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Boeing arrival may help Charleston get back on track

Market sectors reflect a slow recovery

Vacancy trends expected to level out

Will Charleston's commercial real estate market take off in 2010?

2009 is history, and few in the commercial real estate world will miss it. While 2010 will also be a tough year for sellers and landlords, Charleston is quite possibly approaching the bottom of the market and will hopefully see bluer skies as the year unfolds.

Boeing's announcement to locate its 787 Dreamliner facility in Charleston will help our region rebound quicker than most other markets around the nation, but it could be next year before the local commercial real estate market starts to see the positive impact of our newest industry partner. Other recent announcements which are significant and have helped set the stage for a potential recovery: the Port of Charleston signed a new five-year agreement with its largest customer—Maersk Line, and our port is virtually ready for the post-Panamax world; Tire Kingdom chose Charleston for a 1.1 million square foot facility; and Clemson University announced a \$98 million project to test the next generation of wind-turbines and drive trains in Charleston which has attracted the interest of General Electric. All these will translate into more jobs for our area.

That's the good news. What's not so good is the continued uncertainty in the economy and the virtually non-existent lending environment. Businesses remain quite cautious and they continue to delay expansion and hiring which directly affects each commercial real estate market sector. Distressed real estate is the great unknown on the horizon with no encouraging signs of going away any time soon. These distressed assets will make up a large portion of the sales transactions in 2010 as investors who are in cash-heavy positions capitalize on these opportunities. The volume of lease transactions will be higher this year as tenants take advantage of lucrative incentive packages offered by vacancy-heavy landlords. Occupancy and lease rates may level out and possibly begin to climb in the latter half of the year unless the economy stalls as we approach the mid-term elections in November. Deals that are completed this year will be with owners who realize the value of a closed deal vs. those who attempt to get a "better" deal from tenants who are clearly still in the driver's seat.

No doubt 2010 will be a turbulent year, but the capable crew at Anchor Commercial is fully committed to help you stay on course by putting its proven track record to work for you. Advantage: Anchor!

Market Indicators

Occupancy

2Q09 ↓ 3Q09 ↓ 1Q10 →

Absorption

2Q09 ↓ 3Q09 ↓ 1Q10 ↑

Rental Rate

2Q09 ↓ 3Q09 ↓ 1Q10 ↓



OFFICE

Total Sq Ft: 8,465,725

Available Sq Ft: 1,618,023 % Vacant: 19.11%
Rental Rates: \$16.19NNN



North Charleston

Total Sq Ft 3,295,968
Available Sq Ft 781,002
% Vacant 23.70%
Rental Rates \$12.81NNN

Daniel Island

Total Sq Ft 862,072
Available Sq Ft 160,740
% Vacant 18.65%
Rental Rates \$16.92NNN

