Colliers

Charleston

Industrial 25Q3

Key Takeaways

- Warehouse tenants prioritize location and flexibility over recent construction, driving demand for Class B/C spaces
- Year-to-date net absorption recovers to baseline as logistics users reassess needs in a challenging trade environment
- Competitive advantages in high-end engineering supporting growth in automotive, defense manufacturing

Indicator	Value	YOY	Forecast
Vacancy Rate	22.33%	▲	▲
Net Absorption	298K SF	▲	▬
Under Construction	2.4M SF	▼	▲
Class A Warehouse NNN Rent	$7.56/SF	▼	▬

Engineering workforce bolsters manufacturing outlook

Charleston's industrial market showed mixed performance as manufacturing growth offset ongoing logistics softness. Offering one of the Southeast's strongest engineering workforces, manufacturer demand is strong as Volvo plans for new models at its Camp Hall plant, creating potential supplier demand. Net absorption rebounded to 297,872 SF, largely driven by Arcadia Cold Storage's 262,000 SF build-to-suit delivery, bringing year-to-date absorption near its baseline. Vacancy stands at 22.33%—the highest in the U.S.—as a final wave of Q4 speculative deliveries remains largely unleased. Logistics demand continues to lag though the market saw several shorter-term deals follow tariff-driven East Asian trade disruptions. Class C warehouse space, often demised and favorably located, has seen strong rent growth and comparatively low vacancy. However, Class A assets farther from the port struggle to fill large blocks, contributing to rising sublease availability (up 1.16M SF year-over-year).

Market Indicators

3.56% Unemployment Rate

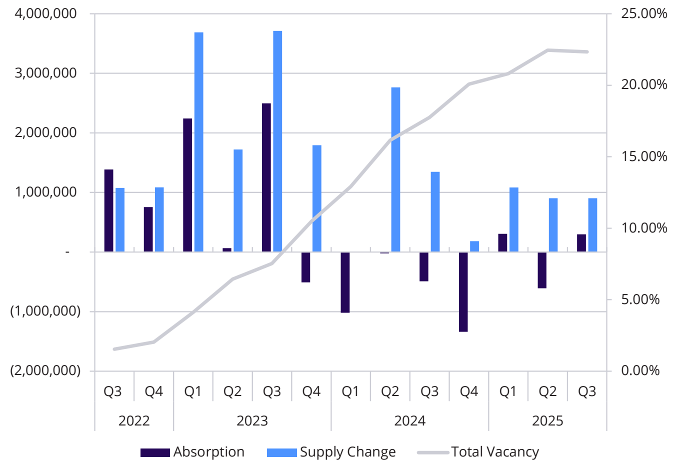
2.87% GDP - % change yr/yr

4.032% U.S. 10 Year Treasury Note

Historic Comparison

	24Q3	25Q2	25Q3
Total Inventory (in Millions of SF)	78.5	80.4	80.7
Supply Change (in Thousands of SF)	545.0	864.0	262.0
Net Absorption (in Thousands of SF)	(488.9)	(607.0)	297.9
Overall Vacancy	17.75%	22.45%	22.33%
Under Construction (in Millions of SF)	3.8	2.2	2.4
Overall Averaged NNN Lease Rates (in $/SF)	$7.74	$7.82	$7.87

Market Graph



Total inventory grew to 80,696,728 square feet as the delivery of Arcadia Cold Storage's 262,000-square-foot build-to-suit supported a modest absorption rebound to 297,872 square feet. Vacancy moderated slightly to 22.33%, though a final spike is anticipated in Q4. Class A warehouse rents vary widely as owners face growing pressure, averaging $7.56 per square foot.

