

Market Report

FEBRUARY 2011

In this issue:

Rental rates stabilize

Vacancies decreased across the board

Lending environment remains troubled

Slow rebound in 2011

The Charleston commercial real estate market continues to see a moderate increase in activity in all sectors, but the next twelve months will be a long road to recovery. While rental rates have begun to stabilize across each sector, sales pricing remains extremely volatile with more and more foreclosure or bank-owned properties coming to market. It may be years before we see the sales pricing volatility subside as many of the troubled assets have been slow to become bank-controlled and reach the disposition phase.

On the bright side, vacancies decreased across the board and will continue to be the trend as there has been very little new product added over the past three years. Even though companies will be slow to hire more employees or increase inventory and space needs, the lack of available space will help push rents up. With the troubled lending environment, new development will be slow over the next couple years leaving landlords a great opportunity to keep buildings full and edge up rental rates. Tenants will slowly start to lose the leverage they have had over the past two years and should take advantage of renewals or new space requirements while landlords are still in a position to be more flexible.

There were a few more significant deals completed in the past several months, plus the market is beginning to see some of the first Boeing subcontractors come to market. This trend will be watched closely as it is deemed by most to be a major indicator of the company's impact and timing on our area.

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

1Q10 → 3Q10 ↑ 1Q11 ↑

Absorption

1Q10 ↑ 3Q10 ↑ 1Q11 ↑

Rental Rate

1Q10 ↓ 3Q10 ↓ 1Q11 →



OFFICE

Total Sq Ft: 9,430,246

Available Sq Ft: 1,423,543 % Vacant: 15.45%
Rental Rates: \$16.27NNN



North Charleston

Total Sq Ft 3,995,569
Available Sq Ft 661,142
% Vacant 16.55%
Rental Rates \$13.70NNN

Daniel Island

Total Sq Ft 914,127
Available Sq Ft 136,069
% Vacant 14.89%
Rental Rates \$15.98NNN

West of the Ashley

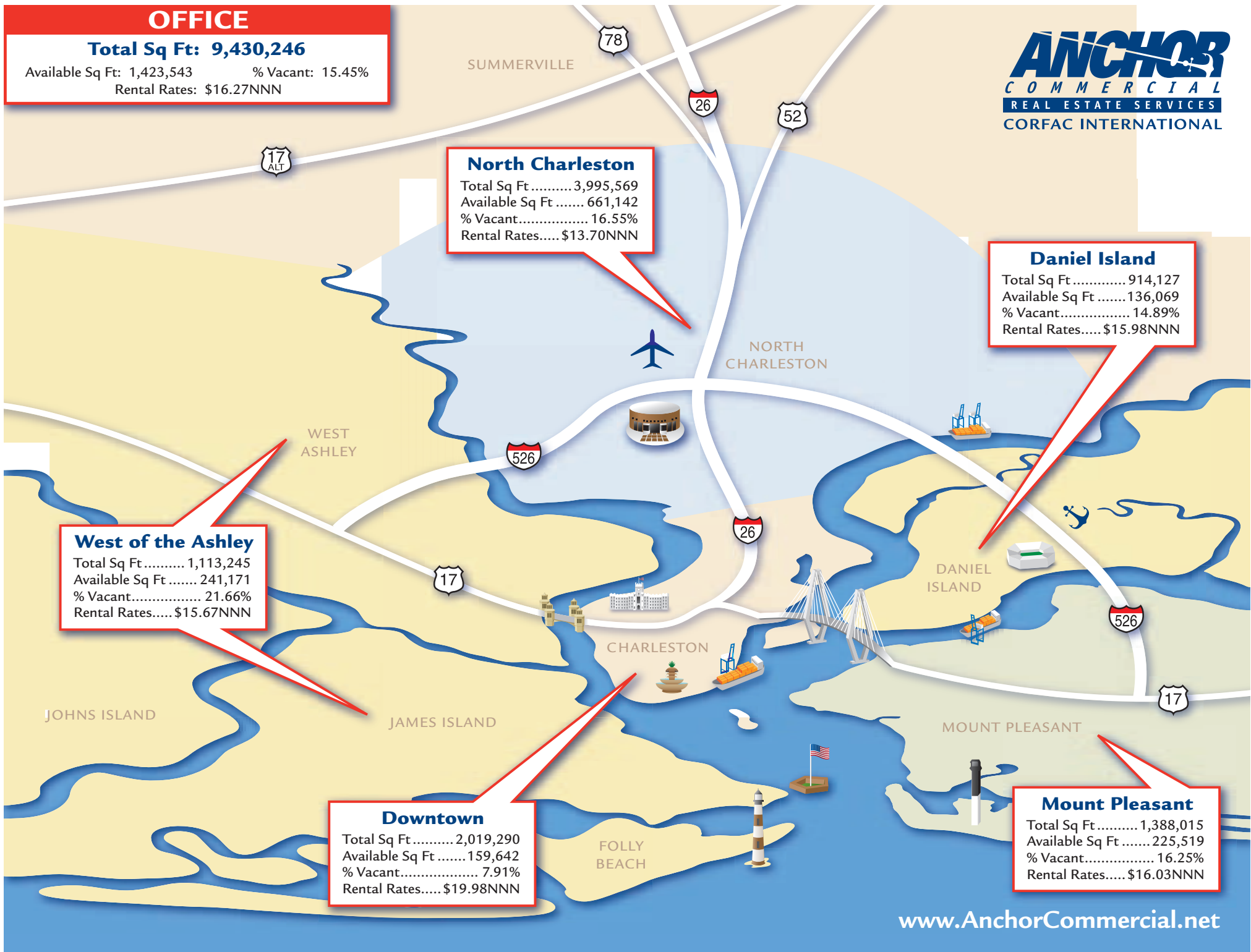
Total Sq Ft 1,113,245
Available Sq Ft 241,171
% Vacant 21.66%
Rental Rates \$15.67NNN

