



Office Market Report

Charleston Market

PREPARED BY



RAVENEL
COMMERCIAL PROPERTIES

Lori Crowley



CoStar™

OFFICE MARKET REPORT

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12 Mo Deliveries in SF

372 K

12 Mo Net Absorption in SF

367 K

Vacancy Rate

6.2%

12 Mo Rent Growth

-0.4%

Charleston continues to experience dramatic population and job growth, fueled by the Port of Charleston and proximity to a several large manufacturers. Tech-related firms continue to find interest in Charleston, displaying the versatility of the metro. Net absorption continues to exceed new supply, and vacancies continue to fall. For perspective, Charleston's current vacancy rate is just

over half that of the nation. Rents in Charleston are currently the highest in the state and have climbed steadily, though 2017 marked a break from the trend with near zero rent growth. However, assets continue to change hands, and 2017 signaled a cyclical high of over \$250 Million in volume.

KEY INDICATORS

| Current Quarter | RBA | Vacancy Rate | Gross Asking Rent | Availability Rate | Net Absorption SF | Deliveries SF | Under Construction |
|-----------------|-------------------|--------------|-------------------|-------------------|-------------------|---------------|--------------------|
| 4 & 5 Star | 4,371,848 | 6.1% | \$30.08 | 14.0% | (39,662) | 0 | 618,025 |
| 3 Star | 11,470,884 | 10.0% | \$24.89 | 12.3% | (45,699) | 0 | 126,956 |
| 1 & 2 Star | 13,217,764 | 2.9% | \$19.28 | 4.1% | (632) | 0 | 0 |
| Market | 29,060,496 | 6.2% | \$23.23 | 9.0% | (85,993) | 0 | 744,981 |

| Annual Trends | 12 Month | Historical Average | Forecast Average | Peak | When | Trough | When |
|----------------------|----------|--------------------|------------------|----------|---------|----------|---------|
| Vacancy Change (YOY) | -0.1% | 8.4% | 6.8% | 11.2% | 2010 Q1 | 5.3% | 2017 Q2 |
| Net Absorption SF | 367 K | 402,468 | 464,375 | 788,777 | 2013 Q2 | (39,308) | 2010 Q1 |
| Deliveries SF | 372 K | 351,891 | 655,952 | 670,705 | 2008 Q3 | 151,829 | 2011 Q2 |
| Rent Growth | -0.4% | 1.0% | 0.1% | 5.9% | 2016 Q1 | -5.8% | 2010 Q2 |
| Sales Volume | \$257 M | \$133.30 | N/A | \$267.94 | 2017 Q4 | \$27.79 | 2008 Q4 |

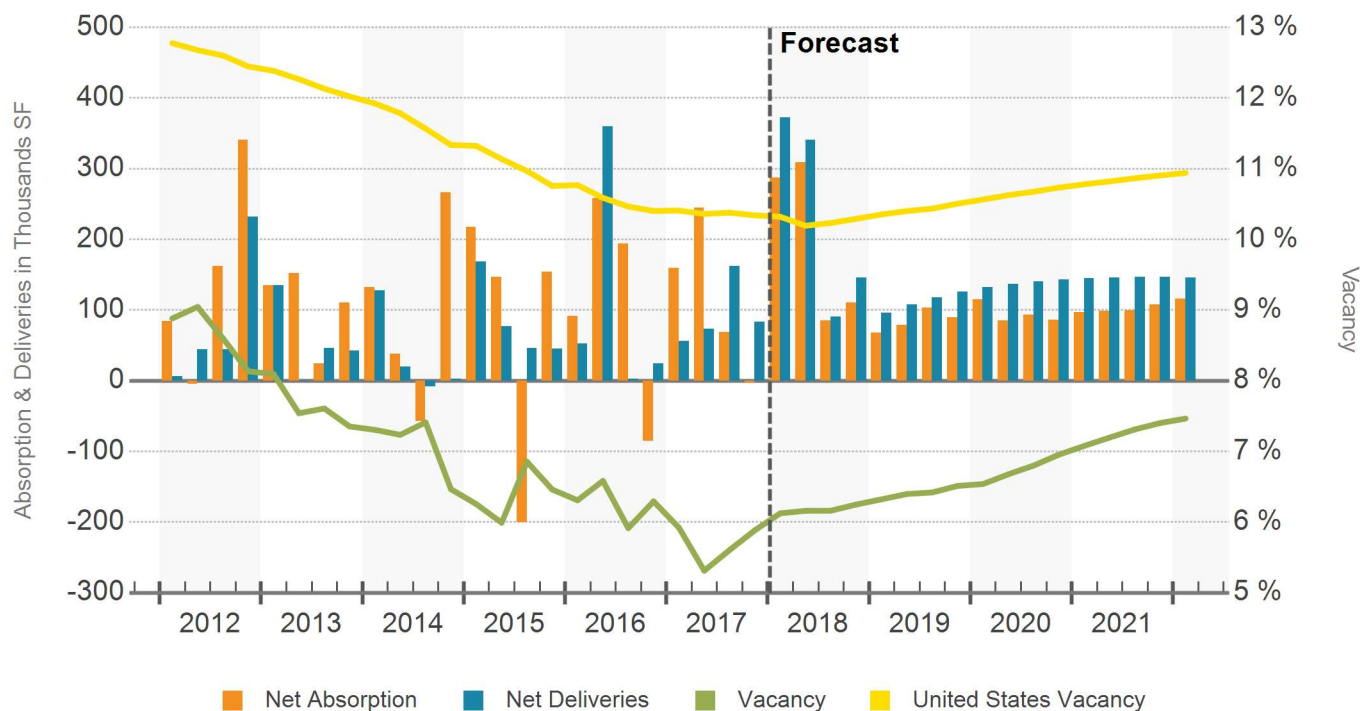
Charleston has successfully embraced globalization and economic diversification to develop an innovative and thriving economy that is among the nation's top performers. Companies including Boeing, Benefitfocus, Daimler, and PeopleMatter brought thousands of jobs to the region recently, which contributed to the metro's dramatic population increase of 15,000 newcomers per year in 2014–15. Current job growth is around 90 basis points above the national average, with particularly strong growth across several mid to high-income sectors. Net absorption significantly outpaced net deliveries across most of the cycle, with only a handful of quarters outpaced by new space. This has resulted in particularly low vacancy rates, especially in James Island, Dorchester County, and Downtown Charleston.

Professional and businesses services, primary office-using sectors, are the third-largest employer by industry after government and trade. This category employs more than 50,000 people in the metro. The largest office tenant in the metro is the Medical University of South

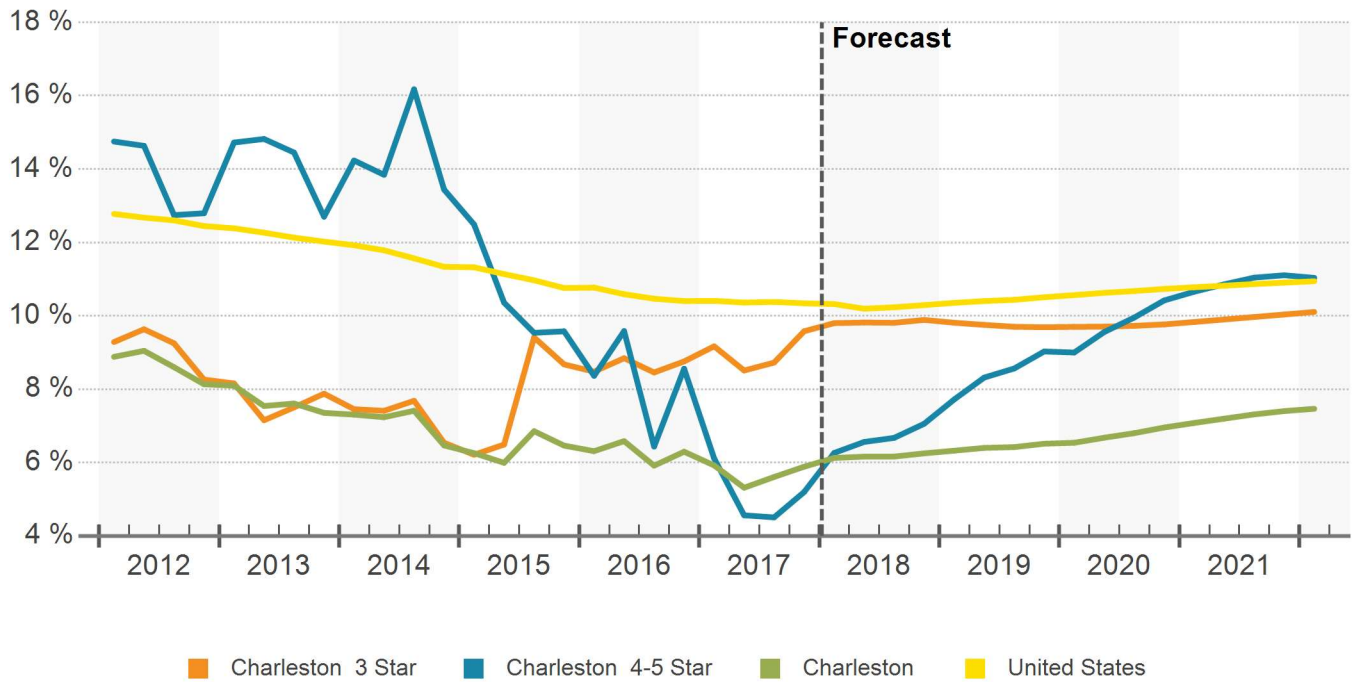
Carolina (MUSC) which occupies the entire 1.4 million SF MUSC Rutledge Tower in Downtown Charleston. MUSC is among the largest employers in the market, providing jobs for around 13,000 clinicians, facility, staff, and students. Benefitfocus, with an employment base exceeding 1,200, is another leading office tenant in the area, occupying more than 340,000 SF in three buildings on Daniel Island.

