

Market Report

JUNE 2009

In this issue:

Market conditions continue to decline

Vacancy rates rise to near all time highs

New and planned construction at record level lows

Great opportunities exist for tenants and buyers

Opportunity Abounds for Tenants and Buyers

As the financial and housing markets begin to bottom out, the commercial real estate market continues to deteriorate with increased vacancy and lower rental rates.

Tenants continue to bombard Landlords to re-trade them on existing lease terms and are shopping around to find sub-market rates and plentiful concessions with success. In an effort to attract tenants, Landlords are lowering asking prices and offering generous concessions unlike any in recent memory. Absorption remains flat with an excess of tenants renewing where they are short term and band-aiding space need issues.

Sellers continue to struggle to move their properties due to tightened lending standards, conservative investors, and a scarce number of businesses looking to expand. This places buyers in the driver's seat in 2009. Cap rates are averaging between 8% and 9% and we are seeing a number of sale lease back scenarios allowing corporations to free up capital. As owners looking to sell become increasingly aggressive in their pricing, buyers will become even more selective as to which properties they purchase since they have the upper hand for the first time in many years. With the turmoil, there will be a steady flow of opportunities over the next 6 months for buyers to capitalize on distressed or motivated sellers. For those with cash and a willingness to get back in the game, there will be an excellent opportunity to purchase for pennies on the dollar and position themselves for long term success.

Leasing should lead the charge in recovery in 2010 with years of pent up space needs. Sales and development will be slow to catch up with all sectors reflecting a very slow recovery in sales and lease prices.

Maintaining a steady focus in this ever-changing market can be daunting. As experts in this field we can be your trusted associates, fully committed to keeping you on track.

Market Indicators

Occupancy

4Q08 ↓ 1Q09 ↓ 2Q09 ↓

Absorption

4Q08 ↓ 1Q09 ↓ 2Q09 ↓

Rental Rate

4Q08 ↓ 1Q09 ↓ 2Q09 ↓

Construction

4Q08 ↓ 1Q09 ↓ 2Q09 ↓



OFFICE

Total Sq Ft: 8,498,745

Available Sq Ft: 1,688,395 % Vacant: 19.87%
Rental Rates: \$16.49NNN



North Charleston

Total Sq Ft 3,585,113
Available Sq Ft 908,403
% Vacant 25.34%
Rental Rates \$13.33NNN

Daniel Island

Total Sq Ft 822,072
Available Sq Ft 172,965
% Vacant 21.04%
Rental Rates \$16.89NNN

West of the Ashley

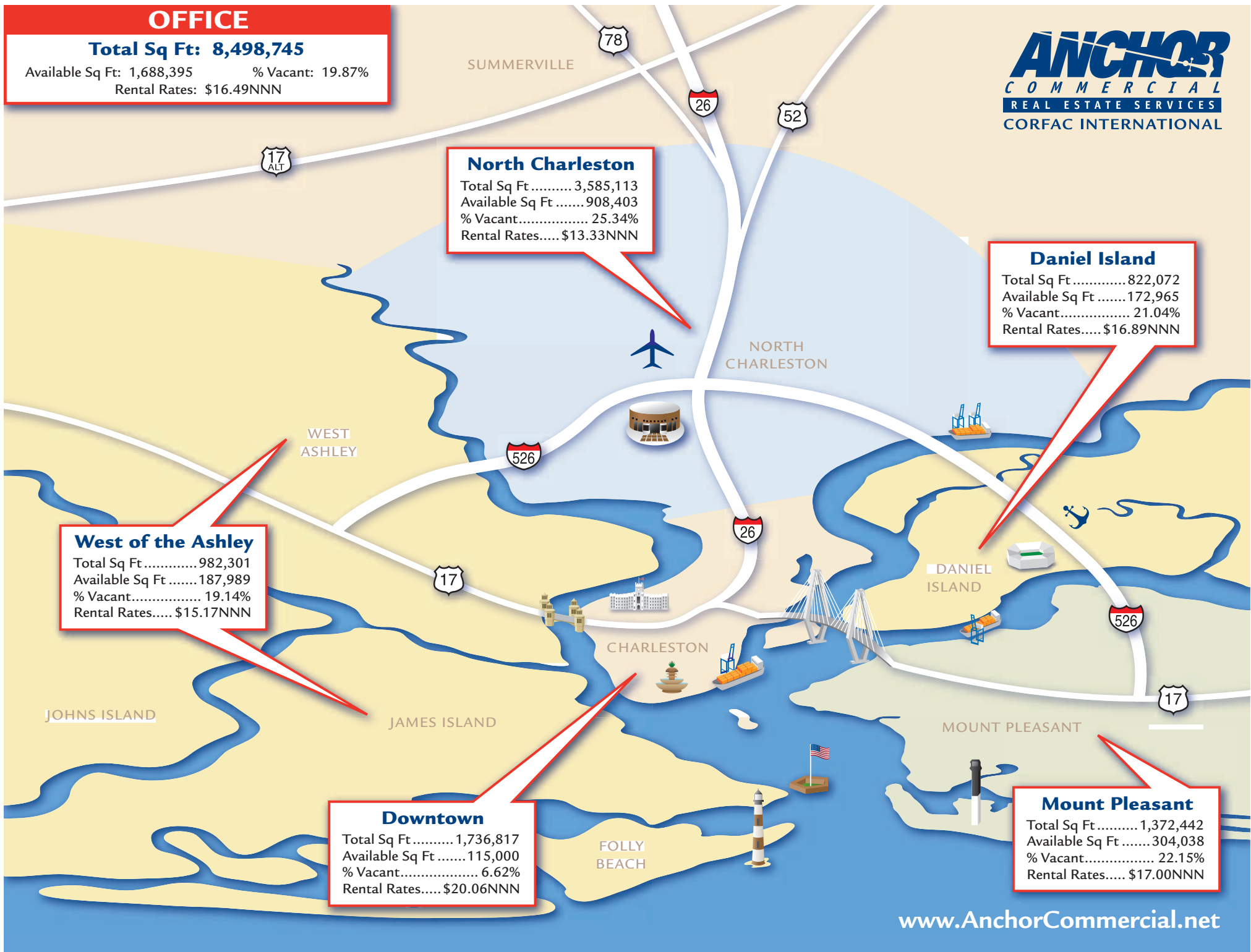
Total Sq Ft 982,301
Available Sq Ft 187,989
% Vacant 19.14%
Rental Rates \$15.17NNN