Downtown

Total Sq Ft 2,019,290
Available Sq Ft 159,642
% Vacant 7.91%
Rental Rates \$19.98NNN

Mount Pleasant

Total Sq Ft 1,388,015
Available Sq Ft 225,519
% Vacant 16.25%
Rental Rates \$16.03NNN



RETAIL

Total Sq Ft: 19,830,395

Available Sq Ft: 1,524,305 % Vacant: 7.7%

Rental Rates: \$17.08NNN

Summerville

Total Sq Ft 2,072,803
Available Sq Ft 139,630
% Vacant 6.74%
Rental Rates \$14.36NNN

North Charleston

Total Sq Ft 5,375,267
Available Sq Ft 365,874
% Vacant 6.81%
Rental Rates \$15.10NNN

Berkeley

Total Sq Ft 2,004,008
Available Sq Ft 189,318
% Vacant 9.45%
Rental Rates \$13.72NNN

West of the Ashley

Total Sq Ft 5,490,586
Available Sq Ft 425,094
% Vacant 7.74%
Rental Rates \$14.27NNN

East of the Cooper

Total Sq Ft 4,074,787
Available Sq Ft 344,743
% Vacant 8.46%
Rental Rates \$17.68NNN

Downtown

Total Sq Ft 812,944
Available Sq Ft 59,648
% Vacant 7%
Rental Rates \$27.32NNN

WAREHOUSE/INDUSTRIAL

Total Sq Ft: 23,792,075

Available Sq Ft: 4,853,982 % Vacant: 17.96%
Rental Rates: \$5.14NNN

ANCHOR
COMMERCIAL
REAL ESTATE SERVICES
CORFAC INTERNATIONAL

Summerville

Total Sq Ft..... 4,371,034
Available Sq Ft 1,100,901
% Vacant..... 25.19%
Rental Rates..... \$5.19NNN

North Charleston

Total Sq Ft..... 10,992,767
Available Sq Ft 2,593,638
% Vacant..... 23.59%
Rental Rates..... \$4.72NNN

Berkeley

Total Sq Ft..... 3,470,345
Available Sq Ft 551,073
% Vacant..... 15.88%
Rental Rates..... \$3.88NNN

West of the Ashley

Total Sq Ft..... 618,296
Available Sq Ft 153,885
% Vacant..... 24.89%
Rental Rates..... \$5.21NNN

East of the Cooper

Total Sq Ft..... 3,872,219
Available Sq Ft 427,010
% Vacant..... 11.03%
Rental Rates..... \$6.13NNN

Downtown

Total Sq Ft..... 467,414
Available Sq Ft 33,475
% Vacant..... 7.16%
Rental Rates..... \$5.73NNN

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

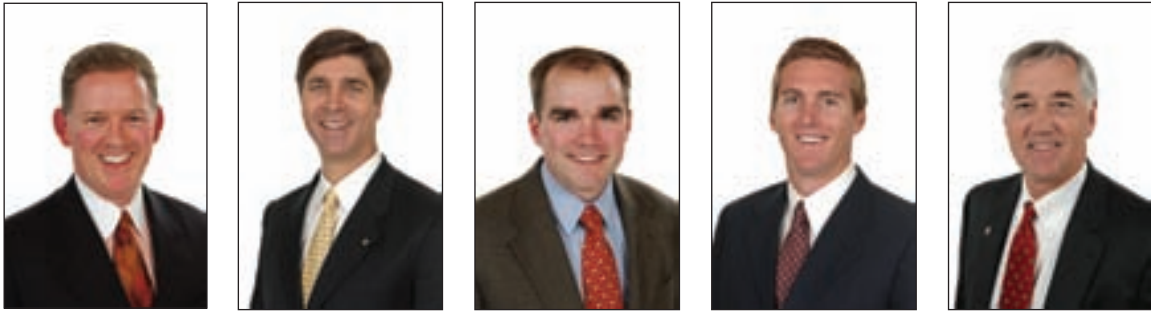
Anchor currently manages a large portfolio of commercial properties for clients who own office buildings and retail centers, as well as several commercial property regimes. We are also capable of providing corporate services for clients who own properties in multiple states. We are one of the largest 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 unwavering 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.



www.AnchorCommercial.net



Brokerage Team: From left to right, top row: Robert H. Nuttall, Jr., SIOR, CPM, 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 Sherrrod, CCIM; Will Phillips, Alex DeSeta, Gordon Geer



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