Most lease deals in recent quarters occurred on the east side of the market toward Charleston Harbor, where gross asking rents average \$24.50/SF. In March 2016, Clemson University School of Architecture leased 31,000 SF in the Cigar Factory, a 244,000 SF office building in Downtown that was renovated in 2016. At the end of 16Q3, Hall Booth leased 10,000 SF, followed by Tabula Rasa Healthcare, which leased 10,000 SF in October at 111 Coleman Blvd. This 40,000 SF building delivered in mid-2017, and is currently fully leased, with spaces previously listed at \$26 per square foot.

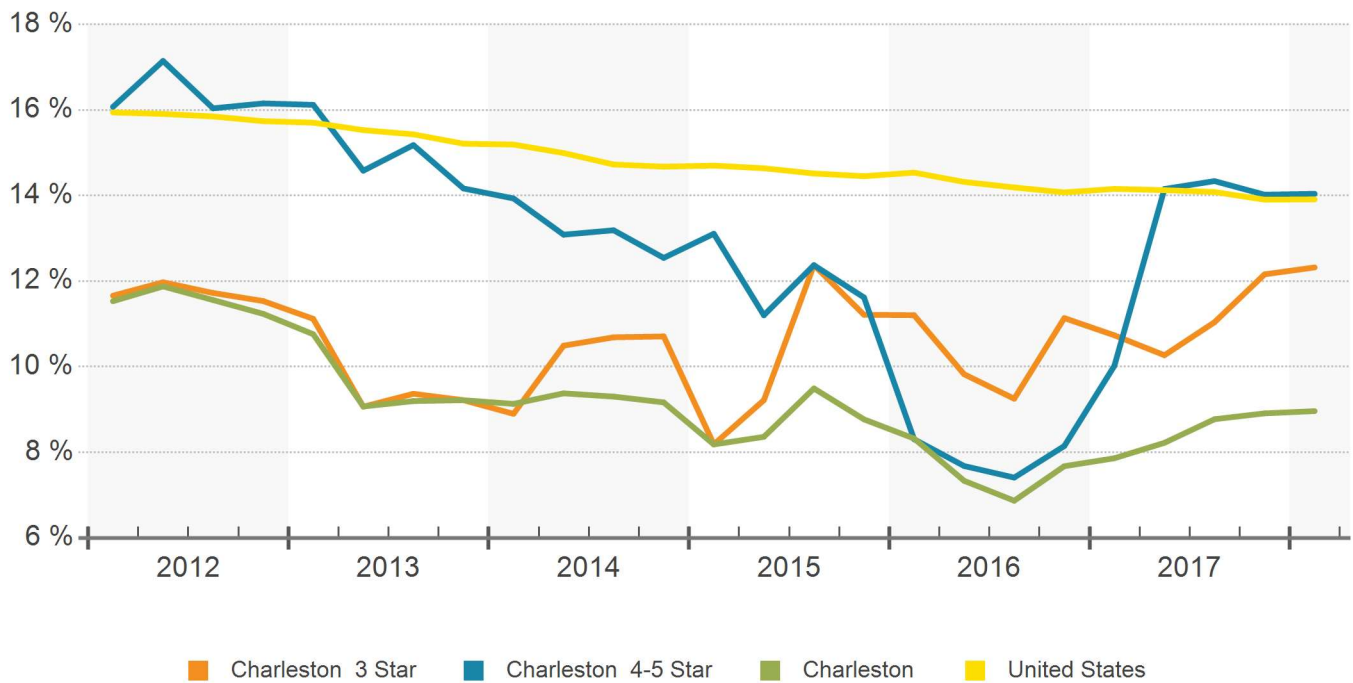
NET ABSORPTION, NET DELIVERIES & VACANCY



VACANCY RATE



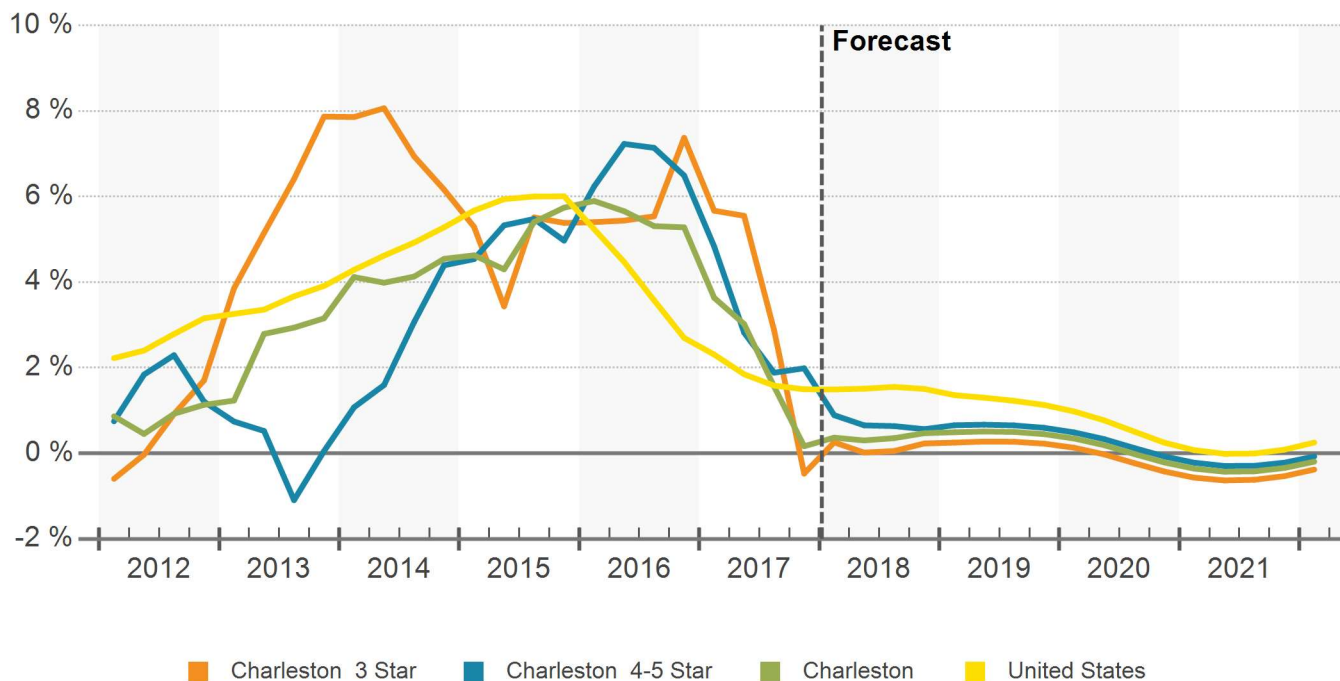
AVAILABILITY RATE



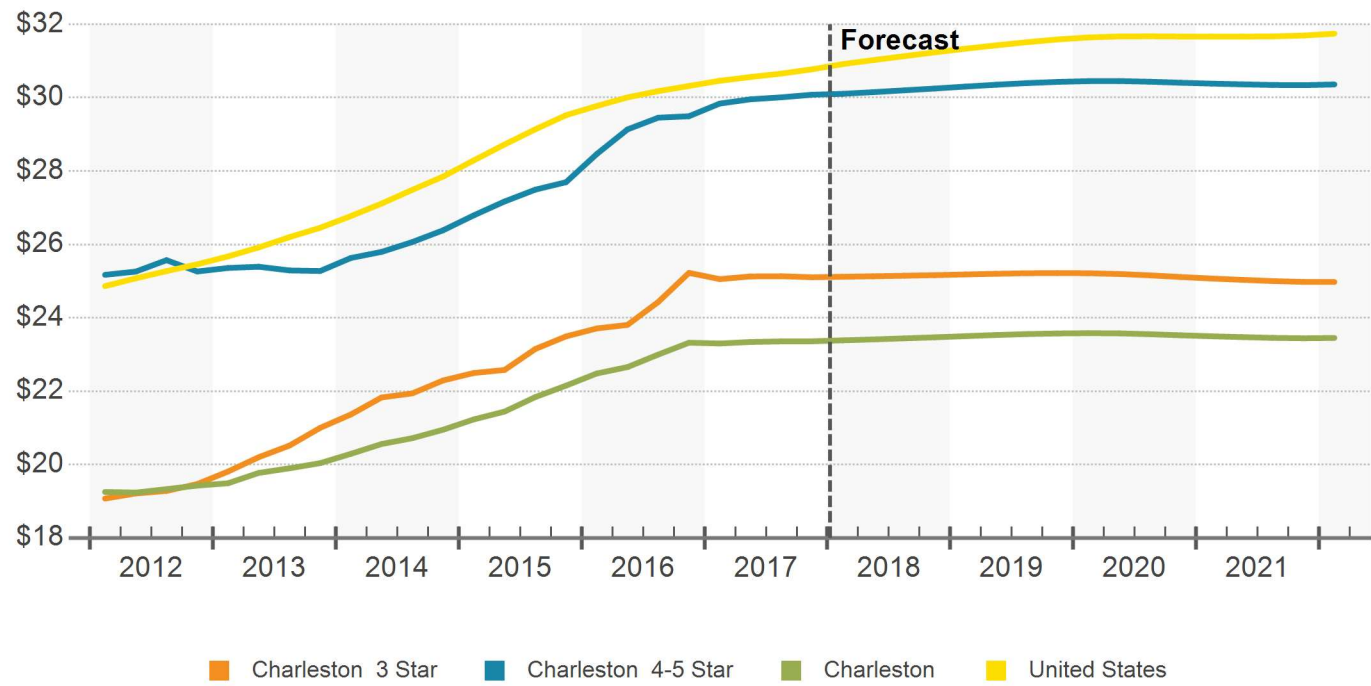
Rent growth has slowed in recent quarters to near zero, similar other metros in the region. Despite low vacancies and modest positive absorption, rents have ultimately stagnated. Average office rents are around \$23 per square foot – substantially higher than neighbors Greenville and Columbia which are well below \$20. The

metro's highest rents are found in Downtown Charleston, which averages nearly \$29 per square foot – more than a 25% premium compared all metro inventories. In terms of rent growth, the best performing submarkets have been Greater Charleston, Outlying Berkeley, and East Islands/ Mount Pleasant.

ASKING RENT GROWTH (YOY)



GROSS ASKING RENT PER SQUARE FOOT



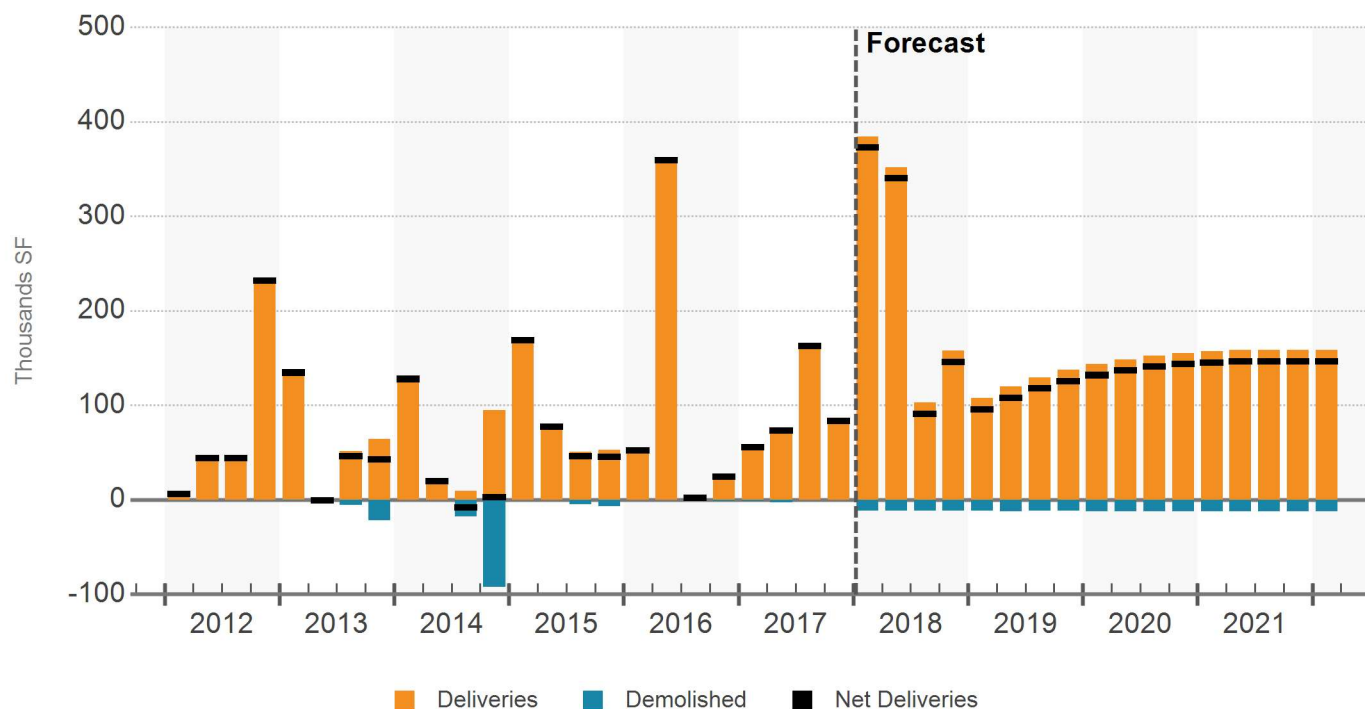
