



Charleston

Industrial  
25Q2

## Key Takeaways

- Flex and small warehouse spaces are experiencing rapid rent gains as new construction approaches \$20 per square foot
- Workforce shifts increasingly favor engineering-intensive advanced manufacturing over logistics
- Over one million square feet of gross absorption were offset by TwinStar Home's moveout



## Leasing continues rebound despite moveouts

TwinStar Home's end-of-quarter million-square-foot moveout masked healthy underlying activity as the Charleston market appears to be approaching bottom on the current cycle. Sharply rising activity for the market's numerous large, vacant spaces, highlighted by Harbor Logistics' 625,000 SF Q2 lease in Summerville, portends a healthier market and relief for investors eager to lease long-carried vacancies. Still, vacancy remains among the nation's highest at 22.74%, and a final 1.3 million-square-foot wave of currently unleased speculative deliveries in Q4 could create a final spike before what is likely to be a prolonged recovery. Total occupied space has changed relatively little since the end of 2022 despite 18 million square feet of deliveries as retailers and 3PLs pull back from post-Covid occupancy highs, a trend reflected in logistics-heavy markets nationwide. The flex and industrial outdoor storage segments represent steady bright spots experiencing new construction and rising rents.

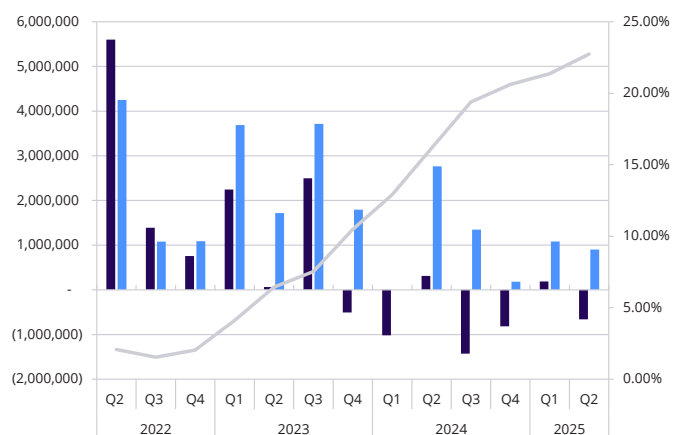
## Market Indicators



## Historic Comparison

|  | 24Q2   | 25Q1   | 25Q2    |
|--|--------|--------|---------|
| <b>Total Inventory (in Millions of SF)</b>         | 71.7   | 77.6   | 80.4    |
| <b>Supply Change (in Millions of SF)</b>           | 2.9    | 1.1    | 0.9     |
| <b>Net Absorption (in Thousands of SF)</b>         | (21.4) | 63.4   | (658.9) |
| <b>Overall Vacancy</b>                             | 12.94% | 21.03% | 22.74%  |
| <b>Under Construction (in Millions of SF)</b>      | 6.2    | 3.1    | 2.1     |
| <b>Overall Averaged NNN Lease Rates (in \$/SF)</b> | \$7.80 | \$7.89 | \$7.84  |

## Market Graph



Total inventory grew to 80,438,428 square feet with 902,571 square feet of new deliveries contributed to vacancy's increase to 22.74%. Despite healthy leasing, net absorption was negative at -658,886 square feet, primarily due to a single move-out. Class A warehouse rents are largely steady in the face of growing supply pressure, averaging \$7.84 per square foot.