West of the Ashley

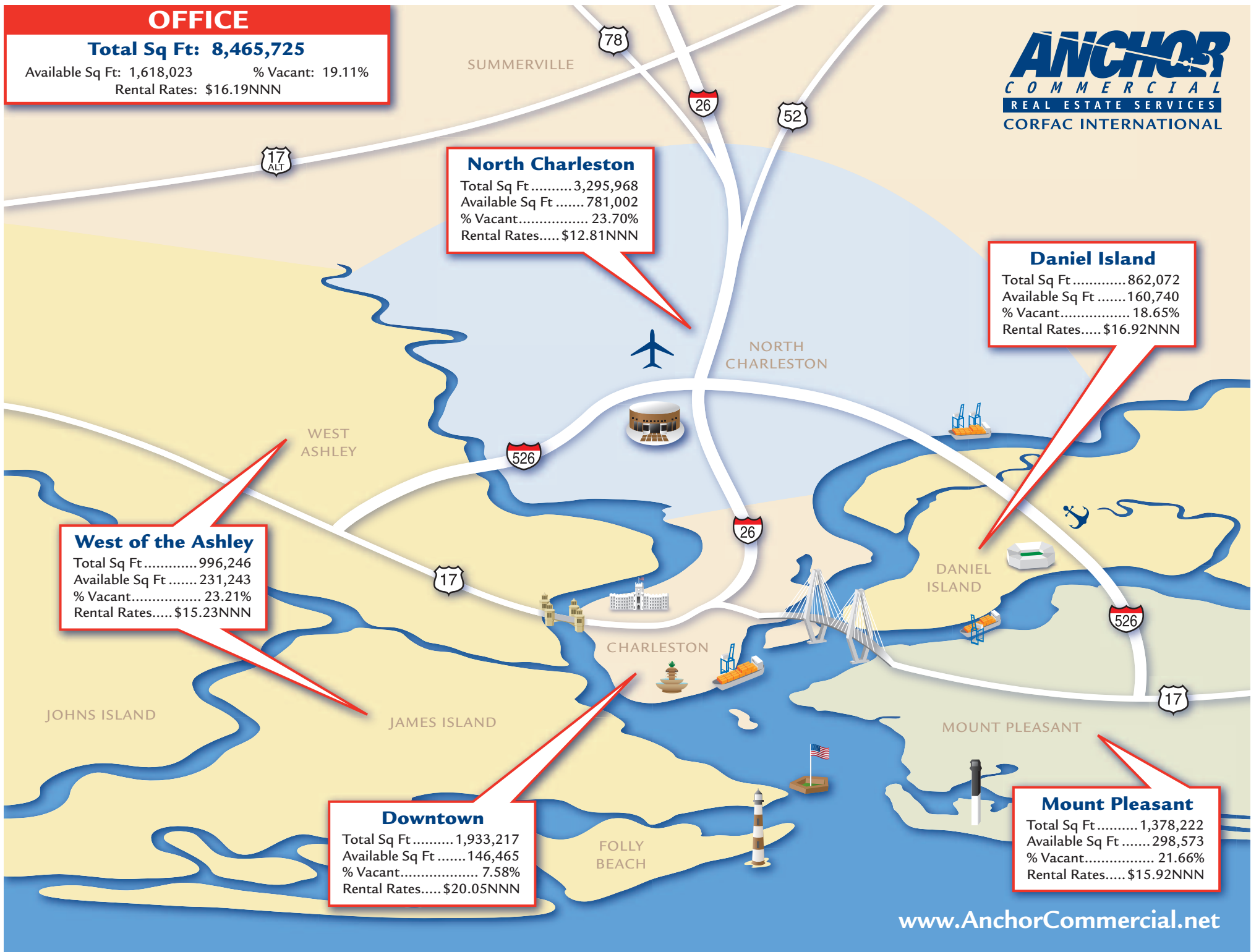
Total Sq Ft 996,246
Available Sq Ft 231,243
% Vacant 23.21%
Rental Rates \$15.23NNN

Downtown

Total Sq Ft 1,933,217
Available Sq Ft 146,465
% Vacant 7.58%
Rental Rates \$20.05NNN

Mount Pleasant

Total Sq Ft 1,378,222
Available Sq Ft 298,573
% Vacant 21.66%
Rental Rates \$15.92NNN



WAREHOUSE/INDUSTRIAL

Total Sq Ft: 22,086,673

Available Sq Ft: 3,308,198 % Vacant: 14.98%
Rental Rates: \$5.25NNN



Summerville

Total Sq Ft..... 4,377,349
Available Sq Ft 926,325
% Vacant..... 21.16%
Rental Rates..... \$4.84NNN

North Charleston

Total Sq Ft..... 9,675,271
Available Sq Ft 1,236,966
% Vacant..... 12.78%
Rental Rates..... \$4.70NNN

Berkeley

Total Sq Ft..... 3,640,654
Available Sq Ft 543,471
% Vacant..... 14.93%
Rental Rates..... \$4.24NNN

