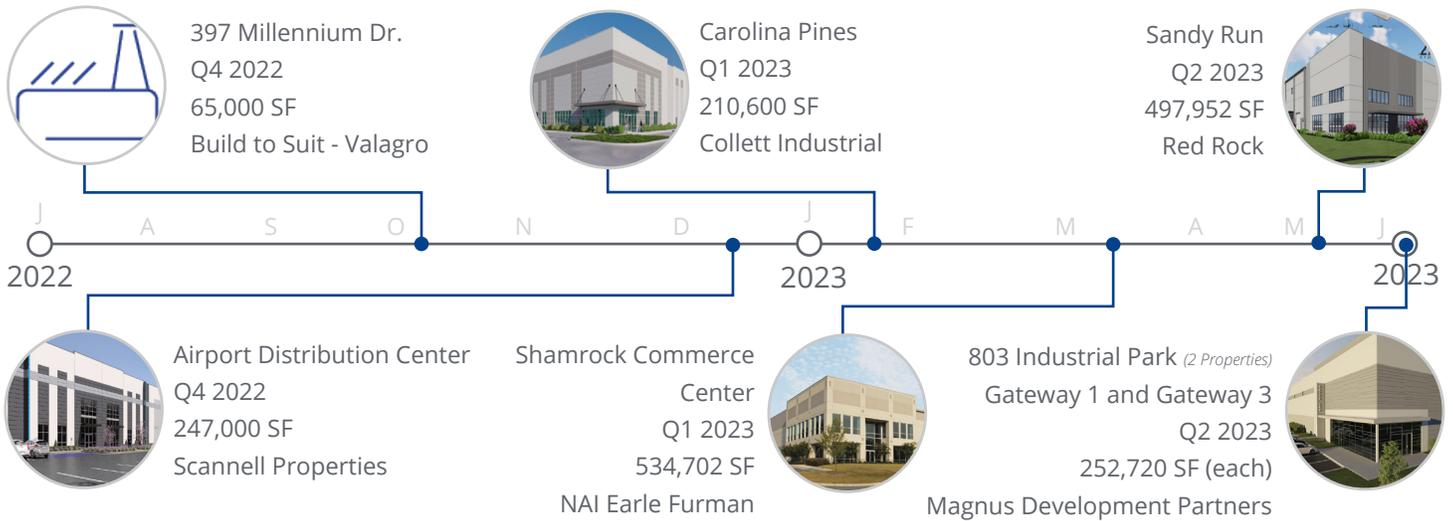


Lease
225 Woodbine
Orangeburg
209K SF

Sources: Colliers, CoStar

Development Pipeline

Columbia



Sources: Colliers, Lexington County, CoStar

Columbia Capital Investments

Q3 2022

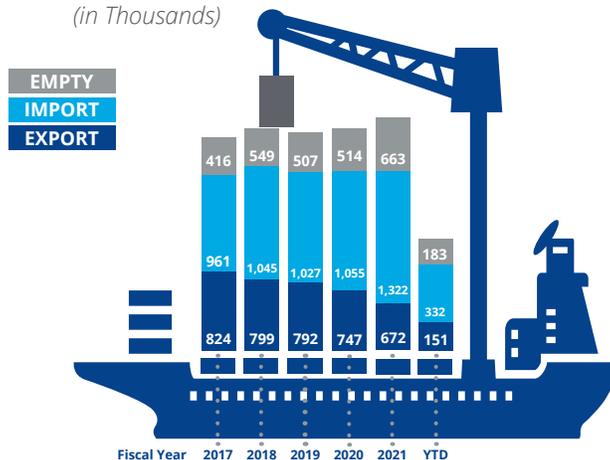
| Date | Company | Investment / Jobs | County | Industry |
|--------|-------------------------|-------------------|------------|-----------------------------------|
| Jul-13 | City Roots Organic Farm | \$4.4M 60 | Richland | Food Production |
| Jul-26 | Kuntai Limited Corp | \$1.5M 41 | Orangeburg | Manufacturing - Auto Floor Mats |
| Aug-11 | Georgia-Pacific | \$40M 149 | Clarendon | Material Manufacturing |
| Aug-16 | Pet Supplies Plus | \$53M 275 | Orangeburg | Pet Supplies |
| Aug-18 | Owen Steel Company | \$3M 22 | Richland | Manufacturing - Steel Fabrication |
| Sep-12 | Trucast Limited | \$5M - | Newberry | Manufacturing - Turbine Wheels |
| Sep-15 | Abb-E Mobility | \$4M 100 | Lexington | Manufacturing - EV Chargers |
| Sep-21 | MGS, LLC | \$3M 12 | Richland | Security Consulting |