## Recent Transactions



**Lease**  
241 Jedburg Rd  
Summerville  
621.9K SF



**Lease**  
5031 Ladson Industry Dr.  
Summerville  
230.0K SF



**Lease**  
9004 Sightline Dr.  
Summerville  
65.0K SF



**Sale**  
5101 Coosaw Creek Rd.  
North Charleston  
95.5K SF | \$5.8M



**Sale**  
9801 Hwy. 78  
Summerville  
90.5K SF | \$11.35M



**Sale**  
3191 Ashley Phosphate Rd.  
North Charleston  
246.7K SF | \$21.1M

## Charleston Capital Investments

Q2 2023 - Q2 2025

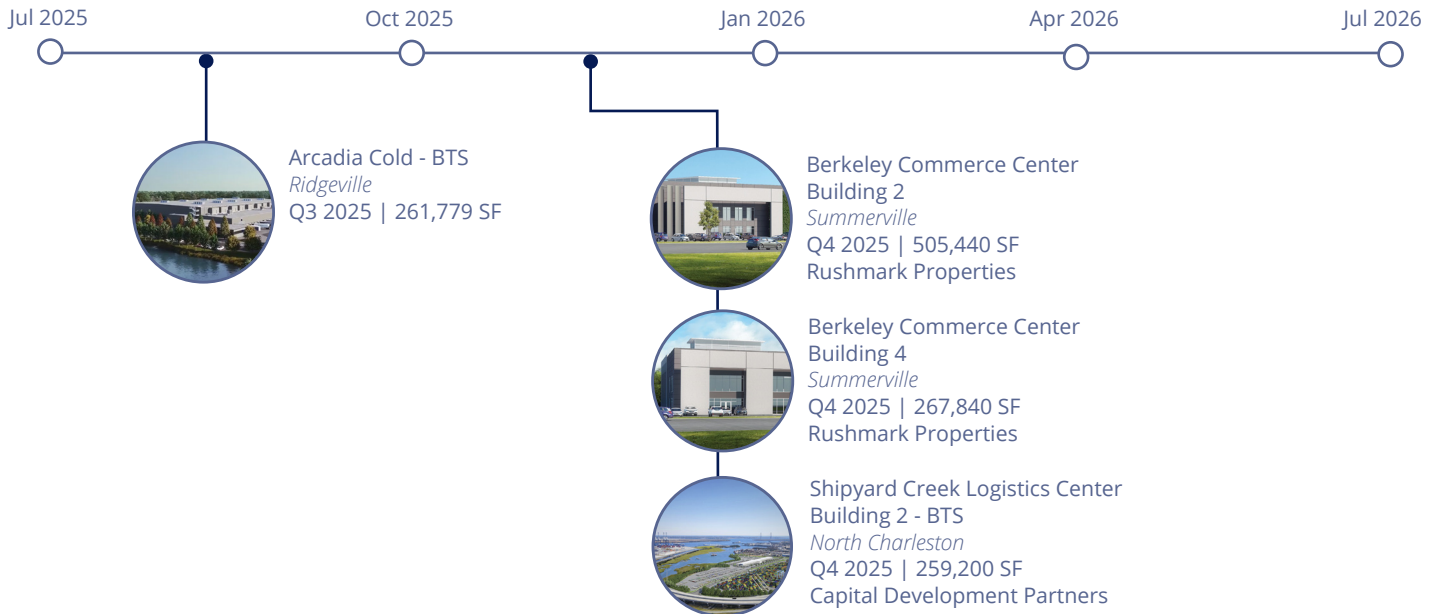
| Date       | Company                              | Investment      | Jobs | County     | Industry                                       |
|------------|--------------------------------------|-----------------|------|------------|--|
| 2/27/2024  | Gnosis Freight                       | \$400,000       | 51   | Charleston | Supply chain and logistics software provider   |
| 4/25/2024  | Tradd Advisory Company               | \$100,000       | 100  | Charleston | Third party logistics provider                 |
| 5/7/2024   | TTS Studios                          | \$800,000       | 14   | Charleston | Custom fabrication                             |
| 5/22/2024  | Allegiance Flag Supply               | \$6,300,000     | 84   | Charleston | Flag manufacturer                              |
| 7/9/2024   | Portside Technology                  | -               | 89   | Charleston | Information technology services                |
| 8/20/2024  | Eveon Containers                     | -               | 25   | Charleston | Provider of used shipping containers           |
| 9/6/2024   | East Coast Warehouse & Distribution  | \$14,500,000    | 52   | Charleston | Temperature-controlled logistics provider      |
| 9/26/2024  | Google Berkeley County Data Center   | \$1,300,000,000 | -    | Berkeley   | Data center                                    |
| 9/26/2024  | Google Dorchester County Data Center | \$2,000,000,000 | 200  | Dorchester | Data center                                    |
| 10/15/2024 | Smithey Ironware Company             | \$3,100,000     | 16   | Charleston | Cookware designer and manufacturer             |
| 11/7/2024  | OhmlQ                                | \$1,100,000     | 21   | Charleston | Ohmic conduction technology                    |
| 11/14/2024 | Low Tide Brewing                     | \$22,200,000    | 33   | Charleston | Craft beer manufacturer                        |
| 12/12/2024 | Boeing South Carolina                | \$1,000,000,000 | 500  | Charleston | Aircraft manufacturer                          |
| 12/17/2024 | Mesa Land Services                   | \$1,300,000     | 24   | Charleston | Easement acquisition and title search software |
| 2/3/2025   | Huntington Ingalls                   | -               | 250  | Berkeley   | Naval systems manufacturer                     |

