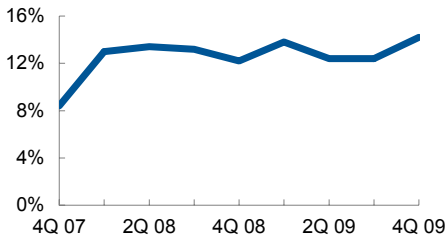


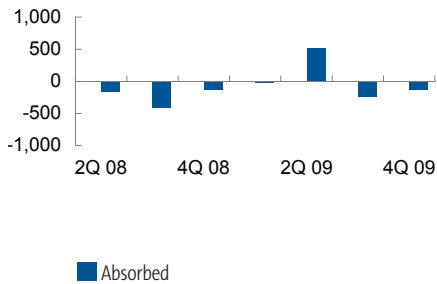
### Vacancy Rate

Quarterly



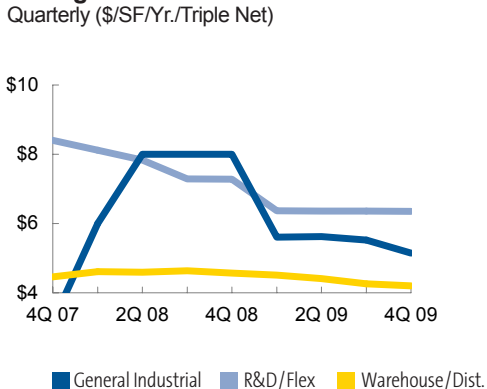
### Completions vs. Absorption

Quarterly (in Thousands of SF)



### Asking Rental Rates

Quarterly (\$/SF/Yr./Triple Net)



## Industrial Market Glad to See 2009 End

The past year was difficult for all and the Charleston industrial market was no exception. The increased vacancy rate, compressed rental rates and lack of sales all reflect how dismal 2009 was for many people involved in the real estate market. However, there were some positive indicators that give everyone involved some hope that 2010 will be better.

Maersk Shipping Company, the port of Charleston's largest customer, renewed its contract with the Port Authority to continue to call on Charleston until 2014, which should coincide with the completion of the Panama Canal renovations. The Panama Canal Authority has invested heavily in improvements allowing it to handle the biggest ocean going freight liners. In February 2010 Charleston is scheduled to receive its first call from an 8,000+ TEU vessel. Currently Charleston is the only port in the southeast with the air and water drafts in place to handle ships of this size.

Another positive indicator is the arrival of Boeing's second manufacturing facility. The facility, which works on assembling parts for the 7E7 Dreamliner, is supposed to deliver over 3,800 direct jobs to a region suffering from the 4th highest state unemployment in the country. In addition, dozens of additional suppliers are thought to be considering locating facilities in Charleston to service this new plant.

Further validation of Charleston's position in the global supply chain was the recent announcement by TBC Tire Kingdom to locate its new distribution facility here. The firm has signed a lease to occupy a 1.1 million-square-foot build-to-suit facility that will be completed by year-end.

### FORECAST

- Rental rates will finally stabilize by the end of the year. Existing well located product will be king.
- Transaction activity will increase as some owners will be forced to sell due to inability to refinance and investors on the side lines will reenter the game.
- Industrial market will bounce back before the other market segments.