Source: CentralSC.org

Coastal Port Tonnage

The coastal port terminals set a record fiscal year in 2022 handling 2.85 million TEUs and 1.58 million pier containers. The South Carolina Ports Authority (SCPA) reported a 12% increase in cargo during the 2022 fiscal year moving 164,000 more containers than in fiscal year 2021. Thanks to the enhanced terminals, equipment and information technology infrastructure, fiscal year 2022 has been the most productive year on record. During the first three months of the fiscal year 2023 there were 666,315 TEUs handled which is down 2.66% from the previous year. However, there are expectations of another record-breaking year due to creative infrastructure and shipping solutions. Plans are in place to implement their own chassis pool in 2023 which will give SCPA a competitive advantage compared to other ports. Another development underway is the future Navy Base Intermodal Facility, a near-dock, rail-served, cargo facility to move goods via rail to and from the Port of Charleston. The SCPA focuses on capacity, reliability and fluidity ensuring they move more TEUs year-over-year and keep freight moving.

Port of Charleston
Annual Twenty-foot Equivalent Unit Volume
(in Thousands)



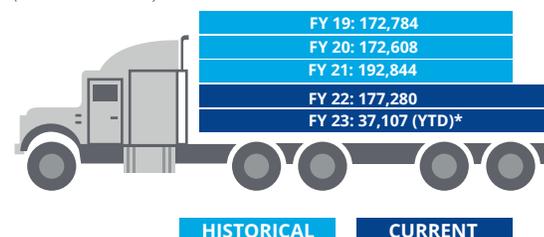
*Fiscal YTD is July 2022 - September 2022

Source: South Carolina Ports Authority

Inland Port Tonnage

South Carolina's two inland ports are crucial to the supply chain. Both inland ports combined reported 177,280 rail moves for the fiscal year 2022. To begin the fiscal year 2023 both inland ports combined posted 37,107 rail moves from July through September of 2022. The Inland Port Greer expansion added 2,600 feet of processing rail track which provides more room for the rubber-tiered gantry cranes to access rail cars. The inland port now also has 4,800 feet of additional rail car storage track to accommodate longer trains.

Inland Ports Greer and Dillon
Annual Twenty-foot Equivalent Unit Volume
(in Thousands)



*Fiscal YTD is July 2022 - September 2022

Source: South Carolina Ports Authority

Infrastructure Improvements

South Carolina

| Project Name | Project Type | Description | Status | Estimated Completion Date |
|-------------------------------------|--------------|---|-------------------------------|---------------------------|
| I-26 Expansion | Road | Exit 119 interchange along Interstate 26 (I-26) at US 21/US 176 to correct deficiencies and support increased traffic | Q2 2022 | ~2025 |
| Inland Port Greer Expansion | Port | Additional rail processing and storage tracks | Under construction | Q4 2023 |
| Weber Boulevard | Road | Provide a connection between I-26 to a new network of roads between Ladson Road and Ashley Phosphate Road | Construction to begin Q3 2022 | Q4 2024 |
| I-26 Widening | Road | I-26 widening from four to six lanes from mile marker 85 to 101 | Under construction | 2024 |
| I-85 Widening | Road | I-85 expansion in Spartanburg and Cherokee Counties | Under construction | 2023 |
| I-20 Widening | Road | I-20 widening from four to six lanes from mile marker 49 to 60 | Under construction | Completed |
| Carolina Crossroads I-26/I-20/I-126 | Road | I-26 from Exit 101 to Exit 107, I-20 from Exit 61 to Exit 65 & I-126 from Exit 107 to Colonial Life Boulevard | Right of way purchase | 2030 |