Recent Transactions

Lease
115 Winding Woods Rd.
Outlying Dorchester Co.
80.0K SF

Lease
830 Drop Off Dr.
Summerville
98.1K SF

Lease
337 Port City Centre Dr.
Summerville
155.7K SF

Sale
166 Quality Dr.
Summerville
43.5K SF | $6.5M

Sale
580 Trade Center Pky.
Summerville
134.0K SF

Sale
1159 Cainhoy Rd.
Clements Ferry
40.2K SF | $7.3M

Charleston

Industrial

25Q3

Charleston Capital Investments

Q2 2023 - Q3 2025

Date	Company	Investment	Jobs	County	Industry
9/6/2024	East Coast Warehouse & Distribution	$14,500,000	52	Charleston	Temperature-controlled logistics provider
9/26/2024	Google	$3,300,000,000	200	Dorchester, Berkeley	Data center
10/15/2024	Smithey Ironware Company	$3,100,000	16	Charleston	Cookware designer and manufacturer
11/7/2024	OhmIQ	$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	$1,000,000,000	500	Charleston	Aircraft manufacturer
12/17/2024	Mesa Land Services	$1,300,000	24	Charleston	Easement acquisitions and title searches
2/3/2025	HII	-	250	Berkeley	Naval systems manufacturer
5/12/2025	Alpha Sheet Metal	$3,700,000	14	Charleston	Metal fabricator
6/26/2025	Davis Defense Group	$100,000	30	Charleston	Defense contractor
8/20/2025	Charles River Laboratories	$13,000,000	-	Charleston	Microbial solutions facility
9/18/2025	Alita	-	17	Charleston	Healthcare technology firm
9/24/2025	Tikvash Health and Wellness	-	13	Charleston	Health engagement software
10/9/2025	Keel	$67,000,000	170	Charleston	Shipyard and systems manufacturer
10/13/2025	Google	$9,000,000,000	-	Dorchester	Data center

Development Pipeline

Charleston

Total Under Construction
(all sizes)
2.37M SF

Oct 2025 | Jan 2026 | Apr 2026 | Jul 2026 | Oct 2026

Berkeley Commerce Center
Building 3 - Spec
Summervile
Q4 2025 | 505,440 SF
Rushmark Properties

Berkeley Commerce Center
Building 4 - Spec
Summerville
Q4 2025 | 267,840 SF
Rushmark Properties

Summerville Logistics Center
Building 1 - Spec
Summerville
Q4 2025 | 235,691 SF
Portman Industrial

Berkeley Commerce Center
Building 2 - Spec
Summerville
Q4 2025 | 313,173 SF
Portman Industrial

2820 Clements Ferry Rd. - Spec
Clements Ferry
Q4 2025 | 23,700 SF
Adams Property Group

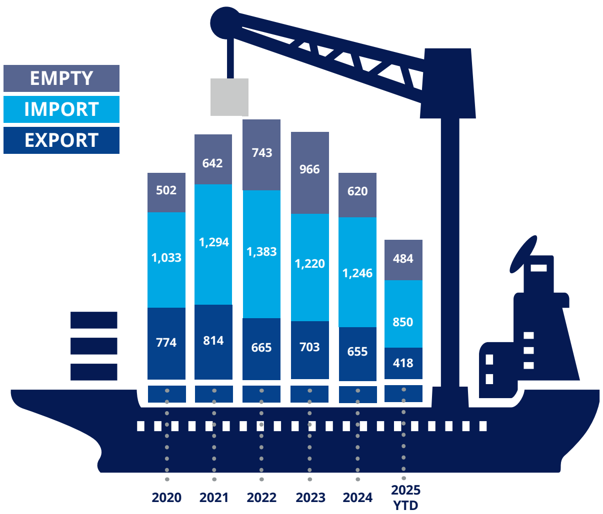
Shipyard Creek Logistics Center
Building 2 - BTS
North Charleston
Q1 2026 | 259,200 SF
Capital Development Partners

Sources: Colliers, CoStar

Port of Charleston

Amid a volatile year at the Port of Charleston, total container movements rose 5.41% year-over-year, driven primarily by an increase in empty containers. Loaded exports, however, remain down more than 36,000 TEUs from the prior year, reflecting weakened global demand for American goods amid ongoing trade tensions. In contrast, loaded inbound containers grew modestly by 2.60% as retailers accelerated shipments ahead of potential tariffs and consumer demand held steady despite inflationary pressures. Against a backdrop of global uncertainty, the Port continues to advance key infrastructure projects aimed at boosting competitiveness in the rapidly expanding Southeast. Most immediate is the Navy Base Intermodal Facility, now slated for completion in 2026, which will significantly expand the Port's rail capacity and ability to serve inland markets beyond the Upstate.