Source: South Carolina Department of Commerce

## Development Pipeline

Charleston

Total Under Construction  
(all sizes)  
**3.01M SF**



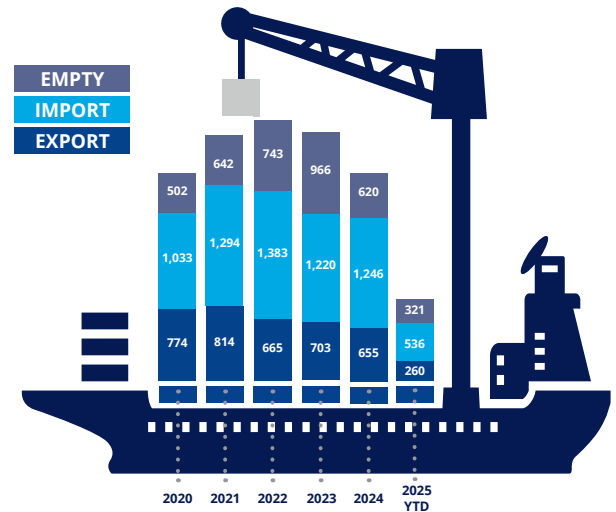
Sources: Colliers, CoStar

## Port of Charleston

Loaded export volume has fallen by over 29,000 TEUs over 2024 YTD, while empty container exports have grown by nearly 93,000 TEUs over the same period. This marks a notable shift as empty containers now make up 56% of total outbound volume, up from 48% at the same point last year. Simultaneously, loaded imports grew by roughly 27,000 TEUs, indicative of the complex supply chain challenges faced by American manufacturers in an uncertain trade policy environment and resilient consumer demand. Despite this shifting short-term demand, the Port of Charleston continues to position itself as a conduit for future growth across the Southeast. The Navy Base Intermodal Facility will significantly improve the Port's capacity to shift cargo to rail, an important consideration in reducing congestion on the area's highways and enhancing reach, though delivery may slip towards early 2026.

### Port of Charleston

Annual Volume (in Thousands)

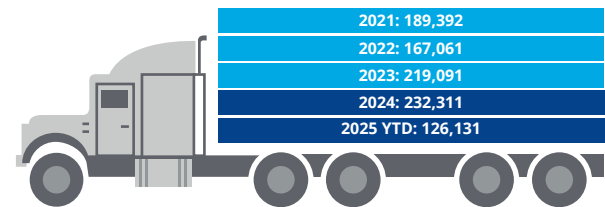


## Inland Port Dillon and Inland Port Greer

Inland Port Greer continues to drive growth as volume is up 12.75% over 2024 with imports representing an increasing portion. Inland Port Dillon, however, continues to experience declining year-over-year volumes, with a healthy April providing a needed boost. The expansion of Inland Port Greer's rail trackage and container yard, completed late in Q1, serves to support growth across the Upstate and beyond while easing mid-term pressure on capacity.

