



Market Report

SEPTEMBER 2010

In this issue:

Local businesses remain cautious

Industrial sector sees the most recovery

Vacancy rates continue to be unstable

Guarded optimism characterizes first half of 2010

The Charleston commercial real estate world continues to experience turbulence but there have been some signs of life over the first half of 2010. Sales remain sluggish while leasing activity has seen an uptick compared with 2009. Though there were more deals completed in the first half of 2010 than in all of last year, many businesses remain cautious and are either staying put and renewing for short terms or holding off on leasing additional space as they play the “wait and see” game. There have been numerous foreclosure filings in the office and retail sectors plus several sales to investors who are cherry-picking bank-owned deals at prices which are substantially below replacement cost. The number of foreclosures and bank sales is expected to increase in the foreseeable future. As banks continue to divest themselves of product, the long-term effect on the value of commercial property could be detrimental for many years to come.

On the bright side several significant deals have been inked which is reason to be hopeful. In the downtown Class “A” office market Morgan Keegan leased 10,000 SF and the Young Clement Law Firm committed to lease 35,000 SF in a new project announced by Holder Properties near Calhoun and East Bay Streets. Holder is bullish on the downtown office market as they also announced a project at 174 Meeting Street; both these projects will add approximately 120,000 SF to the downtown market.

The brightest spot is the industrial sector where a handful of large deals were completed. SAIC subleased over 300,000 SF; TSI leased 175,000 SF; American Marketing Enterprises leased 200,000 SF; Food Handler renewed its lease for 200,000 SF; and Boeing’s fabric division broke ground on a 250,000 SF facility. The climate appears favorable for more such deals to occur during the rest of the year.

Vacancy rates have improved in some sectors while decreasing in others. This is an indication of the instability in the market, which is expected to continue. The influx of Boeing suppliers has yet to materialize in earnest and the space Boeing is leasing in the short-term has reduced the vacancy temporarily, but when the main facility is completed the spaces presently leased to Boeing will again become vacant.

The commercial real estate market will remain complicated. The team at Anchor Commercial is more than capable of keeping it simple for you. Let us show you how we put People First; Properties Second. **Advantage: Anchor!**

Market Indicators

Occupancy

3Q09 ↓ 1Q10 → 3Q10 ↑

Absorption

3Q09 ↓ 1Q10 ↑ 3Q10 ↑

Rental Rate

3Q09 ↓ 1Q10 ↓ 3Q10 ↓



OFFICE

Total Sq Ft: 8,586,679

Available Sq Ft: 1,592,981 % Vacant: 18.51%

Rental Rates: \$15.54NNN

SUMMERVILLE

North Charleston

Total Sq Ft 3,295,986
Available Sq Ft 712,838
% Vacant 21.63%
Rental Rates \$13.32NNN

ANCHOR
COMMERCIAL
REAL ESTATE SERVICES
CORFAC INTERNATIONAL

Daniel Island

Total Sq Ft 904,327
Available Sq Ft 151,233
% Vacant 16.72%
Rental Rates \$15.86NNN

WEST
ASHLEY

West of the Ashley

Total Sq Ft 1,088,498
Available Sq Ft 255,669
% Vacant 23.49%
Rental Rates \$14.44NNN

JOHNS ISLAND

JAMES ISLAND

CHARLESTON

FOLLY
BEACH

MOUNT PLEASANT

Downtown

Total Sq Ft 1,920,326
Available Sq Ft 177,612
% Vacant 9.25%
Rental Rates \$18.81NNN

Mount Pleasant

Total Sq Ft 1,377,542
Available Sq Ft 295,629
% Vacant 21.46%
Rental Rates \$15.26NNN

www.AnchorCommercial.net

WAREHOUSE/INDUSTRIAL

Total Sq Ft: 24,544,998

Available Sq Ft: 3,467,198 % Vacant: 17.08%

Rental Rates: \$5.17NNN

ANCHOR
COMMERCIAL
REAL ESTATE SERVICES
CORFAC INTERNATIONAL

Summerville

Total Sq Ft 4,627,349
Available Sq Ft 1,026,325
% Vacant 22.18%
Rental Rates \$4.79NNN

North Charleston

Total Sq Ft 10,548,556
Available Sq Ft 1,235,966
% Vacant 11.72%
Rental Rates \$4.66NNN

Berkeley

Total Sq Ft 4,309,694
Available Sq Ft 543,471
% Vacant 12.61%
Rental Rates \$4.16NNN