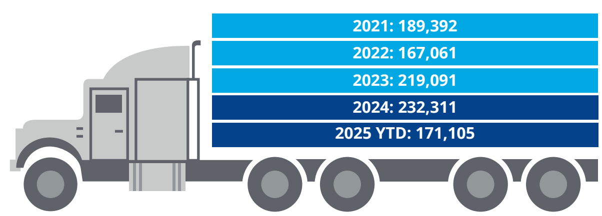
Port of Charleston Annual Volume *(in Thousands)*



Inland Port Dillon and Inland Port Greer

Inland Ports Greer and Dillon continue to diverge as tariff-driven dynamics shape contrasting growth patterns across South Carolina. Positioned within one of the nation's most active logistics and warehousing hubs, Inland Port Greer experienced a sharp 9.18% year-over-year rise in import volume, fueled by retailers stocking goods for distribution. Meanwhile, Inland Port Dillon—anchored by agricultural exports—has felt the impact of nationwide declines in that sector, leading to continued volume reductions through August.

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 inter-changes. 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

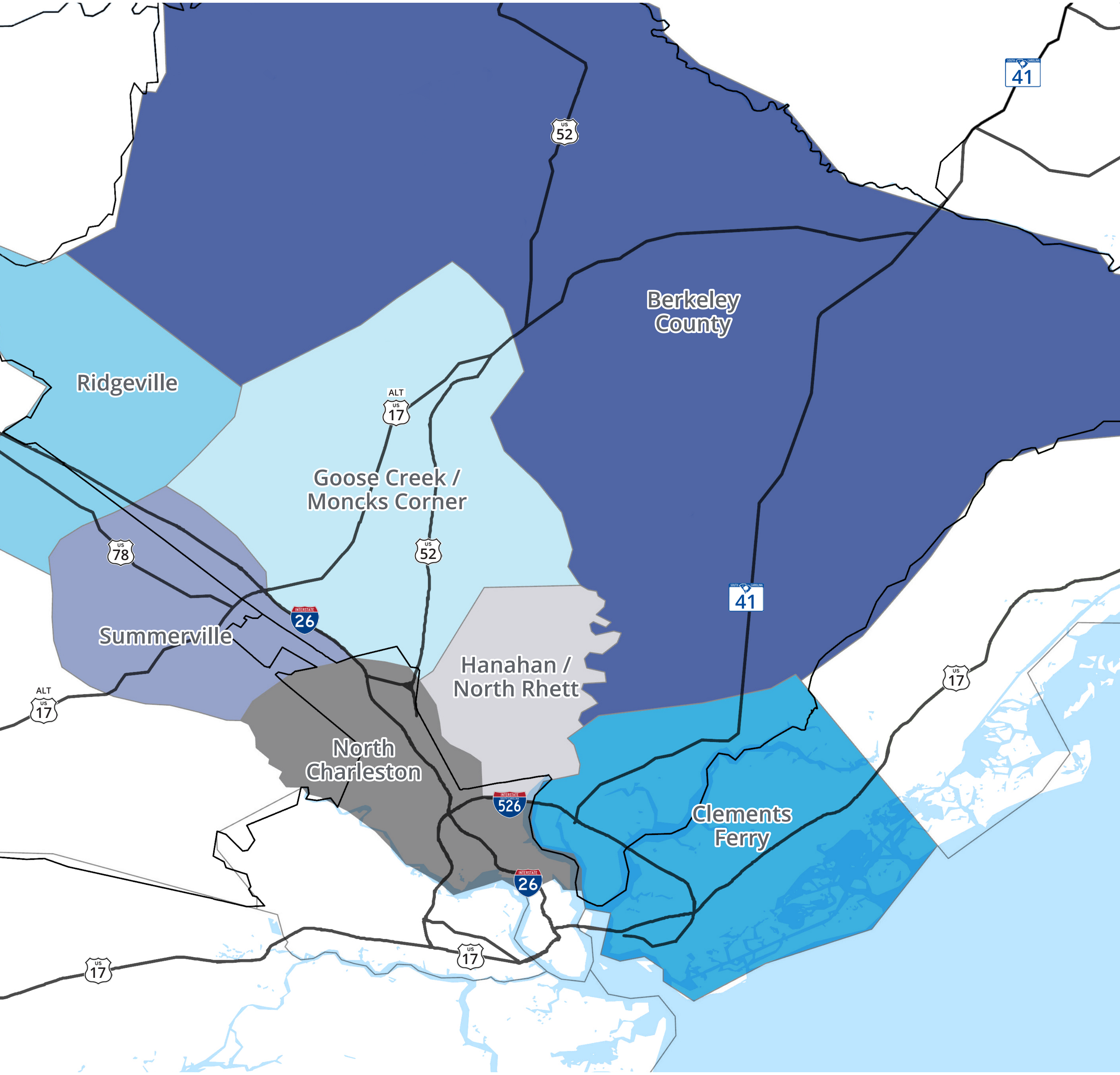
Source: SCDOT, South Carolina Ports Authority