### Inland Port Greer and Dillon

Annual Volume



Source: South Carolina Ports Authority

## Infrastructure Improvements

South Carolina

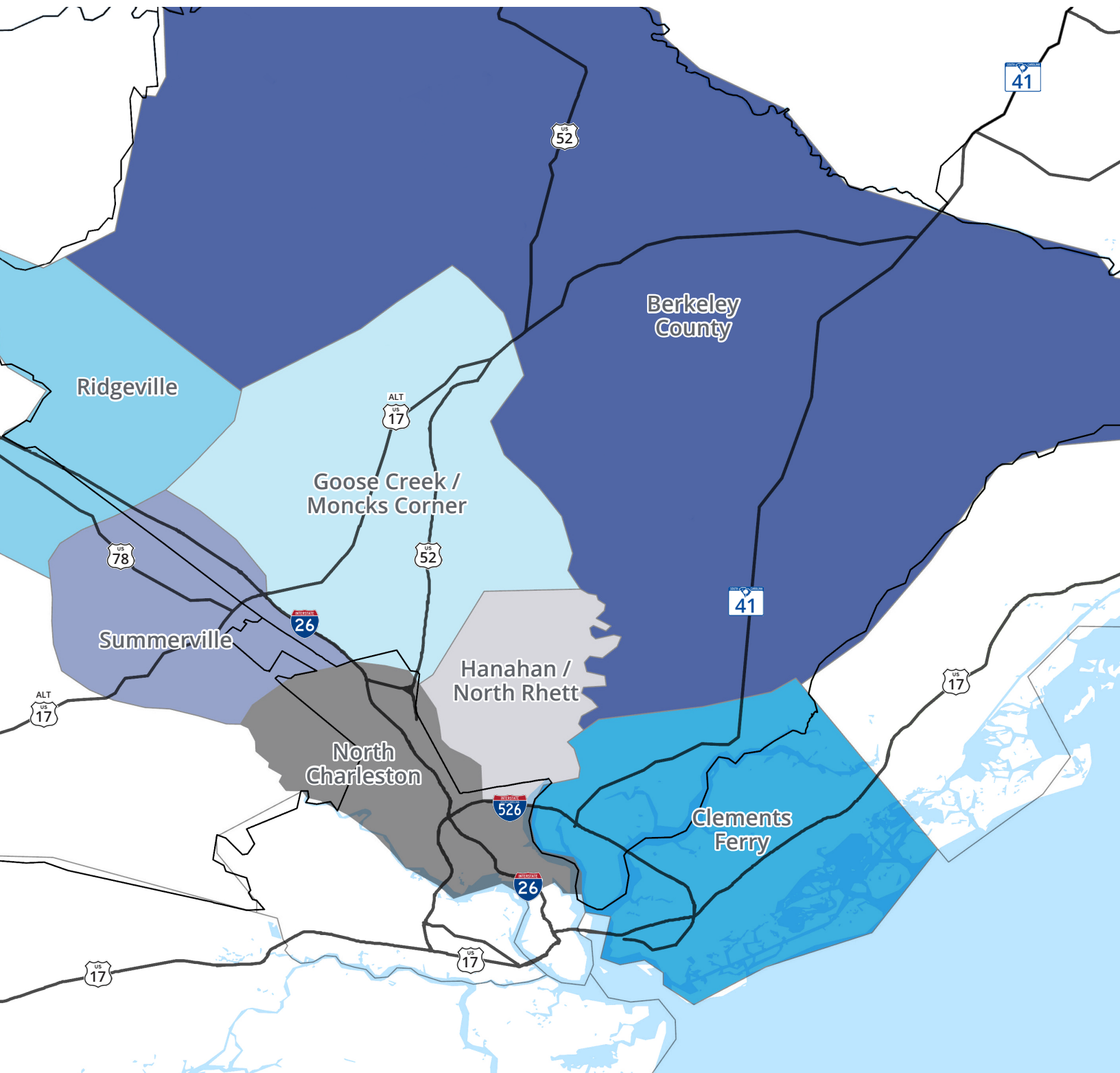
| Project Name   | Project Type | Description   | Status             | Estimated Year of Completion |
|--|--------------|---|--------------------|------------------------------|
| Navy Base Intermodal Facility                            | Rail         | Construction of a dual served intermodal facility near Leatherman Terminal            | Under construction | 2025                         |
| I-26 Palmetto Commerce Parkway Interchange               | Interchange  | Construction of a new interchange between Ashley Phosphate and Ladson Road            | Under construction | 2026                         |
| I-26 Exit 119 Interchange Improvement                    | Road         | Reconstruction of Interstate 26 at US 21/US 176 interchange                           | Under construction | 2026                         |
| Scout Motors Rail Spur                                   | Rail         | Road realignment and construction of a rail spur to Scout Motors plant                | Under construction | 2026                         |
| I-26 and I-95 Interchange                                | Interchange  | Reconstruction of I-95 and I-26 interchange to improve traffic flow                   | Under construction | 2027                         |
| Carolina Crossroads I-26/I-20/I-126                      | Road         | Reconstruction of Interstate 26, 20 and 126 interchanges. Widening of I-26            | Under construction | 2030                         |
| I-526 Widening from Ashley River Road to Virginia Avenue | Road         | Widening of Interstate 526 from 4 to 8 lanes  | Planning           | 2030                         |
| I-95 Widening  | Road         | Widen I-95 From Georgia border to mile marker 33                                      | Planning           | 2030                         |
| I-526 / Long Point Road                                  | Interchange  | Reconstruction of Long Point Rd. interchange to reduce Wando Welch traffic congestion | Planning           | 2030                         |
| I-95 over Lake Marion                                    | Road         | Replacement of I-95 bridges over Lake Marion  | Planning           | TBD                          |
| I-526 Extension  | Road         | Extension of I-526 to Johns Island and James Island                                   | Planning           | TBD                          |