West of the Ashley

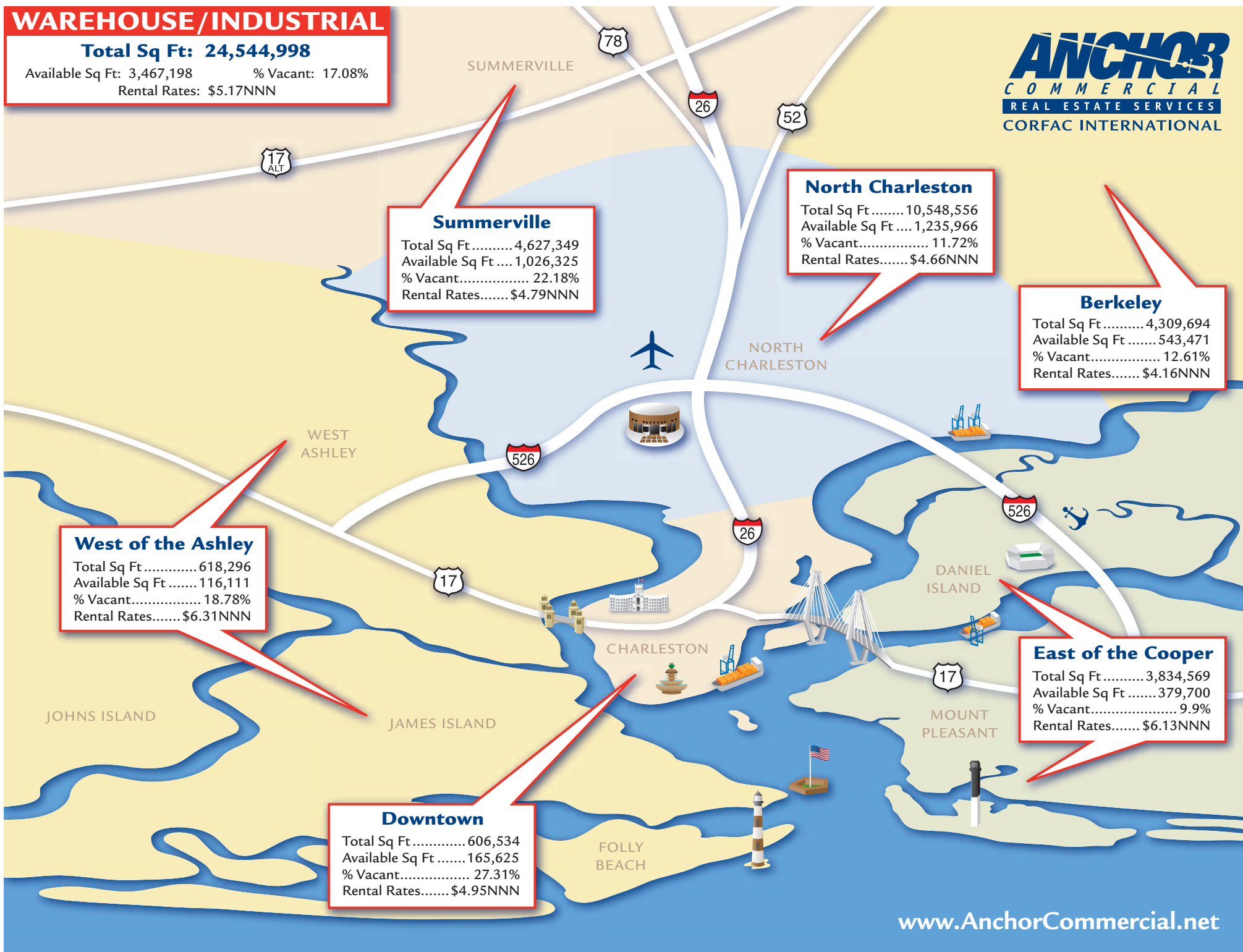
Total Sq Ft 618,296
Available Sq Ft 116,111
% Vacant 18.78%
Rental Rates \$6.31NNN

East of the Cooper

Total Sq Ft 3,834,569
Available Sq Ft 379,700
% Vacant 9.9%
Rental Rates \$6.13NNN

Downtown

Total Sq Ft 606,534
Available Sq Ft 165,625
% Vacant 27.31%
Rental Rates \$4.95NNN



RETAIL

Total Sq Ft: 20,118,564

Available Sq Ft: 1,893,484 % Vacant: 9.57%

Rental Rates: \$16.96NNN

ANCHOR
COMMERCIAL
REAL ESTATE SERVICES
CORFAC INTERNATIONAL

Summerville

Total Sq Ft.....2,292,943
Available Sq Ft188,797
% Vacant..... 8.23%
Rental Rates..... \$14.49NNN

North Charleston

Total Sq Ft.....5,369,468
Available Sq Ft517,861
% Vacant..... 9.64%
Rental Rates..... \$14.03NNN

Berkeley

Total Sq Ft.....1,883,108
Available Sq Ft187,905
% Vacant..... 9.98%
Rental Rates..... \$14.13NNN