Charleston | Q3 2025 Industrial Market Summary

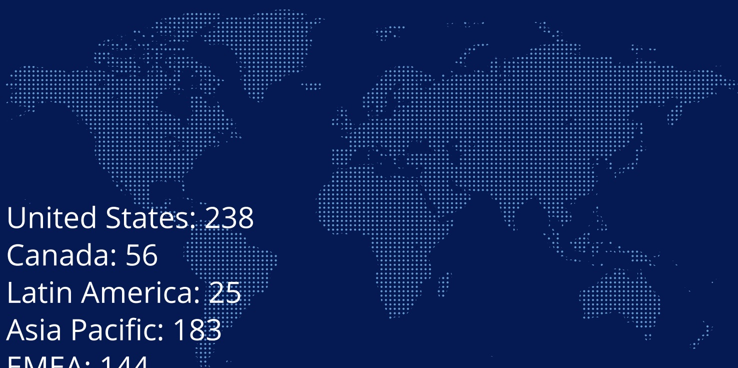
Colliers

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)
Berkeley County											
Flex/R&D	200,000	-	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	-	-	-	-	-
Warehouse/Distribution	234,083	-	-	-	-	-	-	-	-	-	-
Berkeley County Total	**434,083**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Clements Ferry											
Flex/R&D	379,105	0.47%	3.70%	4.18%	6.35%	6.83%	1,800	15,111	-	-	$21.00
Manufacturing	461,436	38.66%	-	38.66%	38.66%	5.10%	-154,840	-156,075	-	-	$10.50
Warehouse/Distribution	4,906,009	15.44%	7.31%	22.75%	19.00%	20.06%	52,034	-55,745	-	472,696	$7.25
Clements Ferry Total	**5,746,550**	**16.32%**	**6.48%**	**22.80%**	**19.74%**	**17.98%**	**-101,006**	**-196,709**	**-**	**472,696**	**$9.39**
Goose Creek / Moncks Corner											
Flex/R&D	1,378,587	-	-	-	-	-	-	-	-	-	-
Manufacturing	2,572,731	-	-	-	-	-	-	-	-	-	-
Warehouse/Distribution	2,423,659	-	2.48%	2.48%	3.48%	4.11%	15,256	40,000	-	-	-
Goose Creek/Moncks Corner Total	**6,374,977**	**0.00%**	**0.94%**	**0.94%**	**1.32%**	**1.56%**	**15,256**	**40,000**	**-**	**-**	**-**
Hanahan / North Rhett											
Flex/R&D	-	-	-	-	-	-	-	-	-	-	-
Manufacturing	477,983	-	-	-	-	-	-	-	-	-	-
Warehouse/Distribution	4,490,060	7.62%	2.27%	9.88%	7.62%	6.50%	-50,400	95,403	-	-	$8.75
Hanahan / North Rhett Total	**4,968,043**	**7.40%**	**2.05%**	**9.45%**	**6.89%**	**5.87%**	**-50,400**	**95,403**	**-**	**-**	**$8.75**
North Charleston											
Flex/R&D	1,189,540	3.05%	1.47%	4.52%	2.00%	4.71%	32,278	2,417	30,000	-	$16.00
Manufacturing	2,670,271	12.11%	-	12.11%	17.71%	17.71%	-	53,529	-	-4,060	$7.85
Warehouse/Distribution	19,550,382	16.33%	1.07%	17.41%	17.53%	16.71%	-160,638	-17,405	-	448,852	$8.27
North Charleston Total	**23,410,193**	**15.18%**	**0.97%**	**16.15%**	**16.76%**	**16.21%**	**-128,360**	**38,541**	**30,000**	**444,792**	**$8.28**