# Charleston | Q2 2025 Industrial Market Summary

Colliers

| Market                                 | Inventory (SF)    | Direct Availability Rate (%) | Sublease Availability Rate (%) | Total Availability Rate (%) | Q2 Vacancy Rate (%) | Q1 Vacancy Rate (%) | Q2 Net Absorption | YTD Net Absorption | Under Constr.    | YTD Deliveries   | Avg Asking Rate (NNN) |
|--|-------------------|------------------------------|--------------------------------|-----------------------------|---------------------|---------------------|-------------------|--------------------|------------------|------------------|-----------------------|
| <b>Berkeley County</b>                 |                   |                              |                                |                             |                     |                     |                   |                    |                  |                  |                       |
| Flex/R&D                               | 200,000           | -                            | -                              | -                           | -                   | -                   | -                 | -                  | -                | -                | -                     |
| Manufacturing                          | -                 | -                            | -                              | -                           | -                   | -                   | -                 | -                  | -                | -                | -                     |
| Warehouse/Distribution                 | 309,988           | -                            | -                              | -                           | -                   | -                   | -                 | -                  | -                | -                | -                     |
| <b>Berkeley County Total</b>           | <b>509,988</b>    | <b>-</b>                     | <b>-</b>                       | <b>-</b>                    | <b>-</b>            | <b>-</b>            | <b>-</b>          | <b>-</b>           | <b>-</b>         | <b>-</b>         | <b>-</b>              |
| <b>Clements Ferry</b>                  |                   |                              |                                |                             |                     |                     |                   |                    |                  |                  |                       |
| Flex/R&D                               | 379,105           | 3.12%                        | 3.70%                          | 6.83%                       | 6.83%               | 6.97%               | 540               | 13,311             | -                | -                | \$17.52               |
| Manufacturing                          | 461,076           | 38.69%                       | -                              | 38.69%                      | 5.10%               | 5.10%               | -                 | -1,235             | -                | -                | -                     |
| Warehouse/Distribution                 | 4,906,009         | 14.42%                       | 7.31%                          | 21.73%                      | 21.34%              | 11.28%              | -64,340           | -170,779           | -                | 472,696          | \$6.83                |
| <b>Clements Ferry Total</b>            | <b>5,746,190</b>  | <b>15.62%</b>                | <b>6.48%</b>                   | <b>22.10%</b>               | <b>19.08%</b>       | <b>10.43%</b>       | <b>-63,800</b>    | <b>-158,703</b>    | <b>-</b>         | <b>472,696</b>   | <b>\$7.41</b>         |
| <b>Goose Creek / Moncks Corner</b>     |                   |                              |                                |                             |                     |                     |                   |                    |                  |                  |                       |
| Flex/R&D                               | 1,378,587         | -                            | -                              | -                           | -                   | -                   | -                 | -                  | -                | -                | -                     |
| Manufacturing                          | 2,572,731         | -                            | -                              | -                           | -                   | -                   | -                 | -                  | -                | -                | -                     |
| Warehouse/Distribution                 | 2,423,659         | -                            | 2.48%                          | 2.48%                       | 4.11%               | 3.48%               | -15,256           | 24,744             | -                | -                | -                     |
| <b>Goose Creek/Moncks Corner Total</b> | <b>6,374,977</b>  | <b>-</b>                     | <b>0.94%</b>                   | <b>0.94%</b>                | <b>1.56%</b>        | <b>1.32%</b>        | <b>-15,256</b>    | <b>24,744</b>      | <b>-</b>         | <b>-</b>         | <b>-</b>              |
| <b>Hanahan / North Rhett</b>           |                   |                              |                                |                             |                     |                     |                   |                    |                  |                  |                       |
| Flex/R&D                               | -                 | -                            | -                              | -                           | -                   | -                   | -                 | -                  | -                | -                | -                     |
| Manufacturing                          | 477,983           | -                            | -                              | -                           | -                   | -                   | -                 | -                  | -                | -                | -                     |
| Warehouse/Distribution                 | 4,490,060         | 6.50%                        | -                              | 6.50%                       | 6.50%               | 9.74%               | 145,803           | 145,803            | -                | -                | \$8.50                |
| <b>Hanahan / North Rhett Total</b>     | <b>4,968,043</b>  | <b>5.87%</b>                 | <b>-</b>                       | <b>5.87%</b>                | <b>5.87%</b>        | <b>8.81%</b>        | <b>145,803</b>    | <b>145,803</b>     | <b>-</b>         | <b>-</b>         | <b>\$8.50</b>         |
| <b>North Charleston</b>                |                   |                              |                                |                             |                     |                     |                   |                    |                  |                  |                       |