West of the Ashley

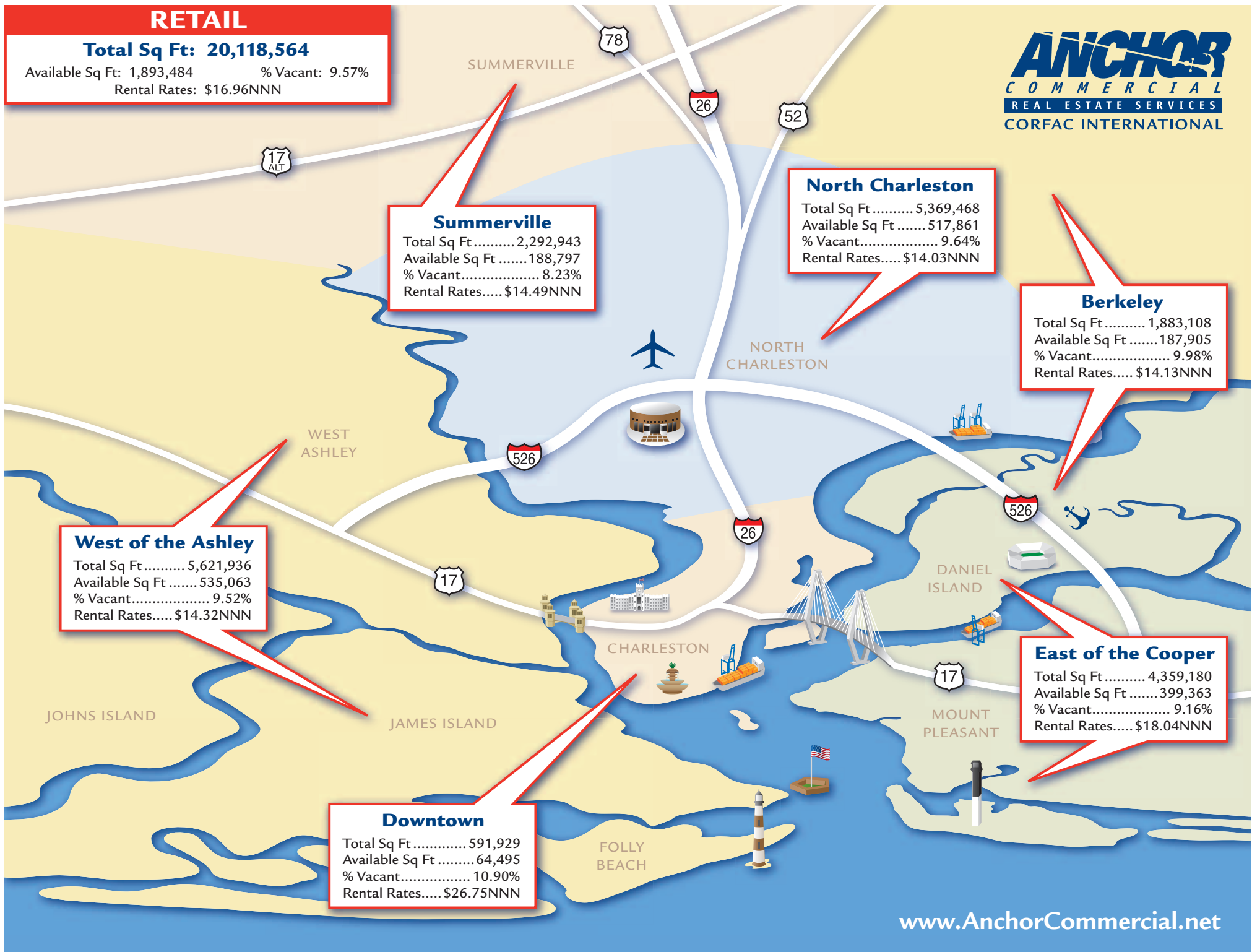
Total Sq Ft.....5,621,936
Available Sq Ft535,063
% Vacant..... 9.52%
Rental Rates..... \$14.32NNN

Downtown

Total Sq Ft.....591,929
Available Sq Ft64,495
% Vacant..... 10.90%
Rental Rates..... \$26.75NNN

East of the Cooper

Total Sq Ft.....4,359,180
Available Sq Ft399,363
% Vacant..... 9.16%
Rental Rates..... \$18.04NNN



Anchor's Service Line

3 Solid Areas of Expertise In A Soft Economy

1. BROKERAGE

The brokers of Anchor Commercial | CORFAC International serve a select group of Charleston clients with comprehensive leasing, sales and corporate service skills. All Anchor Commercial 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, Anchor Commercial brokers are committed to results. That's one more way we put "People First, Properties Second."

2. MANAGEMENT

Anchor 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

Anchor 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. Anchor's 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.





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; Alex DeSeta, Gordon Geer



ANCHOR
C O M M E R C I A L
REAL ESTATE SERVICES
CORFAC INTERNATIONAL

126 Seven Farms Drive · Suite 110
Charleston, SC 29492
Phone 843.747.1200 · Fax 843.747.1070
www.AnchorCommercial.net