Office development has ramped up in Charleston in recent quarters. Although most deliveries so far this cycle were build-to-suit projects, the metro has seen its fair share of spec construction, as well. Faber Plaza, a 125,000 SF office building developed by Trinity Capital Advisors, opened in North Charleston in June 2016. The 4 Star building located along I-526 and I-26 has floor-to-ceiling glass and no columns. In October 2015, Sonepar North America preleased the entire top floor (25,000 SF) at \$27/SF triple net for an 11-year term. Additional tenants in the building include T.Y. Lin International (10,000 SF) and HDR Inc (9,000 SF).

Daniel Island has also witnessed a surge of new development over the past few years including the Daniel Island Executive Center and the Blackbaud Campus. The Daniel Island Executive Center, a 145,000 SF facility developed by Holland Properties to house Benefitfocus's Customer Success Center, opened in February 2015. This building is the third addition to its headquarters and is part of a multi-phase expansion expected to add close

to 1,200 new jobs. Holder Properties is developing Blackbaud's new campus, part of a \$150 million investment that will add 300 jobs to the local economy. Construction began in October 2016 on the 172,000 SF Phase I and is set to be completed by the beginning of 2018.

The \$25 million Pacific Box & Crate Project, a 130,000 SF development by Raven Cliff Co. on Upper King Street, opened in early 2017. This project called for the conversion of the 80,000 SF warehouse building, construction of a 10,000 SF retail building that will consist of a yoga studio and food hall, and an additional two new office developments totaling 40,000 SF. Raven Cliff purchased the warehouse building for \$5.2 million after the renovations started in July 2015. In October 2015, Boomtown signed a five-year lease to occupy the building, relocating from its 24,000 SF space at 635 Rutledge Ave. to 25,000 SF at the new location once it completed.