| Flex/R&D                               | 1,189,540         | 2.98%                        | 1.23%                          | 4.21%                       | 4.71%               | 2.64%               | -24,619           | -29,861            | 30,000           | -                | \$16.00               |
| Manufacturing                          | 2,674,331         | 9.46%                        | 7.28%                          | 16.74%                      | 17.83%              | 18.14%              | 8,239             | 24,344             | -                | -                | \$7.85                |
| Warehouse/Distribution                 | 19,550,382        | 16.17%                       | 0.85%                          | 17.01%                      | 16.69%              | 17.02%              | 64,604            | 147,922            | -                | 448,852          | \$8.40                |
| <b>North Charleston Total</b>          | <b>23,414,253</b> | <b>14.73%</b>                | <b>1.60%</b>                   | <b>16.33%</b>               | <b>16.21%</b>       | <b>16.42%</b>       | <b>48,224</b>     | <b>142,405</b>     | <b>30,000</b>    | <b>448,852</b>   | <b>\$8.42</b>         |
| <b>Ridgeville</b>                      |                   |                              |                                |                             |                     |                     |                   |                    |                  |                  |                       |
| Flex/R&D                               | -                 | -                            | -                              | -                           | -                   | -                   | -                 | -                  | -                | -                | -                     |
| Manufacturing                          | 660,000           | -                            | -                              | -                           | -                   | -                   | -                 | -                  | -                | -                | -                     |
| Warehouse/Distribution                 | 7,643,464         | 29.40%                       | 2.06%                          | 31.46%                      | 31.46%              | 31.89%              | 32,760            | 32,760             | 262,000          | -                | \$7.26                |
| <b>Ridgeville Total</b>                | <b>8,303,464</b>  | <b>27.07%</b>                | <b>1.90%</b>                   | <b>28.96%</b>               | <b>28.96%</b>       | <b>29.36%</b>       | <b>32,760</b>     | <b>32,760</b>      | <b>262,000</b>   | <b>-</b>         | <b>\$7.26</b>         |
| <b>Summerville</b>                     |                   |                              |                                |                             |                     |                     |                   |                    |                  |                  |                       |
| Flex/R&D                               | 272,346           | -                            | -                              | -                           | -                   | 9.91%               | 27,001            | 29,386             | -                | -                | -                     |
| Manufacturing                          | 4,336,816         | 6.85%                        | 0.74%                          | 7.59%                       | 11.13%              | 11.13%              | -                 | -                  | -                | -                | \$8.06                |
| Warehouse/Distribution                 | 22,454,949        | 31.06%                       | 12.01%                         | 43.08%                      | 36.68%              | 31.72%              | -850,284          | -791,102           | 1,318,520        | 384,400          | \$7.63                |
| <b>Summerville Total</b>               | <b>27,064,111</b> | <b>26.87%</b>                | <b>10.09%</b>                  | <b>36.96%</b>               | <b>32.21%</b>       | <b>28.15%</b>       | <b>-823,283</b>   | <b>-761,716</b>    | <b>1,318,520</b> | <b>384,400</b>   | <b>\$7.67</b>         |
| <b>Other Submarkets</b>                |                   |                              |                                |                             |                     |                     |                   |                    |                  |                  |                       |
| Flex/R&D                               | 659,797           | 5.06%                        | -                              | 5.06%                       | 6.96%               | 4.26%               | -17,809           | -20,748            | 276,000          | -                | \$15.33               |
| Manufacturing                          | 709,399           | -                            | -                              | -                           | -                   | -                   | 34,475            | -                  | -                | 34,475           | -                     |
| Warehouse/Distribution                 | 2,764,111         | 66.56%                       | -                              | 66.56%                      | 66.56%              | 66.56%              | -                 | -                  | 259,200          | 635,328          | \$8.31                |
| <b>Other Submarkets Total</b>          | <b>4,133,307</b>  | <b>45.32%</b>                | <b>-</b>                       | <b>45.32%</b>               | <b>45.62%</b>       | <b>45.57%</b>       | <b>16,666</b>     | <b>-20,748</b>     | <b>535,200</b>   | <b>669,803</b>   | <b>\$8.77</b>         |
| <b>Charleston Overall Market</b>       |                   |                              |                                |                             |                     |                     |                   |                    |                  |                  |                       |
| Flex/R&D                               | 4,079,375         | 1.98%                        | 0.70%                          | 2.68%                       | 3.13%               | 2.77%               | -14,887           | -7,912             | 306,000          | -                | \$15.81               |
| Manufacturing                          | 11,892,336        | 6.12%                        | 1.91%                          | 8.03%                       | 8.26%               | 8.36%               | 42,714            | 23,109             | -                | 34,475           | \$8.04                |
| Warehouse/Distribution                 | 64,466,717        | 23.61%                       | 5.33%                          | 28.95%                      | 26.65%              | 24.57%              | -686,713          | -610,652           | 1,839,720        | 1,941,276        | \$7.77                |
| <b>Market Total</b>                    | <b>80,438,428</b> | <b>19.93%</b>                | <b>4.59%</b>                   | <b>24.52%</b>               | <b>22.74%</b>       | <b>21.03%</b>       | <b>-658,886</b>   | <b>-595,455</b>    | <b>2,145,720</b> | <b>1,975,751</b> | <b>\$7.84</b>         |