Ridgeville											
Flex/R&D	-	-	-	-	-	-	-	-	-	-	-
Manufacturing	660,000	-	-	-	-	-	-	-	-	-	-
Warehouse/Distribution	7,905,464	28.43%	1.99%	30.42%	30.42%	31.46%	261,910	294,670	-	262,000	$7.09
Ridgeville Total	**8,565,464**	**26.24%**	**1.84%**	**28.08%**	**28.08%**	**28.96%**	**261,910**	**294,670**	**-**	**262,000**	**$7.09**
Summerville											
Flex/R&D	272,346	-	-	-	-	-	-	29,386	-	-	#DIV/0!
Manufacturing	4,336,816	7.40%	0.37%	7.77%	11.68%	11.13%	-24,000	-24,000	-	-	$8.51
Warehouse/Distribution	22,454,949	25.00%	11.19%	36.19%	34.59%	35.91%	296,096	-322,988	1,318,520	384,400	$7.25
Summerville Total	**27,064,111**	**21.93%**	**9.35%**	**31.27%**	**30.57%**	**31.58%**	**272,096**	**-317,602**	**1,318,520**	**384,400**	**$7.41**
Other Submarkets											
Flex/R&D	659,797	1.16%	-	1.16%	2.66%	6.96%	28,376	7,628	766,198	-	$16.92
Manufacturing	709,399	0.00%	-	0.00%	0.00%	0.00%	-	34,475	-	-	#DIV/0!
Warehouse/Distribution	2,764,111	63.67%	-	63.67%	66.56%	66.56%	-	-	259,000	635,328	$8.31
Other Submarkets Total	**4,133,307**	**42.76%**	**0.00%**	**42.76%**	**44.94%**	**45.62%**	**28,376**	**42,103**	**1,025,198**	**635,328**	**$8.38**
Charleston Overall Market											
Flex/R&D	4,079,375	1.12%	0.77%	1.89%	1.60%	3.13%	62,454	54,542	796,198	-	$17.03
Manufacturing	11,888,636	7.14%	0.13%	7.27%	9.74%	8.23%	-178,840	-92,071	-	-4,060	$9.03
Warehouse/Distribution	64,728,717	21.50%	5.25%	26.75%	25.95%	26.29%	414,258	33,935	1,577,520	2,203,276	$7.75
Market Total	**80,696,728**	**18.35%**	**4.27%**	**22.62%**	**22.33%**	**22.45%**	**297,872**	**-3,594**	**2,373,718**	**2,199,216**	**$7.87**

Submarket Map



646 offices in 74 countries on 6 continents



United States: 238
Canada: 56
Latin America: 25
Asia Pacific: 183
EMEA: 144

$4.6B
Annual revenue

2B
Square feet managed

22,000
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.

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