DELIVERIES & DEMOLITIONS



Under Construction Properties

Charleston Office

Properties

13

Square Feet

744,981

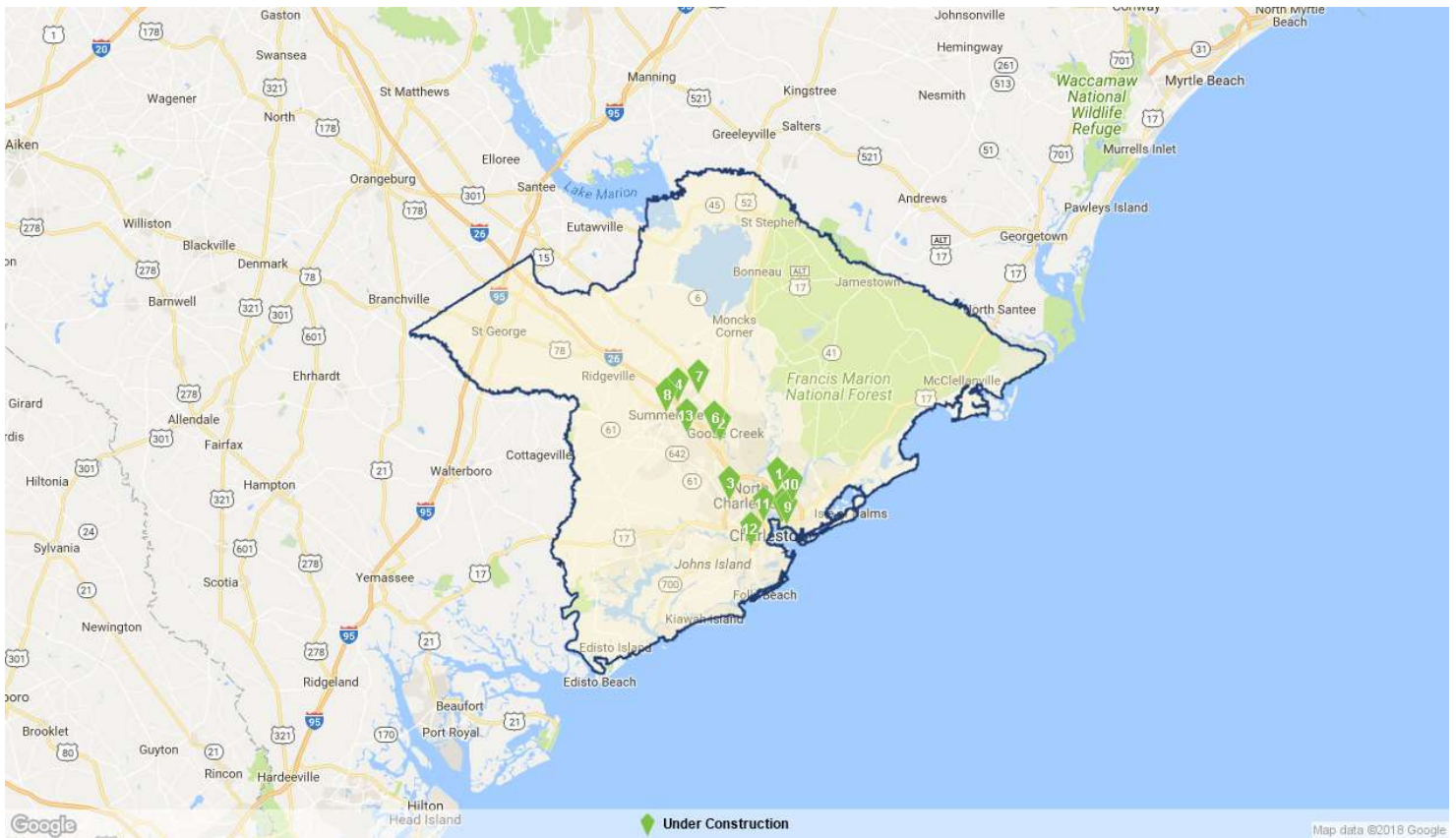
Percent of Inventory

2.6%

Preleased

61.4%

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

| Property Name/Address | Rating | Bldg SF | Stories | Start | Complete | Developer/Owner |
|---|--------|---------|---------|----------|----------|--|
| 1 Blackbaud Campus Central Island St | ★★★★☆ | 172,000 | - | Oct-2016 | Mar-2018 | Holder Properties |
| 2 8571 Rivers Avenue 8571 Rivers Ave | ★★★★☆ | 168,000 | 2 | Feb-2017 | Feb-2018 | - |
| 3 River Oaks Center 4401 Leeds Pl W | ★★★★☆ | 105,000 | 4 | Jan-2017 | Feb-2018 | - |
| 4 Nexton Medical Office B... 5500 Front St | ★★★★☆ | 100,000 | 4 | Apr-2017 | Apr-2018 | - |
| 5 GATEWAY MOUNT PLE... 235 Magrath Darby Blvd | ★★★★☆ | 65,000 | 3 | Dec-2017 | Oct-2018 | Landmark Enterprises, Inc. Landmark Enterprises, Inc. |
| 6 8960 University Blvd | ★★★★☆ | 47,000 | 3 | Mar-2017 | Feb-2018 | The Keith Corporation The Keith Corporation |
| 7 Carnes Crossroads 2015 2nd Ave | ★★★★☆ | 27,832 | 2 | May-2017 | Jun-2018 | - |

Under Construction Properties

Charleston Office

UNDER CONSTRUCTION

| | Property Name/Address | Rating | Bldg SF | Stories | Start | Complete | Developer/Owner |
|----|--|-----------|---------|---------|----------|----------|------------------------------------|
| 8 | Summerville CPW 207 N Cedar St | ★ ★ ★ ★ ★ | 15,000 | 2 | Sep-2016 | Feb-2018 | - Summerville CPW |
| 9 | 1034 Lansing Dr | ★ ★ ★ ★ ★ | 14,871 | 2 | Nov-2017 | May-2018 | Lat Purser & Associates, Inc. - |
| 10 | Wando Business Park 363 Wando Place Dr | ★ ★ ★ ★ ★ | 12,000 | 2 | Apr-2017 | Feb-2018 | - - |
| 11 | 229 Huger St | ★ ★ ★ ★ ★ | 11,025 | 3 | Jul-2017 | Apr-2018 | - - |
| 12 | 525 Folly Rd | ★ ★ ★ ★ ★ | 3,800 | 1 | Jul-2017 | Feb-2018 | - - |
| 13 | 9598 Palmetto Commerce | ★ ★ ★ ★ ★ | 3,453 | 1 | May-2017 | Feb-2018 | - - |

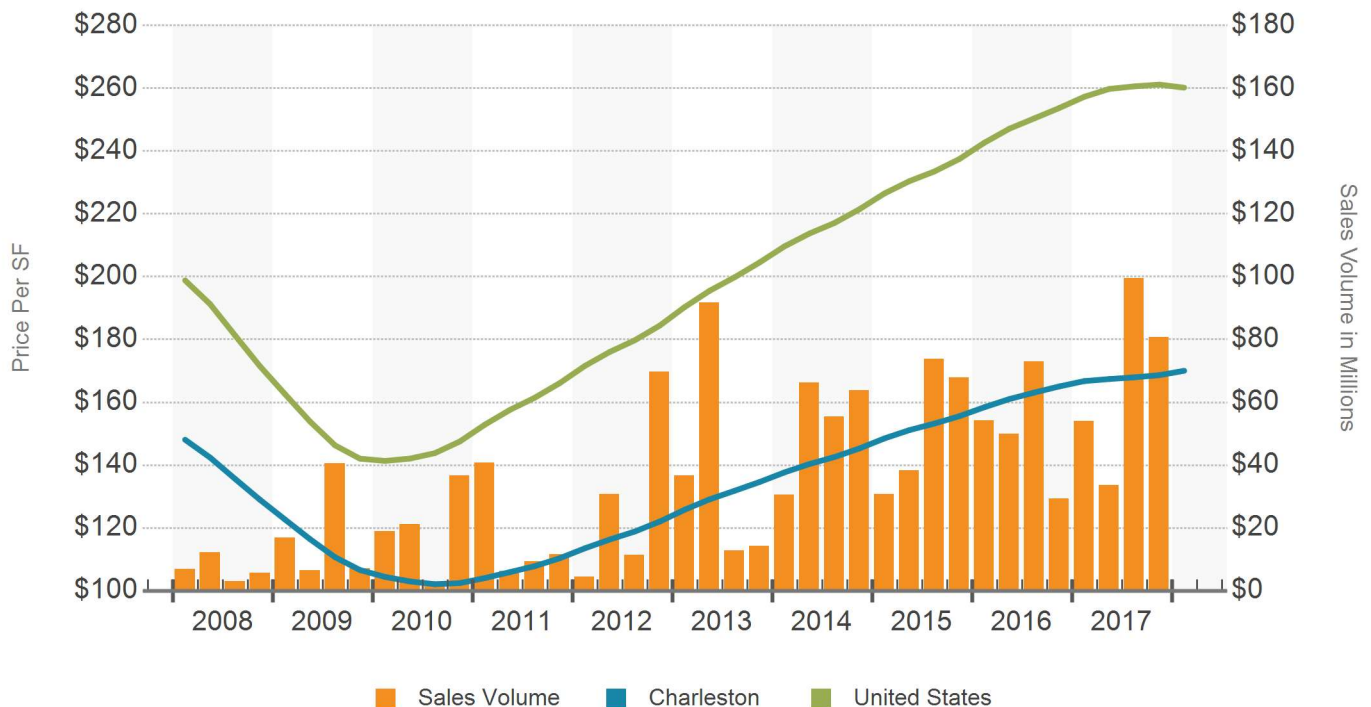
Charleston's healthy economy and rent growth continue to attract investors, with around \$150 million trading per year since 2010 and prices averaging \$130/SF. The market performed particularly well in 2017, when more than \$250 million traded hands, at an average price of about \$154/SF. Cap rates have gradually declined in Charleston over the past couple of years and currently average around 7.5%.

One of the highest-priced deals in the metro's recent history took place when the Comcast Center for Excellence in North Charleston sold in January 2017. KDC Real Estate Development, which finished building the 4 Star 80,000 SF building for Comcast in summer 2016, sold the property to Capri EGM for \$21.1 million

(\$264/SF). The buyer acquired the property as a long-term investment, as Comcast is locked into a long-term lease and also has the option to expand the current property by approximately 20,000 SF.

In August 2016, the Turtle Factory Building Corporation based out of Chicago purchased a 31,000 SF office building at 288 Meeting St. in Downtown Charleston for \$11.8 million (\$375/SF). This property was 100% occupied at the time of sale with tenants including Carolina Financial Corporation and Barnwell Whaley Patterson & Helms. The buyer acquired the property in a 1031 exchange and the in-place cap rate was 6.2%, which equates to an NOI of \$725,000.