Columbia | Q3 2022 Industrial Market Summary



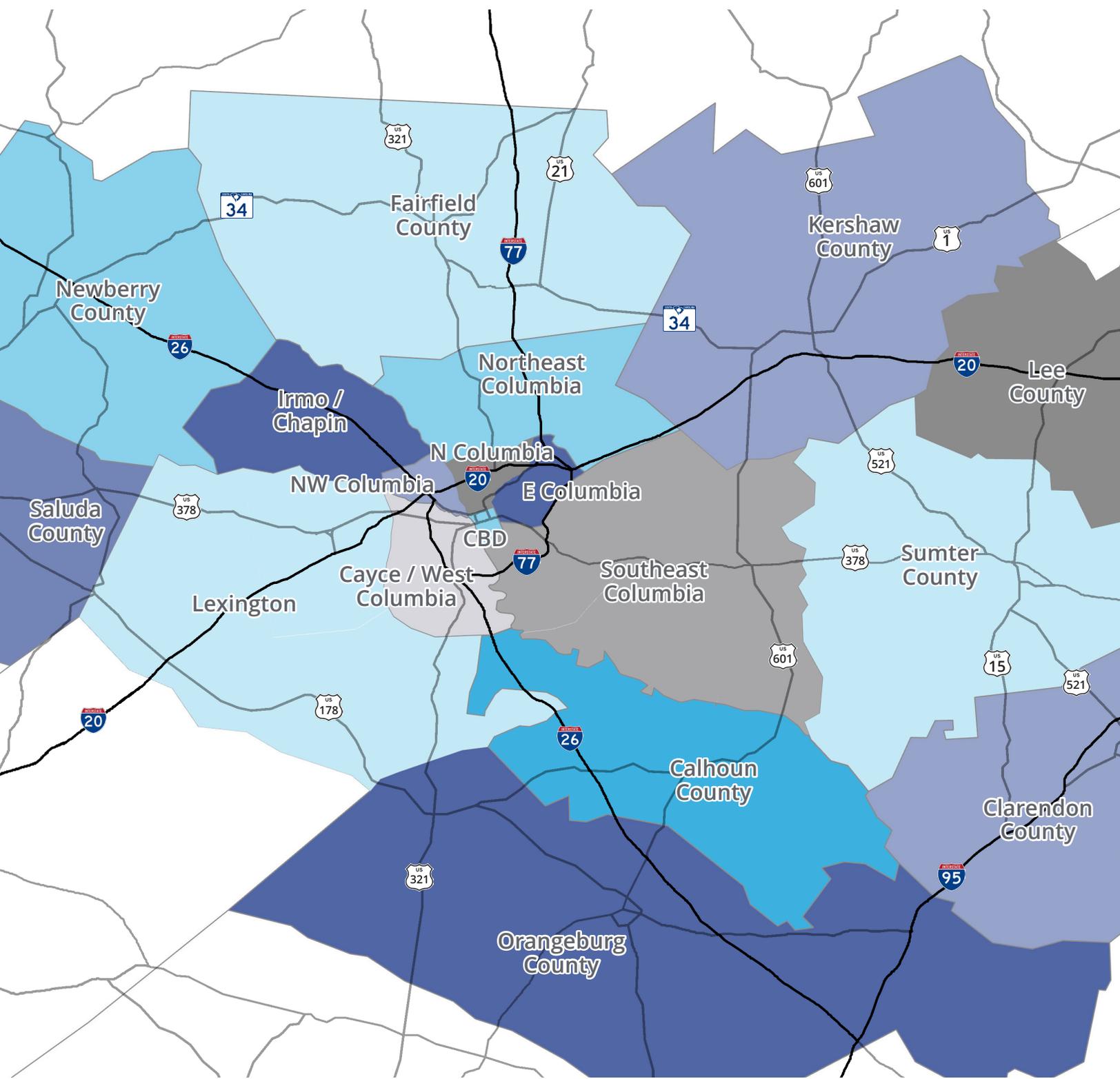
| Market | Buildings | Inventory (SF) | Direct Vacant (SF) | Sublease Vacant (SF) | Total Vacant (SF) | Total Vacancy Rate (%) | Net Absorption (SF) | Average Asking Rental Rate (SF/YR) |
|------------------------------------|------------|-------------------|--------------------|----------------------|-------------------|------------------------|---------------------|------------------------------------|
| Calhoun County | | | | | | | | |
| Flex/R&D | - | - | - | - | - | - | - | - |
| Manufacturing | 6 | 569,293 | - | - | - | 0.00% | - | - |
| Warehouse/Distribution | 6 | 449,673 | - | - | - | 0.00% | - | - |
| Calhoun County Total | 12 | 1,018,966 | - | - | - | 0.00% | - | - |
| Cayce / West Columbia | | | | | | | | |
| Flex/R&D | 10 | 381,406 | 17,689 | - | 17,689 | 4.64% | -5,902 | \$14.30 |
| Manufacturing | 28 | 3,416,586 | - | - | - | 0.00% | 24,160 | - |
| Warehouse/Distribution | 105 | 8,687,831 | 30,974 | - | 30,974 | 0.36% | 221,440 | \$8.00 |
| Cayce / West Columbia Total | 143 | 12,485,823 | 48,663 | - | 48,663 | 0.39% | 239,698 | \$13.26 |
| Clarendon County | | | | | | | | |
| Flex/R&D | 1 | 25,000 | - | - | - | 0.00% | - | - |
| Manufacturing | 8 | 609,204 | - | - | - | 0.00% | - | - |
| Warehouse/Distribution | 7 | 582,555 | - | - | - | 0.00% | - | - |
| Clarendon County Total | 16 | 1,216,759 | - | - | - | 0.00% | - | - |
| Columbia CBD | | | | | | | | |
| Flex/R&D | 2 | 97,585 | - | - | - | 0.00% | - | - |
| Manufacturing | 2 | 58,167 | - | - | - | 0.00% | - | - |
| Warehouse/Distribution | 20 | 727,641 | 32,679 | - | 32,679 | 4.49% | - | - |
| Columbia CBD Total | 25 | 883,393 | 32,679 | - | 32,679 | 3.70% | - | - |
| East Columbia | | | | | | | | |