## Submarket Map





# 501 offices in 66 countries on 6 continents



**\$4.3B**  
Annual revenue



**2B**  
Square feet managed



**19,000**  
Professionals

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 is the largest full-service commercial real estate firm in South Carolina with 66 licensed real estate professionals covering the state with locations in Charleston, Columbia, Greenville and Spartanburg. 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 25 million square feet of office, industrial, retail and healthcare properties. Colliers' staff hold the most professional designations of any firm in South Carolina. Colliers | South Carolina's partner, LCK, provides project management services for new facilities and renovations across South Carolina.

## Market Contact:

**Markus Kastenholz, CCIM, CPA**  
Managing Director  
+1 843 725 3427  
[markus.kastenholz@colliers.com](mailto:markus.kastenholz@colliers.com)

## Marketing & Research:

**Liz H. McCary**  
Vice President of Marketing | South Carolina  
+1 803 401 4269  
[Liz.McCary@colliers.com](mailto:Liz.McCary@colliers.com)

**Will Schenk**  
Market Analyst | South Carolina  
+1 803 401 4278  
[Will.Schenk@colliers.com](mailto:Will.Schenk@colliers.com)

## Contributors:

**Mark Erickson, SIOR**  
Vice President

**Jarred F. Watts**  
Brokerage Associate

**Garrett Scott, SIOR**  
Managing Director

**John Montgomery, MRED, SIOR**  
Managing Director

**Brockton Hall, MRED, SIOR**  
Vice President

**Dillon Swayngim, SIOR**  
Vice President

**Drake Scott**  
Brokerage Associate



4289 Spruill Avenue, Suite 200,  
Charleston, South Carolina  
+1 843 723 1202  
[colliers.com](https://www.colliers.com)