SALES VOLUME & PRICE PER SF INDEX



Sales Past 12 Months

Charleston Office

Sale Comparables

201

Avg. Cap Rate

7.5%

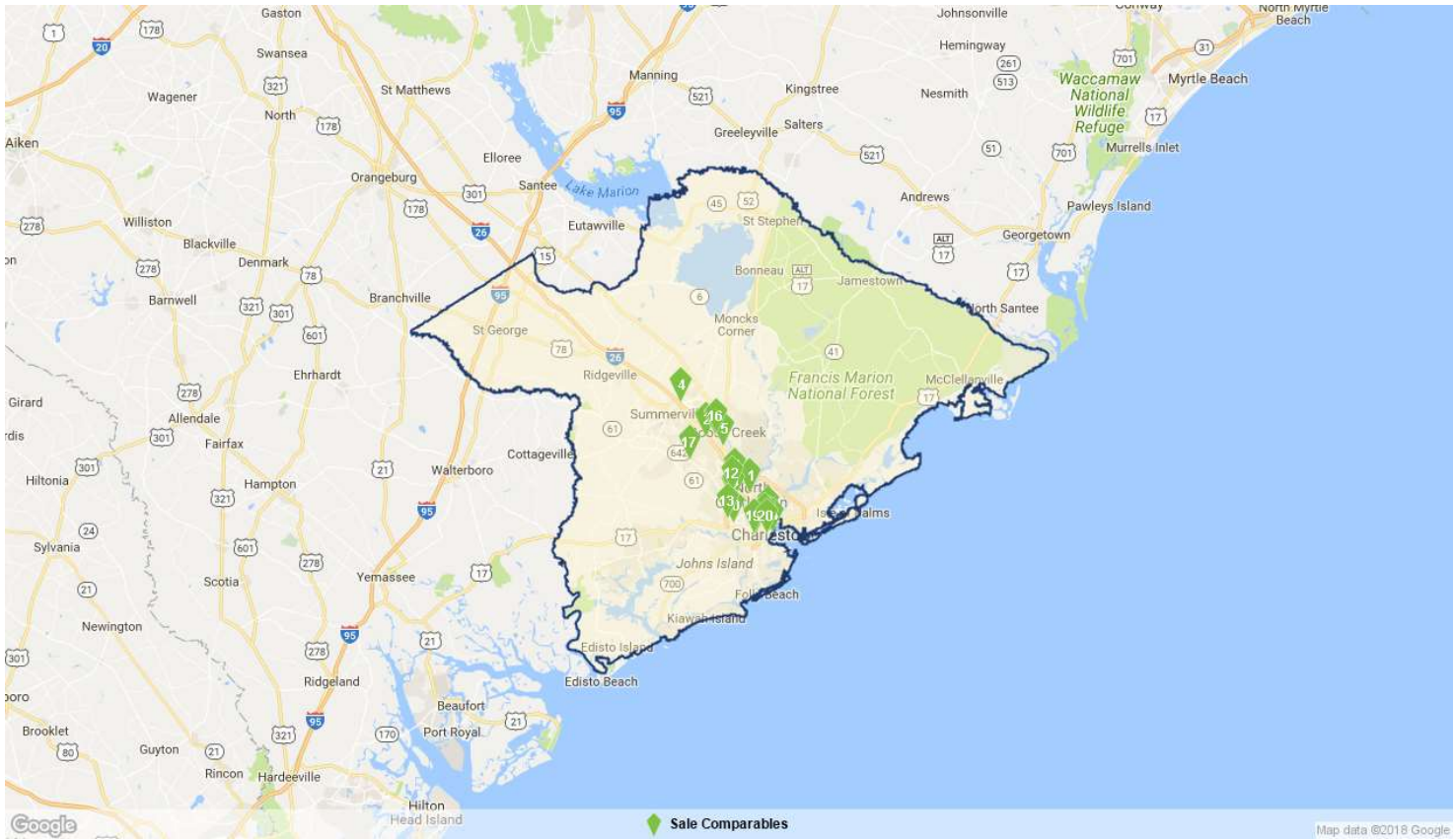
Avg. Price/SF

\$155

Avg. Vacancy At Sale

21.0%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

| Sales Attributes | Low | Average | Median | High |
|---------------------------|----------|-------------|-----------|--------------|
| Sale Price | \$34,000 | \$2,313,539 | \$660,000 | \$33,000,000 |
| Price Per SF | \$6.80 | \$155 | \$180 | \$1,078 |
| Cap Rate | 5.0% | 7.5% | 7.4% | 10.0% |
| Time Since Sale in Months | 0.4 | 6.6 | 6.7 | 12.0 |
| Property Attributes | Low | Average | Median | High |
| Building SF | 550 | 14,393 | 3,996 | 450,608 |
| Stories | 1 | 2 | 1 | 12 |
| Typical Floor SF | 550 | 7,737 | 2,838 | 158,583 |
| Vacancy Rate At Sale | 0% | 21.0% | 0% | 100% |
| Year Built | 1789 | 1982 | 1988 | 2016 |
| Star Rating | ★☆☆☆☆ | ★★★☆☆ 2.2 | ★★★☆☆ | ★★★★★ |

Sales Past 12 Months

Charleston Office

RECENT SIGNIFICANT SALES

| Property Name - Address | Property | | | | Sale | | | |
|--|----------|----------|---------|---------|------------|--------------|----------|----------|
| | Rating | Yr Built | Bldg SF | Vacancy | Sale Date | Price | Price/SF | Cap Rate |
| 1 3600 Rivers Ave | ★★★★☆ | - | 450,608 | 89.3% | 11/9/2017 | \$33,000,000 | \$73 | - |
| 2 Comcast Center For Exc... 3450 Ingleside Blvd | ★★★★☆ | 2016 | 80,000 | 0% | 1/19/2017 | \$21,100,000 | \$264 | - |
| 3 Albermarle Point Center 176 Croghan Spur Rd | ★★★★☆ | 1999 | 73,356 | 40.2% | 7/24/2017 | \$19,500,000 | \$266 | 6.4% |
| 4 The Offices at Nexton 201 Sigma Dr | ★★★★☆ | 2014 | 95,058 | 48.3% | 8/31/2017 | \$17,200,000 | \$181 | - |
| 5 Rivers Park Business Ce... 8085 Rivers Ave | ★★★★☆ | 1983 | 158,583 | 0% | 8/7/2017 | \$14,750,000 | \$93 | - |
| 6 Michael P Araneo Building 4221 Faber Place Dr | ★★★★☆ | 1999 | 48,000 | 0% | 6/29/2017 | \$11,331,443 | \$236 | 7.0% |
| 7 Rivergate Center II 4975 Lacross Rd | ★★★★☆ | 1986 | 71,597 | 0% | 8/31/2017 | \$9,898,720 | \$138 | - |
| 8 838 Morrison Dr | ★★★☆☆ | - | 8,439 | 0% | 12/1/2017 | \$9,100,000 | \$1,078 | - |
| 9 4055 Faber Place Dr | ★★★★☆ | 1990 | 53,682 | 9.9% | 12/20/2017 | \$8,700,000 | \$162 | 7.4% |
| 10 1064 Gardner Road 1064 Gardner Rd | ★★★★☆ | 1976 | 63,500 | 30.8% | 1/16/2017 | \$5,700,000 | \$90 | 7.0% |
| 11 284 King St | ★★★★☆ | 1978 | 8,630 | 0% | 10/6/2017 | \$5,055,000 | \$586 | - |
| 12 3355 W Montague Ave | ★★★★☆ | 2007 | 20,173 | 0% | 5/1/2017 | \$4,560,000 | \$226 | - |
| 13 1481 Tobias Gadson Blvd | ★★★★☆ | 2009 | 17,690 | 12.7% | 8/15/2017 | \$3,950,000 | \$223 | 8.5% |
| 14 192 E Bay St | ★★★★☆ | 1950 | - | 16.3% | 7/27/2017 | \$3,860,000 | - | - |
| 15 2550 Elms Center Rd | ★★★★☆ | 2006 | 14,250 | 0% | 7/27/2017 | \$3,783,750 | \$266 | 7.4% |
| 16 Palmetto Primary Care P... 2500 Elms Center Rd | ★★★★☆ | 2012 | 20,500 | 0% | 7/20/2017 | \$3,710,125 | \$181 | 7.8% |
| 17 Medcare Urgent Care Ce... 8720 Dorchester Rd | ★★★★☆ | 2009 | 6,427 | 0% | 10/12/2017 | \$3,250,000 | \$506 | 7.2% |
| 18 95 Cannon St | ★★★★☆ | 2013 | 7,692 | 0% | 6/2/2017 | \$3,050,000 | \$397 | 6.7% |
| 19 510 Albemarle Rd | ★★★★☆ | 2004 | 7,916 | 0% | 8/16/2017 | \$2,800,000 | \$354 | 7.3% |
| 20 31 Smith St | ★★★★☆ | 1978 | 4,615 | 0% | 7/27/2017 | \$2,650,000 | \$574 | - |