| Flex/R&D | 5 | 227,221 | 11,625 | - | 11,625 | 5.12% | 23,371 | \$8.00 |
| Manufacturing | 2 | 253,000 | - | - | - | 0.00% | - | - |
| Warehouse/Distribution | 26 | 1,241,424 | 85,399 | - | 85,399 | 6.88% | - | - |
| East Columbia Total | 33 | 1,721,645 | 97,024 | - | 97,024 | 5.64% | 23,371 | \$8.00 |
| Fairfield County | | | | | | | | |
| Flex/R&D | - | - | - | - | - | - | - | - |
| Manufacturing | 8 | 1,358,419 | - | - | - | 0.00% | - | - |
| Warehouse/Distribution | 8 | 972,866 | - | - | - | 0.00% | - | - |
| Fairfield County Total | 16 | 2,331,285 | - | - | - | 0.00% | - | - |
| Irmo / Chapin | | | | | | | | |
| Flex/R&D | 2 | 63,000 | - | - | - | 0.00% | - | - |
| Manufacturing | 4 | 392,191 | 204,000 | - | 204,000 | 52.02% | - | \$3.50 |
| Warehouse/Distribution | 10 | 384,608 | - | - | - | 0.00% | - | - |
| Irmo / Chapin Total | 16 | 839,799 | 204,000 | - | 204,000 | 24.29% | - | \$3.50 |
| Kershaw County | | | | | | | | |
| Flex/R&D | - | - | - | - | - | - | - | - |
| Manufacturing | 15 | 1,510,333 | 76,193 | - | 76,193 | 5.04% | 89,366 | - |
| Warehouse/Distribution | 23 | 4,242,019 | 340,153 | - | 340,153 | 8.02% | -140,153 | \$4.73 |
| Kershaw County Total | 38 | 5,752,352 | 416,346 | - | 416,346 | 7.24% | -50,787 | \$4.73 |
| Lee County | | | | | | | | |
| Flex/R&D | - | - | - | - | - | - | - | - |
| Manufacturing | 6 | 708,115 | - | - | - | 0.00% | - | - |
| Warehouse/Distribution | 3 | 143,005 | - | - | - | 0.00% | - | - |
| Lee County Total | 9 | 851,120 | - | - | - | 0.00% | - | - |
| Lexington | | | | | | | | |
| Flex/R&D | 2 | 75,161 | 5,044 | - | 5,044 | 6.71% | - | - |
| Manufacturing | 21 | 1,723,680 | - | - | - | 0.00% | - | - |
| Warehouse/Distribution | 26 | 2,246,112 | - | - | - | 0.00% | 60,000 | - |
| Lexington Total | 49 | 4,044,953 | 5,044 | - | 5,044 | 0.12% | 60,000 | - |