West of the Ashley

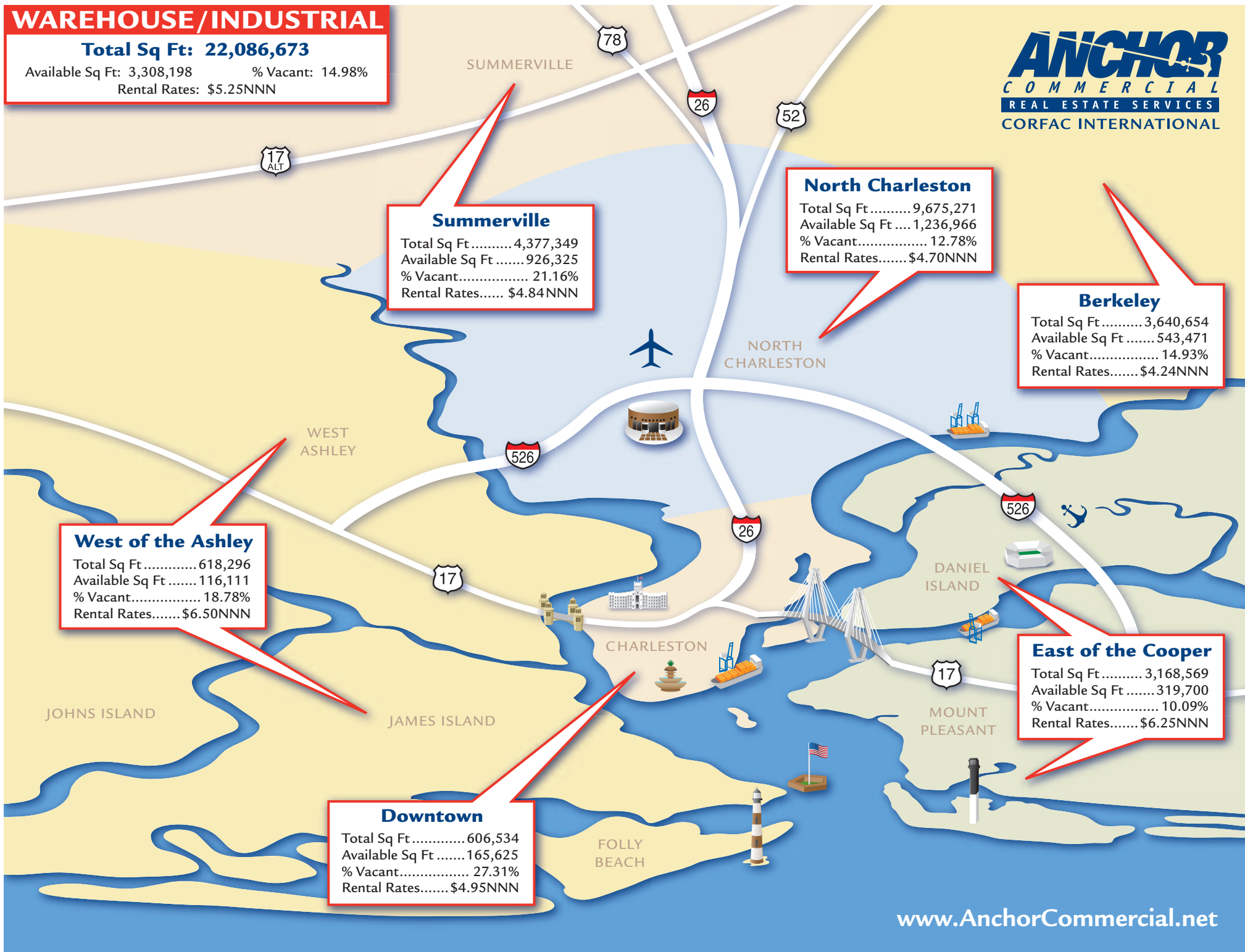
Total Sq Ft 618,296
Available Sq Ft 116,111
% Vacant..... 18.78%
Rental Rates..... \$6.50NNN

East of the Cooper

Total Sq Ft 3,168,569
Available Sq Ft 319,700
% Vacant..... 10.09%
Rental Rates..... \$6.25NNN

Downtown

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



RETAIL

Total Sq Ft: 19,881,152

Available Sq Ft: 1,927,499 % Vacant: 9.70%
Rental Rates: \$18.00NNN



Summerville

Total Sq Ft 2,281,743
Available Sq Ft 226,900
% Vacant 9.94%
Rental Rates \$18.03NNN

North Charleston

Total Sq Ft 5,369,468
Available Sq Ft 535,210
% Vacant 9.97%
Rental Rates \$13.94NNN

Berkeley

Total Sq Ft 1,883,108
Available Sq Ft 265,580
% Vacant 14.10%
Rental Rates \$14.66NNN