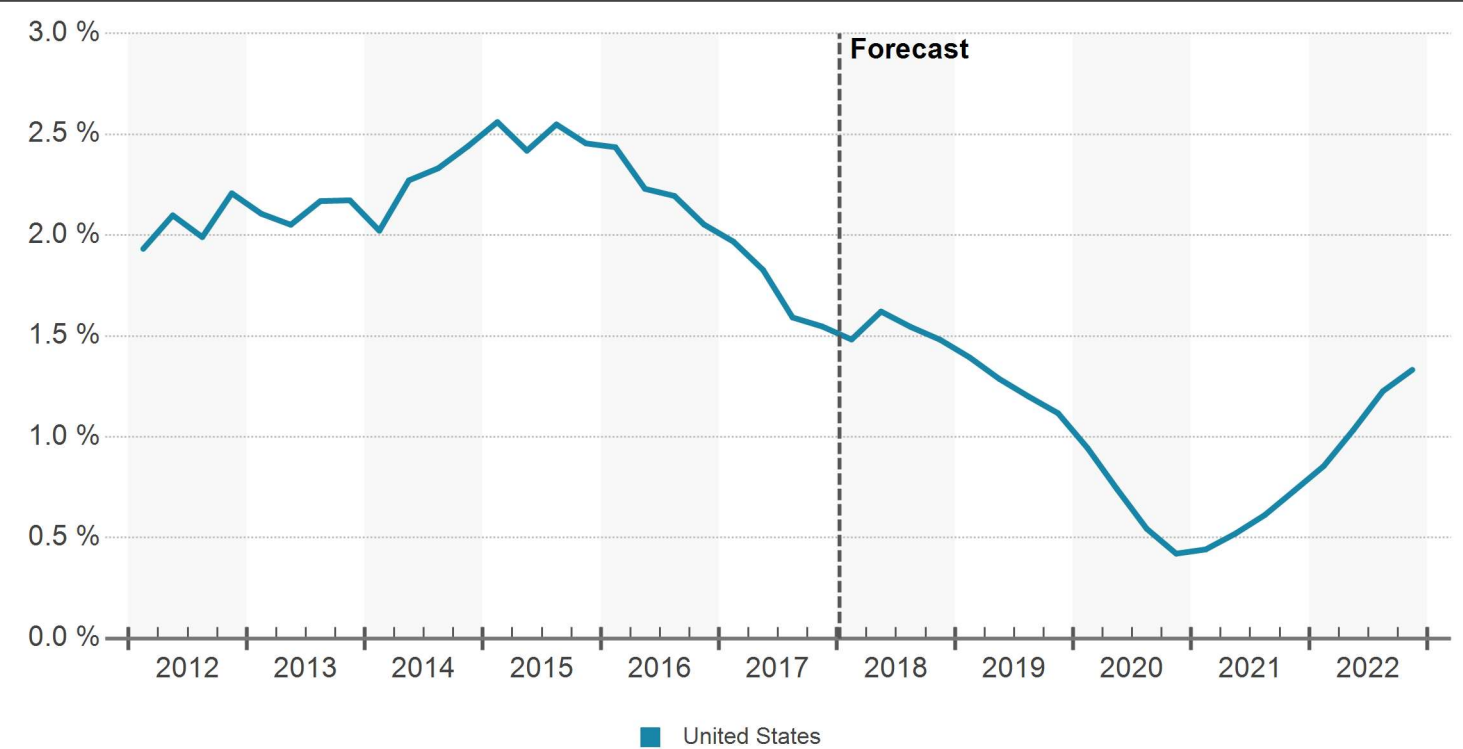
Charleston has successfully embraced globalization and economic diversification to develop an innovative and thriving economy that is among the nation's top performers. With the success of Boeing, Mercedes, Benefitfocus, and People Matter, the Chamber of Commerce forecasted a net gain of 21,000 jobs in 2016 and 2017 across all job sectors. Rapid expansion in a number of the metro's economic drivers is the reason for such strong performance. For example, Charleston's historic charm and architecture make it a major tourist destination in South Carolina, boosting growth in the important leisure and hospitality sector. A thriving port and proliferation of manufacturing facilities have also combined to fuel growth that is tracking above the national average.

The business/professional sector outpaced the local economy with growth around 5% over the past year, but the manufacturing and construction industries are expanding as well. Volvo plans to construct a \$500 million factory that will ultimately employ 4,000 in Berkeley County. Construction began in September 2015, and the first vehicles are expected to

enter production in 2018. Mercedes-Benz will be spending a half-billion dollars to construct an 8.6 million SF facility to make its Sprinter series of commercial vans. Construction began in 16Q2, and the plant could bring as many as 1,300 jobs. Unsurprisingly, the leisure and hospitality sector continues to grow, as Charleston remains one of the nation's top tourist destinations.

Benefitfocus, a top employer in Charleston, has expanded its headquarters in Daniel Island, completing its first leg of development in 15Q1. This project, once completed, is anticipated to add 1,200 employees, with the majority of them being engineers. Daniel Island, nestled in between North Charleston and Mt. Pleasant, is a 20-year-old master-planned village containing 6,000 homes, two golf courses, a country club, two million SF of office, 1.2 million SF of retail, three schools, a marina, at least 1,500 apartment units, and close to 400 acres of open space for new development. This island holds the highest median income in the market at \$94,000 and has seen 35% income growth in the last five years.

YEAR OVER YEAR JOB GROWTH



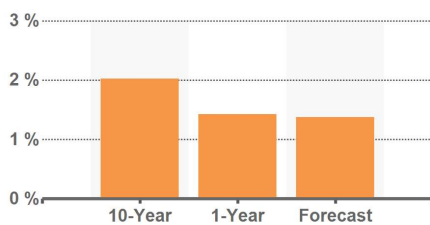
Source: Moody's Analytics

DEMOGRAPHIC TRENDS

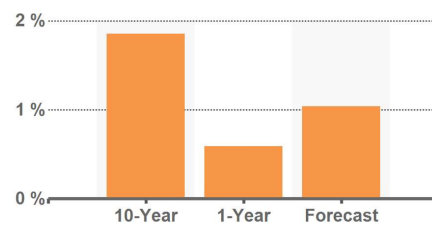
| Demographic Category | Current Level | | Current Growth | | 10-Year Growth | | Forecast Growth | |
|-------------------------|---------------|-------------|----------------|-------|----------------|-------|-----------------|------|
| | Metro | U.S. | Metro | U.S. | Metro | U.S. | Metro | U.S. |
| Population | 777,875 | 326,657,013 | 1.4% | 0.7% | 2.0% | 0.8% | 1.4% | 0.7% |
| Households | 313,054 | 125,922,219 | 1.9% | 1.2% | 2.2% | 0.8% | 1.7% | 1.1% |
| Median Household Income | \$59,826 | \$59,705 | 2.8% | 3.3% | 1.9% | 1.5% | 2.7% | 2.9% |
| Labor Force | 378,466 | 160,748,001 | 0.6% | 0.7% | 1.9% | 0.5% | 1.0% | 0.8% |
| Unemployment | 3.3% | 4.3% | -12.0% | -9.1% | -3.3% | -1.2% | - | - |