Columbia | Q3 2022 Industrial Market Summary



| Market | Buildings | Inventory (SF) | Direct Vacant (SF) | Sublease Vacant (SF) | Total Vacant (SF) | Total Vacancy Rate (%) | Net Absorption (SF) | Average Asking Rental Rate (SF/YR) |
|---------------------------------|------------|-------------------|--------------------|----------------------|-------------------|------------------------|---------------------|------------------------------------|
| Newberry County | | | | | | | | |
| Flex/R&D | - | - | - | - | - | - | - | - |
| Manufacturing | 9 | 1,817,215 | 138,500 | - | 138,500 | 7.62% | - | \$4.00 |
| Warehouse/Distribution | 11 | 931,294 | - | - | - | 0.00% | 182,160 | \$3.75 |
| Newberry County Total | 20 | 2,748,509 | 138,500 | - | 138,500 | 5.04% | 182,160 | \$3.87 |
| North Columbia | | | | | | | | |
| Flex/R&D | 2 | 83,587 | 6,700 | - | 6,700 | 8.02% | - | \$10.00 |
| Manufacturing | 5 | 338,304 | - | - | - | 0.00% | - | - |
| Warehouse/Distribution | 26 | 984,116 | 34,000 | - | 34,000 | 3.45% | 26,299 | \$3.43 |
| North Columbia Total | 33 | 1,406,007 | 40,700 | - | 40,700 | 2.89% | 26,299 | \$3.58 |
| Northeast Columbia | | | | | | | | |
| Flex/R&D | 6 | 268,861 | - | - | - | 0.00% | - | - |
| Manufacturing | 24 | 3,517,779 | 239,015 | - | 239,015 | 6.79% | - | \$3.85 |
| Warehouse/Distribution | 32 | 3,253,806 | 25,000 | - | 25,000 | 0.77% | - | - |
| Northeast Columbia Total | 62 | 7,040,446 | 264,015 | - | 264,015 | 3.75% | - | \$3.85 |
| Northwest Columbia | | | | | | | | |
| Flex/R&D | 2 | 65,932 | - | - | - | 0.00% | - | - |
| Manufacturing | 2 | 249,268 | 3,000 | - | 3,000 | 1.20% | - | - |
| Warehouse/Distribution | 7 | 421,806 | - | - | - | 0.00% | - | - |
| Northwest Columbia Total | 11 | 737,006 | 3,000 | - | 3,000 | 0.41% | - | - |
| Orangeburg County | | | | | | | | |
| Flex/R&D | 3 | 294,532 | 200,720 | - | 200,720 | 68.15% | - | \$4.00 |
| Manufacturing | 33 | 4,595,582 | 383,880 | - | 383,880 | 8.35% | 8,500 | \$4.34 |
| Warehouse/Distribution | 50 | 6,367,004 | 156,647 | - | 156,647 | 2.69% | 494,991 | \$5.25 |
| Orangeburg County Total | 86 | 10,719,416 | 741,247 | - | 741,247 | 6.58% | 503,491 | \$4.20 |
| Saluda County | | | | | | | | |
| Flex/R&D | - | - | - | - | - | - | - | - |
| Manufacturing | 2 | 150,929 | - | - | - | 0.00% | - | - |
| Warehouse/Distribution | 3 | 271,550 | - | - | - | 0.00% | - | - |
| Saluda County Total | 5 | 422,479 | - | - | - | 0.00% | - | - |
| Southeast Columbia | | | | | | | | |
| Flex/R&D | 4 | 188,897 | 2,217 | - | 2,217 | 1.17% | - | - |
| Manufacturing | 28 | 3,351,519 | 45,000 | 22,000 | 67,000 | 2.00% | -22,000 | \$8.70 |
| Warehouse/Distribution | 121 | 6,627,155 | 125,165 | - | 125,165 | 1.89% | 13,000 | \$5.95 |
| Southeast Columbia Total | 153 | 10,167,571 | 172,382 | 22,000 | 194,382 | 1.91% | -9,000 | \$8.53 |
| Sumter County | | | | | | | | |
| Flex/R&D | 2 | 144,163 | - | - | - | 0.00% | - | - |
| Manufacturing | 17 | 1,907,873 | 22,200 | - | 22,200 | 1.16% | - | - |
| Warehouse/Distribution | 37 | 3,856,722 | 30,710 | - | 30,710 | 0.80% | - | - |
| Sumter County Total | 56 | 5,908,758 | 52,910 | - | 52,910 | 0.90% | - | - |
| Market Total | | | | | | | | |
| Flex/R&D | 42 | 1,915,345 | 243,995 | - | 243,995 | 12.74% | 17,469 | \$5.14 |
| Manufacturing | 220 | 26,527,457 | 1,111,788 | 22,000 | 1,133,788 | 4.27% | 100,026 | \$4.28 |
| Warehouse/Distribution | 521 | 42,391,187 | 860,727 | - | 860,727 | 2.03% | 857,737 | \$4.12 |
| Market Total | 783 | 70,833,989 | 2,216,510 | 22,000 | 2,238,510 | 3.16% | 975,232 | \$4.32 |

