

3Q17:

Columbia Industrial Market Report

Steady Industrial Growth in the Midlands

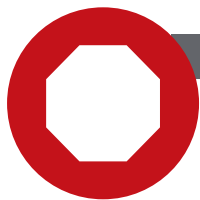
The Columbia Industrial market for the third quarter 2017 closed with a vacancy rate of 8.2%, up from the second quarter which was 7.9%. Despite the climb, this rate is among the lowest since 2013. During the third quarter, net absorption dropped from a positive 422,790 SF to a negative 115,057 primarily due to a lack of product. Most of the new investment in our area is design build (owner occupied) or build to suit because the needed inventory is not available. However, this has elevated the interest of private developers to contemplate speculative development to break ground, such as the Midway Logistics II project underway with a 200,000 SF industrial Class A speculative facility in Lexington County to be delivered in the fourth quarter.

In an area of South Carolina fueled by the pillars of state government, Fort Jackson, and USC, we are seeing continued steady industrial growth that doesn't seem to be slowing down. One consistent statewide factor: the Port of Charleston. The port is responsible for 1 in 11 jobs statewide, and port supported jobs pay nearly 40 percent higher than the states average wage. With a rail-served inland port approaching completion in the Pee Dee region and a booming intermodal hub near Greer, the Midlands are feeling the positive effects. One of the most significant industrial announcements this year in central South Carolina is due in large part to the port. Samsung announced in June that they will open a \$380 million home appliance manufacturing facility in Newberry County just outside of the Columbia MSA. The manufacturer's new operations will



OVERALL VACANCY

8.2%
7.9% in 2Q17



NET ABSORPTION

-115,057 SF
Drop due to lack of product



NET ABS: CLASS A

-50,750 SF
-73,479 SF Class B; -126,178 SF Class C



VACANCY: CLASS A

1.3%
4.3% Class B; 14.8% Class C



RENTAL RATES: CLASS A

\$4.11
\$3.59 Class B; \$3.35 Class C



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Industrial Insight Continued

occupy the former Caterpillar facility at 284 Mawsons Way in Newberry. Samsung will use the Port of Charleston to import and export parts and finished products.

Richland County in 2017 is having a banner year in economic development, the best in many years. Spurred by the significant industrial growth, Richland County is building a sprawling 900-acre industrial park at Shop and Pineview Roads. The massive project includes spending \$71.8 million in improvements to Shop Road and a key extension unlocking prime industrial land. China Jushi USA, a fiberglass manufacturer, will anchor the industrial park as construction for their new \$300 million manufacturing facility is underway comprising 818,056 SF. China Hengshi, owned by the same parent company as China Jushi, announced plans to invest \$11.1 million in a 120,000 SF facility off Atlas Road that should be operational by the end of 2017.



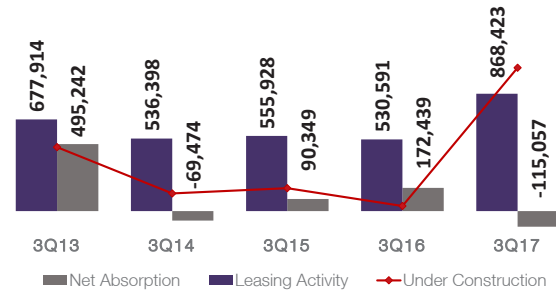
On the outskirts of the Columbia MSA, a China-based tire manufacturer also announced plans to invest \$1 billion and build a new plant in Orangeburg County. Wanli Tire US Plant would employ about 1,200 workers. The company cited South Carolina's

"solid industrial foundations, strong scientific strength and highly efficient labor forces," as driving factors in the decision-making process. It is also important to keep in mind that the Palmetto State leads the nation in tire making capacity, making 89,000 tires a day. Wanli would join the state's growing tire cluster that includes Michelin, Bridgestone, Continental, Trelleborg, and Giti.

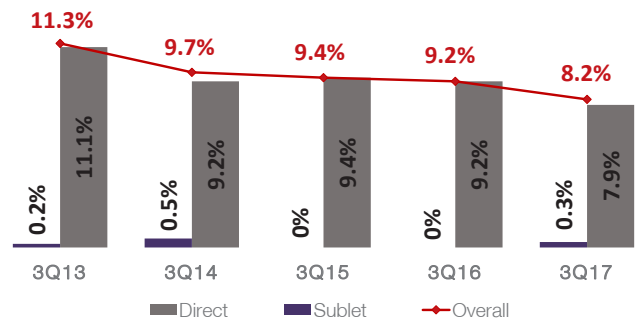
Other notable industrial announcements include:

- Trane, an HVAC systems provider, announced plans in August to invest \$96 million and expand its Northeast Columbia manufacturing location at 460 Killian Road by 680,000 SF. The project will double