Source: Moody's Analytics

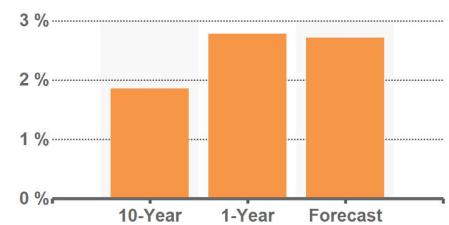
POPULATION GROWTH



LABOR FORCE GROWTH

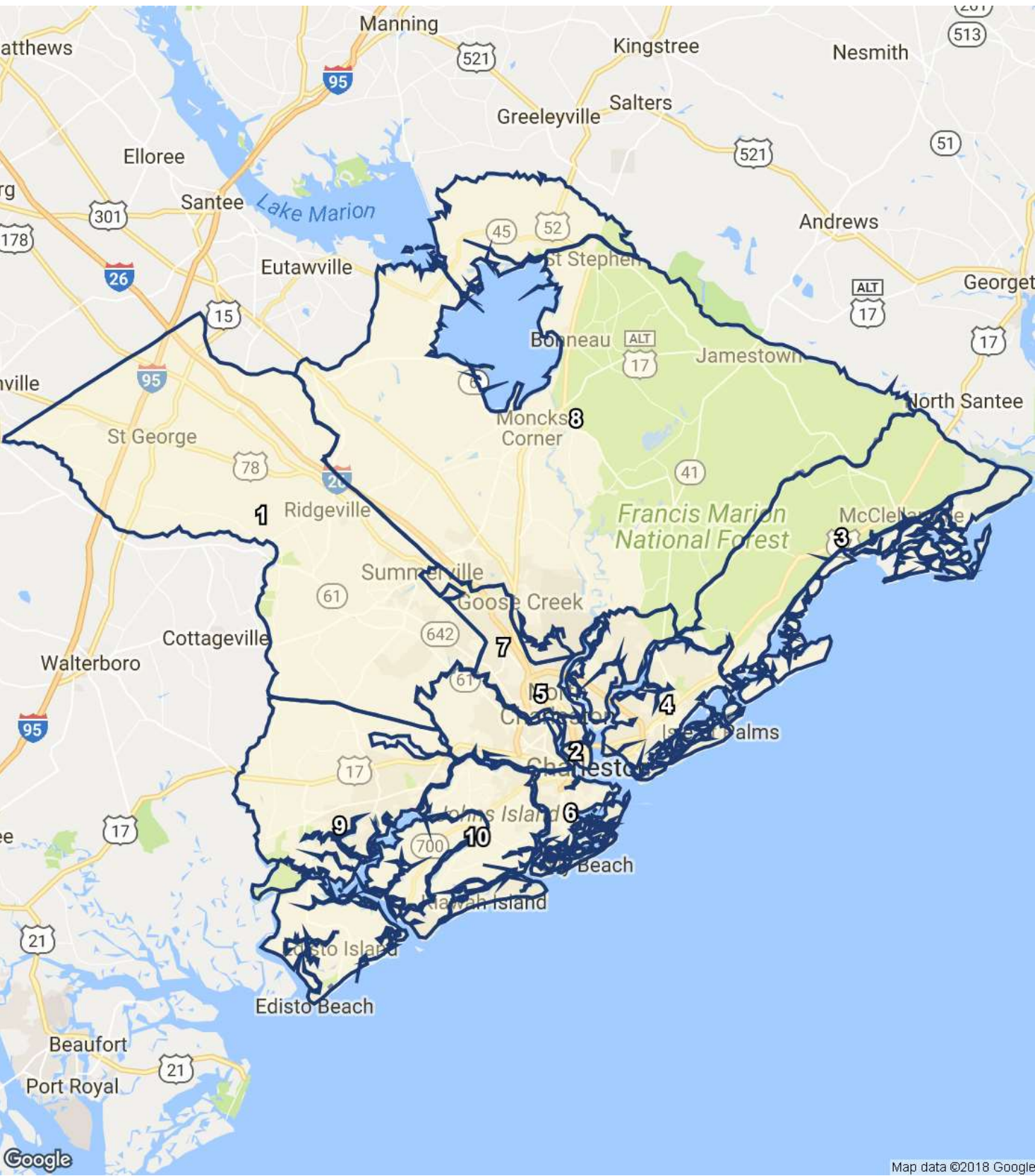


INCOME GROWTH



Source: Moody's Analytics

CHARLESTON SUBMARKETS



SUBMARKET INVENTORY

| No. | Submarket | Inventory | | | | 12 Month Deliveries | | | | Under Construction | | | |
|-----|--------------------------|-----------|----------|----------|------|---------------------|----------|---------|------|--------------------|----------|---------|------|
| | | Bldgs | SF (000) | % Market | Rank | Bldgs | SF (000) | Percent | Rank | Bldgs | SF (000) | Percent | Rank |
| 1 | Dorchester County | 399 | 1,920 | 6.6% | 6 | 0 | 0 | 0% | - | 1 | 15 | 0.8% | 5 |
| 2 | Downtown Charleston | 454 | 5,868 | 20.3% | 2 | 1 | 26 | 0.4% | 3 | 1 | 11 | 0.2% | 6 |
| 3 | E Charleston County | 3 | 35 | 0.1% | 10 | 0 | 0 | 0% | - | 0 | - | - | - |
| 4 | East Islands/Mt Pleasant | 423 | 3,833 | 13.3% | 4 | 8 | 173 | 4.5% | 1 | 3 | 92 | 2.4% | 4 |
| 5 | Greater Charleston | 559 | 4,862 | 16.8% | 3 | 5 | 130 | 2.7% | 2 | 1 | 172 | 3.5% | 2 |
| 6 | James Island/Folly Beach | 139 | 524 | 1.8% | 7 | 0 | 0 | 0% | - | 1 | 4 | 0.7% | 7 |
| 7 | North Charleston | 728 | 9,380 | 32.5% | 1 | 4 | 25 | 0.3% | 4 | 4 | 323 | 3.4% | 1 |
| 8 | Outlying Berkeley County | 329 | 2,080 | 7.2% | 5 | 4 | 12 | 0.6% | 5 | 2 | 128 | 6.1% | 3 |
| 9 | W Charleston County | 27 | 95 | 0.3% | 9 | 0 | 0 | 0% | - | 0 | - | - | - |
| 10 | West Islands | 71 | 275 | 1.0% | 8 | 2 | 6 | 2.1% | 6 | 0 | - | - | - |

SUBMARKET RENT

| No. | Submarket | Gross Asking Rent | | 12 Month Asking Rent | | Annualized Quarterly Rent | |
|-----|--------------------------|-------------------|------|----------------------|------|---------------------------|------|
| | | Per SF | Rank | Growth | Rank | Growth | Rank |
| 1 | Dorchester County | \$18.86 | 8 | 0% | 6 | -0.6% | 3 |
| 2 | Downtown Charleston | \$28.62 | 1 | -1.0% | 10 | -41.6% | 7 |
| 3 | E Charleston County | \$23.01 | 4 | -0.4% | 9 | 0% | - |
| 4 | East Islands/Mt Pleasant | \$24.69 | 2 | 0% | 4 | -8.9% | 6 |
| 5 | Greater Charleston | \$23.02 | 3 | 0.3% | 2 | -3.6% | 4 |
| 6 | James Island/Folly Beach | \$22.09 | 5 | -0.3% | 8 | -0.4% | 2 |
| 7 | North Charleston | \$21.50 | 6 | 0% | 5 | -6.2% | 5 |
| 8 | Outlying Berkeley County | \$18.80 | 9 | 0.3% | 3 | 0% | - |
| 9 | W Charleston County | \$17.74 | 10 | -0.2% | 7 | 0% | - |
| 10 | West Islands | \$20.81 | 7 | 0.5% | 1 | 17.0% | 1 |

SUBMARKET VACANCY & NET ABSORPTION

| No. | Submarket | Vacancy | | | 12 Month Absorption | | | |
|-----|--------------------------|---------|---------|------|---------------------|---------|------|------------------|
| | | SF | Percent | Rank | SF | Percent | Rank | Construct. Ratio |
| 1 | Dorchester County | 64,769 | 3.4% | 2 | 47,015 | 2.4% | 4 | - |
| 2 | Downtown Charleston | 203,098 | 3.5% | 3 | (18,157) | -0.3% | 10 | - |
| 3 | E Charleston County | - | - | - | 0 | 0% | - | - |
| 4 | East Islands/Mt Pleasant | 153,136 | 4.0% | 4 | 137,552 | 3.6% | 1 | 1.2 |
| 5 | Greater Charleston | 385,347 | 7.9% | 7 | 34,009 | 0.7% | 5 | 2.7 |
| 6 | James Island/Folly Beach | 8,996 | 1.7% | 1 | (6,116) | -1.2% | 9 | - |
| 7 | North Charleston | 843,585 | 9.0% | 8 | 116,074 | 1.2% | 2 | 0.2 |
| 8 | Outlying Berkeley County | 116,395 | 5.6% | 6 | 50,148 | 2.4% | 3 | 0.2 |
| 9 | W Charleston County | - | - | - | 0 | 0% | - | - |
| 10 | West Islands | 11,939 | 4.3% | 5 | 1,181 | 0.4% | 6 | 2.5 |

Supply & Demand Trends

Charleston Office

OVERALL SUPPLY & DEMAND

| Year | Inventory | | | Net Absorption | | |
|------|------------|-----------|----------|----------------|----------|-----------------|
| | SF | SF Growth | % Growth | SF | % of Inv | Constrct. Ratio |
| 2022 | 32,174,077 | 582,554 | 1.8% | 528,576 | 1.6% | 1.1 |
| 2021 | 31,591,523 | 583,780 | 1.9% | 401,771 | 1.3% | 1.5 |
| 2020 | 31,007,743 | 552,012 | 1.8% | 378,887 | 1.2% | 1.5 |
| 2019 | 30,455,731 | 446,362 | 1.5% | 338,491 | 1.1% | 1.3 |
| 2018 | 30,009,369 | 948,873 | 3.3% | 790,582 | 2.6% | 1.2 |
| YTD | 29,060,496 | 0 | 0% | (85,993) | -0.3% | 0 |
| 2017 | 29,060,496 | 373,951 | 1.3% | 469,284 | 1.6% | 0.8 |
| 2016 | 28,686,545 | 437,872 | 1.6% | 457,266 | 1.6% | 1.0 |
| 2015 | 28,248,673 | 337,056 | 1.2% | 316,714 | 1.1% | 1.1 |
| 2014 | 27,911,617 | 140,838 | 0.5% | 378,227 | 1.4% | 0.4 |
| 2013 | 27,770,779 | 222,203 | 0.8% | 420,693 | 1.5% | 0.5 |
| 2012 | 27,548,576 | 326,281 | 1.2% | 581,798 | 2.1% | 0.6 |
| 2011 | 27,222,295 | 264,563 | 1.0% | 545,038 | 2.0% | 0.5 |
| 2010 | 26,957,732 | 300,272 | 1.1% | 494,683 | 1.8% | 0.6 |
| 2009 | 26,657,460 | 269,069 | 1.0% | (31,706) | -0.1% | - |
| 2008 | 26,388,391 | 664,965 | 2.6% | 374,534 | 1.4% | 1.8 |