Downtown

Total Sq Ft 1,736,817
Available Sq Ft 115,000
% Vacant 6.62%
Rental Rates \$20.06NNN

Mount Pleasant

Total Sq Ft 1,372,442
Available Sq Ft 304,038
% Vacant 22.15%
Rental Rates \$17.00NNN



WAREHOUSE/INDUSTRIAL

Total Sq Ft: 20,359,683

Available Sq Ft: 3,546,431 % Vacant: 17.41%
Rental Rates: \$5.40NNN



Summerville

Total Sq Ft 4,377,349
Available Sq Ft 1,026,325
% Vacant 23.45%
Rental Rates \$4.84NNN

North Charleston

Total Sq Ft 9,175,271
Available Sq Ft 1,236,966
% Vacant 13.48%
Rental Rates \$4.70NNN

Berkeley

Total Sq Ft 2,540,654
Available Sq Ft 543,471
% Vacant 14.90%
Rental Rates \$4.24NNN

West of the Ashley

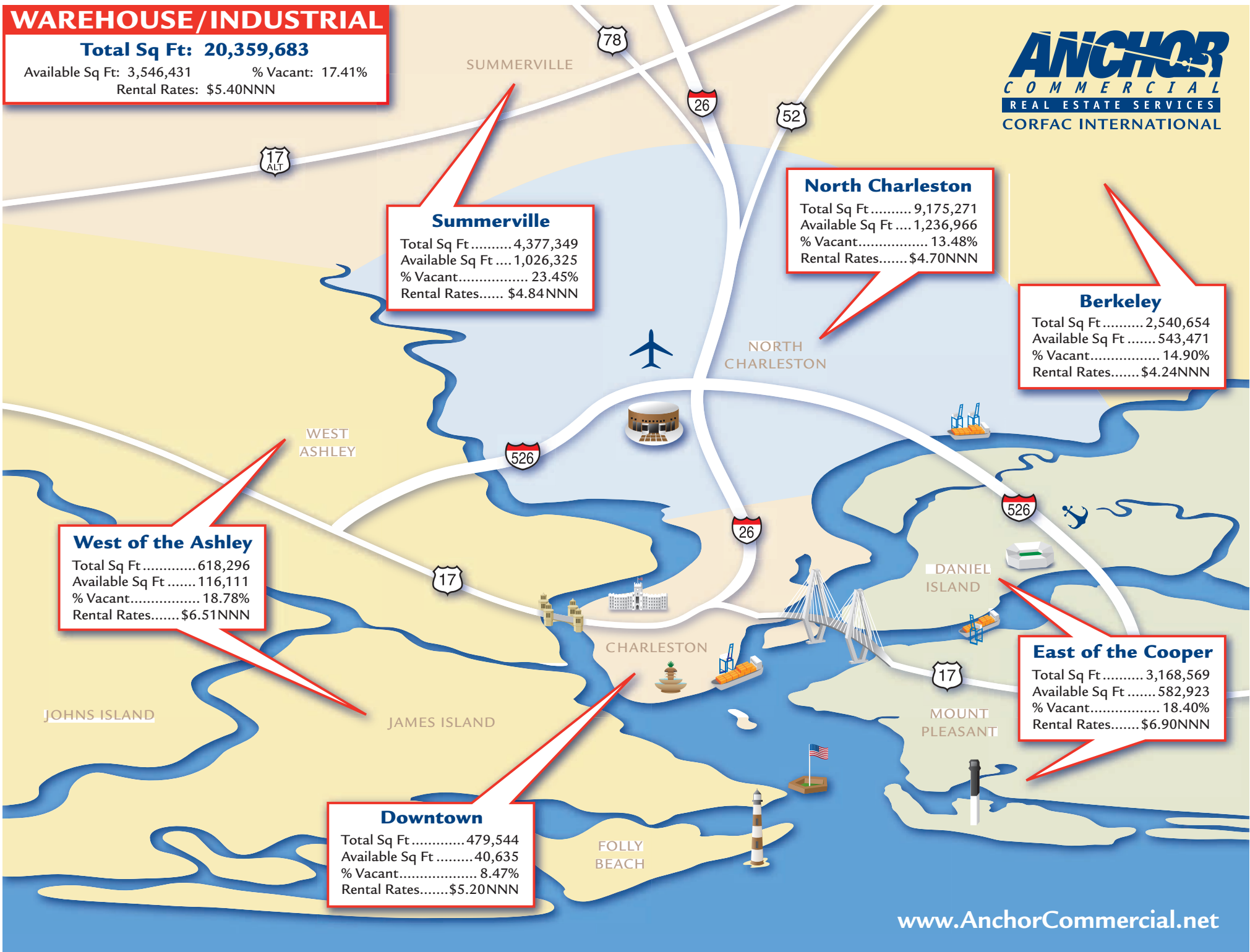
Total Sq Ft 618,296
Available Sq Ft 116,111
% Vacant 18.78%
Rental Rates \$6.51NNN