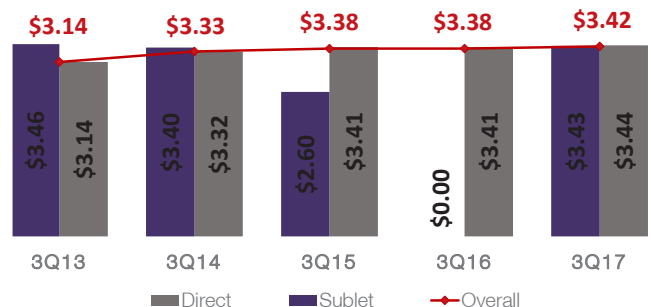
NET ABSORPTION



VACANCY



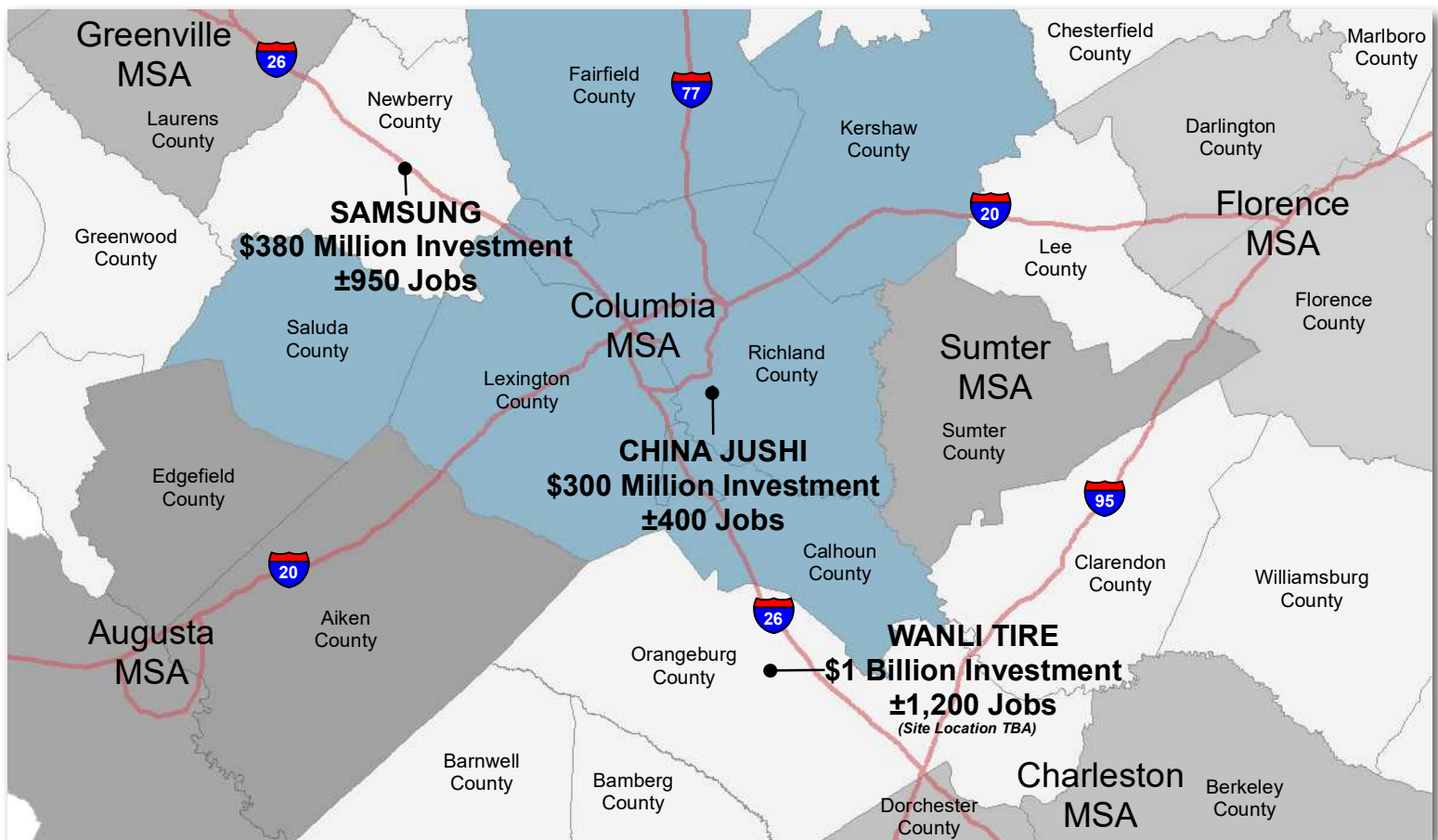
RENTAL RATES



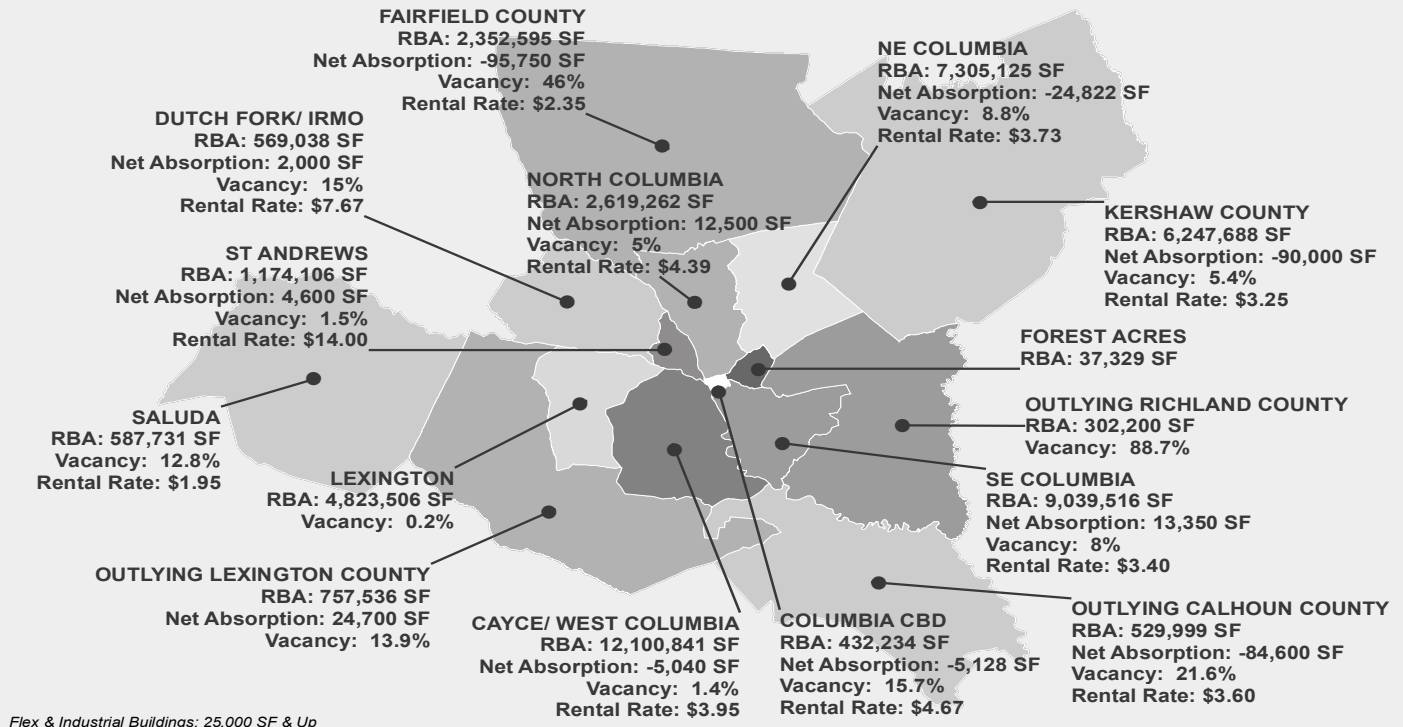
Industrial Insight Continued

the plant's current Midlands workforce.

- A manufacturer of polyethylene film for industrial and medical applications announced in September plans to invest \$85 million in a new operation in Richland County. Charter NEX Films will build a 140,000 SF plant in the Carolina Pines Industrial Park on Farrow Road in Blythewood.
- TMC Transportation purchased the former Thermo King location on Shop Road for \$2.3 million. The location, which will serve as a trucking terminal, includes a ±17,000 SF building and 44 acres land.
- North American Shanghai Yingxin Metal Parts leased ±45,000 SF of space at 30 Commerce Park Boulevard. The company is the latest Chinese manufacturer to locate in the U.S. to enable quicker operations.
- National clothier LulaRoe purchased the former Bose plant in Blythewood and opened their operations in the third quarter. Recognizing the need for an East Coast distribution facility, the men's and women's clothing company CEO said they selected the 470,000 SF facility in Blythewood because of South Carolina's central location and strong workforce.



Submarket Statistics



Significant Transactions



SOLD
SOUTHEAST COLUMBIA
TMC TRANSPORTATION
2716 SHOP ROAD
\$2,300,000



LEASED
SOUTHEAST COLUMBIA
FASTMILE LOGISTICS
1517 KEY ROAD
±30,000 SF LEASED

NAI Avant, At A Glance

Realizing Potential, Delivering Results



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As a full-service company, based in Columbia, SC, our brokerage, development, management and consulting services are tailor-made to meet the specific needs of each assignment, from single transactions to coordinating the delivery of multiple services over broad geographic areas. As a spin-off of the over \$6 billion EDENS (formerly Edens & Avant), NAI Avant traces its roots back to 1966.

Through our professional and network affiliations, we effectively and efficiently deliver our services at the local, regional, national and global levels.

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- Investment Sales
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- Retail Sales and Leasing
- Property and Project Management Services
- Office Sales and Leasing
- Industrial Sales and Leasing
- Special Asset and Receivership Services
- Tenant Representation
- Corporate Advisory Services
- Site Selection and Land Sales
- Fee Development and Build-to-Suit Services
- Mixed-Use Urban Infill

NAI GLOBAL

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Columbia, SC

±16,770 SF

Lease Rate: \$5.25 PSF NNN