West of the Ashley

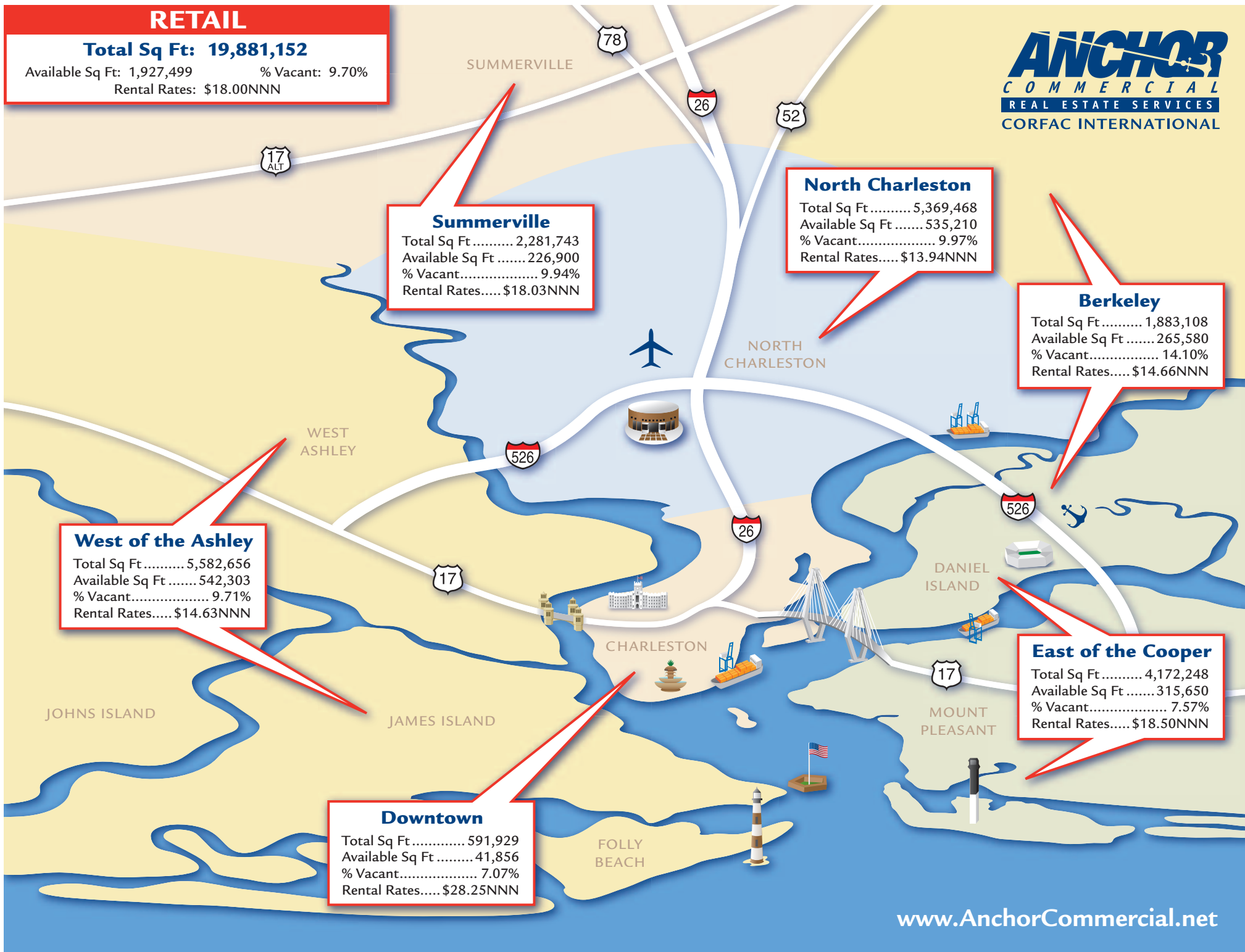
Total Sq Ft 5,582,656
Available Sq Ft 542,303
% Vacant 9.71%
Rental Rates \$14.63NNN

East of the Cooper

Total Sq Ft 4,172,248
Available Sq Ft 315,650
% Vacant 7.57%
Rental Rates \$18.50NNN

Downtown

Total Sq Ft 591,929
Available Sq Ft 41,856
% Vacant 7.07%
Rental Rates \$28.25NNN



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, Principal; R. Milton Thomas, III, CCIM, SIOR, Principal; Reid P. Davis, CCIM, SIOR, Principal; Chris Koeppenick, CCIM; Jim Berry, CCIM. Bottom row: Kim Hinshaw, CCIM; Will Sherrod, CCIM; Will Phillips; Taylor Senter; Alex DeSeta, Gordon Geer



ANCHOR
 COMMERCIAL
 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