East of the Cooper

Total Sq Ft 3,168,569
Available Sq Ft 582,923
% Vacant 18.40%
Rental Rates \$6.90NNN

Downtown

Total Sq Ft 479,544
Available Sq Ft 40,635
% Vacant 8.47%
Rental Rates \$5.20NNN



RETAIL

Total Sq Ft: 20,194,613

Available Sq Ft: 2,100,144 % Vacant: 10.40%
Rental Rates: \$16.83NNN



Summerville

Total Sq Ft..... 1,987,743
Available Sq Ft 192,006
% Vacant..... 9.66%
Rental Rates..... \$13.06NNN

North Charleston

Total Sq Ft..... 6,203,557
Available Sq Ft 717,498
% Vacant..... 11.91%
Rental Rates..... \$14.50NNN

Berkeley

Total Sq Ft..... 2,021,804
Available Sq Ft 308,123
% Vacant..... 15.24%
Rental Rates..... \$14.66NNN

West of the Ashley

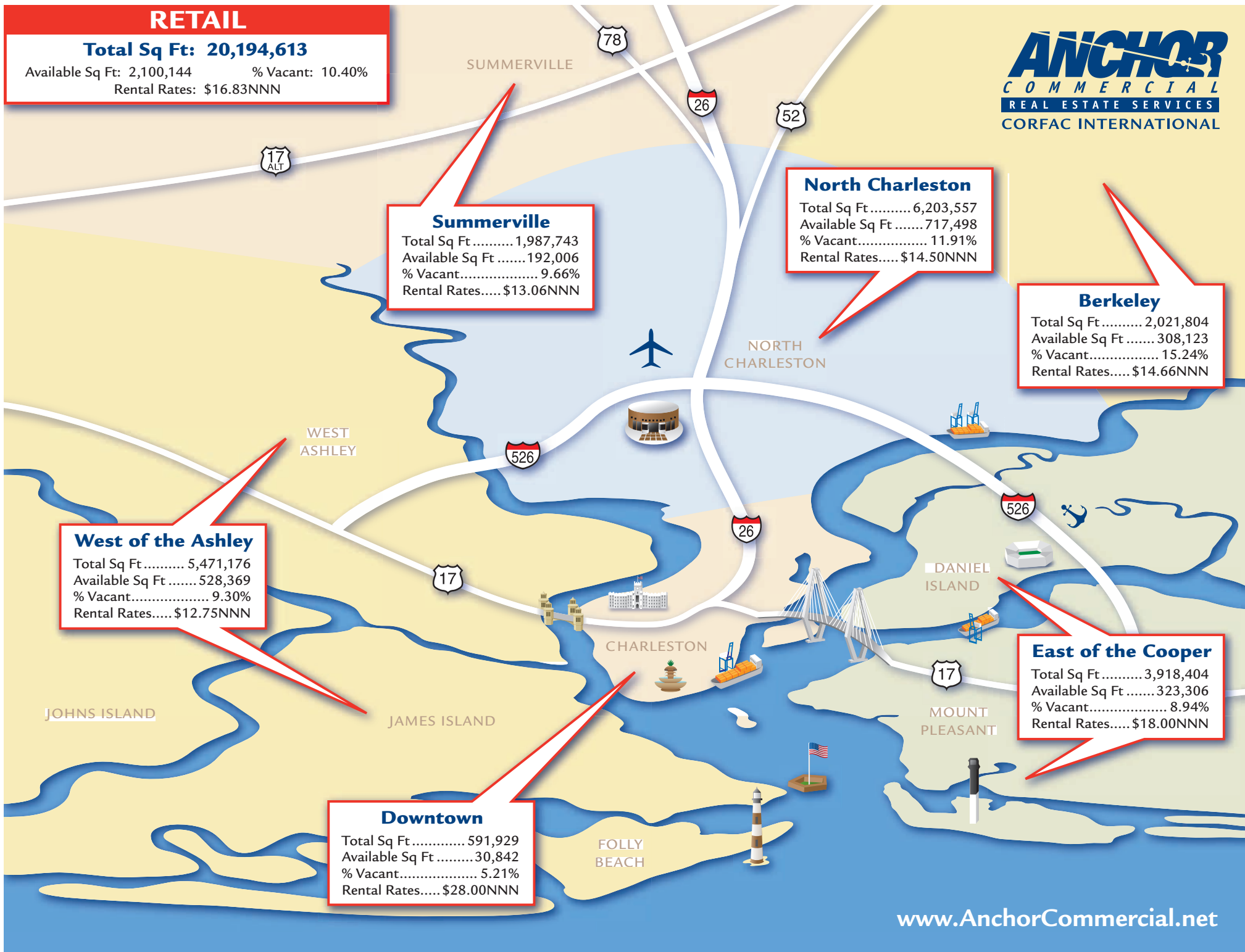
Total Sq Ft..... 5,471,176
Available Sq Ft 528,369
% Vacant..... 9.30%
Rental Rates..... \$12.75NNN

East of the Cooper

Total Sq Ft..... 3,918,404
Available Sq Ft 323,306
% Vacant..... 8.94%
Rental Rates..... \$18.00NNN

Downtown

Total Sq Ft..... 591,929
Available Sq Ft 30,842
% Vacant..... 5.21%
Rental Rates..... \$28.00NNN



Anchor's Service Line

3 Solid Areas of Expertise In A Soft Economy

1. BROKERAGE

At Anchor Commercial | CORFAC International, you won't find a more service-oriented company of professionals on the southeastern coastline. We represent the best of a new generation in commercial real estate including all types of brokerage services, from leasing and sales to corporate services. Whether you are a landlord, tenant, buyer or seller, we represent your interests with equal skill and experience. From office, retail, warehouse and industrial, to land site selection and corporate services, Anchor is here to listen, target your opportunities, and exceed your goals with the utmost integrity.

2. MANAGEMENT