Submarket Map



396 offices in 68 countries on 6 continents

United States: 153

Canada: 29

Latin America: 24

Asia Pacific: 79

EMEA: 111



\$3.3B
in revenue



2B
square feet under management



17,000 +
professionals and staff

In January 2021, Colliers benchmarked its industrial data set statewide. The new standard for collection is all industrial buildings 20,000 square feet or larger that can be readily adapted to an alternative industrial use. All properties were placed into a revised set of markets and submarkets and divided into three categories. Warehouse/Distribution, a facility primarily used for the storage or distribution or both of materials, goods and merchandise. Manufacturing, a facility used for the conversion, fabrication or assembly of raw or partly wrought materials into products or goods. Flex/R&D, a building designed to be used in a variety of ways with at least 30% of the rentable building area used as office. It is usually located in an industrial park setting. Specialized flex buildings can include service centers, showrooms, offices, warehouses and more. Due to the adjustments of the building inventory, comparison of data included in previously published market reports should be avoided.

About Colliers | South Carolina

Colliers | South Carolina has over 140 staff members, including 62 licensed real estate professionals, covering the entire state with locations in Charleston, Columbia, Greenville and Spartanburg. Total 2021 brokerage volume exceeded \$1 billion, which included over 590 sales and leasing transactions. In addition to traditional commercial real estate representation services for our clients, the company is actively engaged in Corporate Solutions and Healthcare Services. Colliers is an Accredited Management Organization (AMO) through the Institute of Real Estate Management (IREM) and is the largest manager of commercial real estate properties in South Carolina, with a portfolio of over 17 million square feet of office, industrial, retail and healthcare properties. Colliers' staff hold 54 professional designations, the most of any firm in South Carolina. Colliers | South Carolina's partner, LCK, provides project management services for new facilities and renovations across South Carolina and set a new record by managing a portfolio of projects approaching \$1 billion in volume during 2021.

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