Currently Anchor Commercial | CORFAC International manages a portfolio of over 25 properties in excess of one million square feet of property. Our clients include office, retail, industrial and commercial owners and several commercial horizontal property regimes. We also provide corporate services for clients in 5 southeastern states. We have achieved this level of success through an absolute commitment to client satisfaction which removes the frustrations inherent in property ownership. Our management staff is dedicated to protecting your investment and handling the countless details regarding physical maintenance, tenant relations, fiscal reporting and so much more.

3. DEVELOPMENT

From build-to-suits to project management, you expect your developer to satisfy your real estate needs. A developer needs to be equally capable and comfortable in developing retail centers, office parks, industrial parks or residential communities. You also expect the same level of care, experience and integrity whether you are looking for a 10,000 square foot warehouse or a 350,000 square foot multi-tenant, institutional grade facility. It's a huge investment, so your expectations must be met. Anchor Commercial | CORFAC International has the experience, flexibility and commitment to bringing projects in on time and within budget. That's exactly what we did for past clients like Emery Worldwide, Applied Industrial Technologies, Wholesale Appliance Company, ITT and EDO to name a few. Contact us and discover how our commitment to "people first, properties second" will exceed your expectations every time.



www.AnchorCommercial.net



Brokerage Team: From left to right, top row: Robert H. Nuttall, Jr., SIOR, Principal; R. Milton Thomas, III, CCIM, SIOR, Principal; Reid P. Davis, CCIM, SIOR, Principal; Chris Koepenick, CCIM; Jim Berry, CCIM. Bottom row: Kim Hinshaw, CCIM; Will Sherrod, CCIM; Will Phillips; Taylor Senter; Alex DeSeta, Gordon Geer



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