4 & 5 STAR SUPPLY & DEMAND

| Year | Inventory | | | Net Absorption | | |
|------|-----------|-----------|----------|----------------|----------|-----------------|
| | SF | SF Growth | % Growth | SF | % of Inv | Constrct. Ratio |
| 2022 | 7,352,699 | 581,129 | 8.6% | 608,785 | 8.3% | 1.0 |
| 2021 | 6,771,570 | 582,354 | 9.4% | 475,243 | 7.0% | 1.2 |
| 2020 | 6,189,216 | 550,668 | 9.8% | 414,805 | 6.7% | 1.3 |
| 2019 | 5,638,548 | 445,270 | 8.6% | 302,760 | 5.4% | 1.5 |
| 2018 | 5,193,278 | 821,430 | 18.8% | 682,124 | 13.1% | 1.2 |
| YTD | 4,371,848 | 0 | 0% | (39,662) | -0.9% | 0 |
| 2017 | 4,371,848 | 326,543 | 8.1% | 445,519 | 10.2% | 0.7 |
| 2016 | 4,045,305 | 414,855 | 11.4% | 416,363 | 10.3% | 1.0 |
| 2015 | 3,630,450 | 300,541 | 9.0% | 400,444 | 11.0% | 0.8 |
| 2014 | 3,329,909 | 83,907 | 2.6% | 48,599 | 1.5% | 1.7 |
| 2013 | 3,246,002 | 82,692 | 2.6% | 75,157 | 2.3% | 1.1 |
| 2012 | 3,163,310 | 44,810 | 1.4% | 129,854 | 4.1% | 0.3 |
| 2011 | 3,118,500 | 65,000 | 2.1% | 166,800 | 5.3% | 0.4 |
| 2010 | 3,053,500 | 0 | 0% | 25,615 | 0.8% | 0 |
| 2009 | 3,053,500 | 0 | 0% | (50,844) | -1.7% | 0 |
| 2008 | 3,053,500 | 262,625 | 9.4% | 143,843 | 4.7% | 1.8 |

Supply & Demand Trends

Charleston Office

3 STAR SUPPLY & DEMAND

| Year | Inventory | | | Net Absorption | | |
|------|------------|-----------|----------|----------------|----------|-----------------|
| | SF | SF Growth | % Growth | SF | % of Inv | Constrct. Ratio |
| 2022 | 11,603,614 | 1,425 | 0% | (32,857) | -0.3% | - |
| 2021 | 11,602,189 | 1,426 | 0% | (30,030) | -0.3% | - |
| 2020 | 11,600,763 | 1,344 | 0% | (7,790) | 0% | - |
| 2019 | 11,599,419 | 1,092 | 0% | 24,179 | 0.2% | 0 |
| 2018 | 11,598,327 | 127,443 | 1.1% | 86,419 | 0.7% | 1.5 |
| YTD | 11,470,884 | 0 | 0% | (45,699) | -0.4% | 0 |
| 2017 | 11,470,884 | 51,612 | 0.5% | (47,315) | -0.4% | - |
| 2016 | 11,419,272 | 25,859 | 0.2% | 14,311 | 0.1% | 1.8 |
| 2015 | 11,393,413 | 40,128 | 0.4% | (205,834) | -1.8% | - |
| 2014 | 11,353,285 | 76,577 | 0.7% | 222,496 | 2.0% | 0.3 |
| 2013 | 11,276,708 | 146,726 | 1.3% | 177,767 | 1.6% | 0.8 |
| 2012 | 11,129,982 | 226,987 | 2.1% | 342,280 | 3.1% | 0.7 |
| 2011 | 10,902,995 | 164,541 | 1.5% | 227,719 | 2.1% | 0.7 |
| 2010 | 10,738,454 | 273,076 | 2.6% | 440,888 | 4.1% | 0.6 |
| 2009 | 10,465,378 | 260,495 | 2.6% | 3,629 | 0% | 71.8 |
| 2008 | 10,204,883 | 299,386 | 3.0% | 265,230 | 2.6% | 1.1 |

1 & 2 STAR SUPPLY & DEMAND

| Year | Inventory | | | Net Absorption | | |
|------|------------|-----------|----------|----------------|----------|-----------------|
| | SF | SF Growth | % Growth | SF | % of Inv | Constrct. Ratio |
| 2022 | 13,217,764 | 0 | 0% | (47,352) | -0.4% | 0 |
| 2021 | 13,217,764 | 0 | 0% | (43,442) | -0.3% | 0 |
| 2020 | 13,217,764 | 0 | 0% | (28,128) | -0.2% | 0 |
| 2019 | 13,217,764 | 0 | 0% | 11,552 | 0% | 0 |
| 2018 | 13,217,764 | 0 | 0% | 22,039 | 0.2% | 0 |
| YTD | 13,217,764 | 0 | 0% | (632) | 0% | 0 |
| 2017 | 13,217,764 | (4,204) | 0% | 71,080 | 0.5% | - |
| 2016 | 13,221,968 | (2,842) | 0% | 26,592 | 0.2% | - |
| 2015 | 13,224,810 | (3,613) | 0% | 122,104 | 0.9% | - |
| 2014 | 13,228,423 | (19,646) | -0.1% | 107,132 | 0.8% | - |
| 2013 | 13,248,069 | (7,215) | 0% | 167,769 | 1.3% | - |
| 2012 | 13,255,284 | 54,484 | 0.4% | 109,664 | 0.8% | 0.5 |
| 2011 | 13,200,800 | 35,022 | 0.3% | 150,519 | 1.1% | 0.2 |
| 2010 | 13,165,778 | 27,196 | 0.2% | 28,180 | 0.2% | 1.0 |
| 2009 | 13,138,582 | 8,574 | 0% | 15,509 | 0.1% | 0.6 |
| 2008 | 13,130,008 | 102,954 | 0.8% | (34,539) | -0.3% | - |

OVERALL RENT & VACANCY

| Year | Gross Asking Rent | | | | Vacancy | | |
|------|-------------------|-------|----------|--------------|-----------|---------|----------|
| | Per SF | Index | % Growth | Vs Hist Peak | SF | Percent | Ppts Chg |
| 2022 | \$23.57 | 112 | 0.6% | 0.9% | 2,392,604 | 7.4% | 0% |
| 2021 | \$23.44 | 112 | -0.3% | 0.4% | 2,338,626 | 7.4% | 0.4% |
| 2020 | \$23.52 | 112 | -0.2% | 0.7% | 2,156,617 | 7.0% | 0.4% |
| 2019 | \$23.57 | 112 | 0.4% | 0.9% | 1,983,492 | 6.5% | 0.3% |
| 2018 | \$23.47 | 112 | 0.5% | 0.5% | 1,875,621 | 6.3% | 0.4% |
| YTD | \$23.23 | 111 | -0.6% | -0.6% | 1,796,462 | 6.2% | 0.3% |
| 2017 | \$23.36 | 111 | 0.2% | 0% | 1,710,469 | 5.9% | -0.4% |
| 2016 | \$23.32 | 111 | 5.3% | -0.2% | 1,805,802 | 6.3% | -0.2% |
| 2015 | \$22.15 | 105 | 5.7% | -5.5% | 1,825,196 | 6.5% | 0% |
| 2014 | \$20.95 | 100 | 4.5% | -11.5% | 1,804,854 | 6.5% | -0.9% |
| 2013 | \$20.04 | 95 | 3.2% | -16.6% | 2,042,243 | 7.4% | -0.8% |
| 2012 | \$19.43 | 92 | 1.1% | -20.2% | 2,240,733 | 8.1% | -1.0% |
| 2011 | \$19.21 | 91 | -0.3% | -21.6% | 2,496,250 | 9.2% | -1.1% |
| 2010 | \$19.27 | 92 | -3.4% | -21.2% | 2,776,725 | 10.3% | -0.8% |
| 2009 | \$19.95 | 95 | -5.1% | -17.1% | 2,971,136 | 11.1% | 1.0% |
| 2008 | \$21.01 | 100 | -1.9% | -11.2% | 2,670,361 | 10.1% | 0.9% |

4 & 5 STAR RENT & VACANCY

| Year | Gross Asking Rent | | | | Vacancy | | |
|------|-------------------|-------|----------|--------------|---------|---------|----------|
| | Per SF | Index | % Growth | Vs Hist Peak | SF | Percent | Ppts Chg |
| 2022 | \$30.55 | 121 | 0.7% | 1.5% | 724,307 | 9.9% | -1.3% |
| 2021 | \$30.34 | 120 | -0.2% | 0.9% | 751,963 | 11.1% | 0.7% |
| 2020 | \$30.41 | 120 | 0% | 1.1% | 644,852 | 10.4% | 1.4% |
| 2019 | \$30.43 | 120 | 0.6% | 1.1% | 508,989 | 9.0% | 2.0% |
| 2018 | \$30.25 | 120 | 0.6% | 0.6% | 366,479 | 7.1% | 1.9% |
| YTD | \$30.08 | 119 | 0% | 0% | 266,843 | 6.1% | 0.9% |
| 2017 | \$30.08 | 119 | 2.0% | 0% | 227,181 | 5.2% | -3.4% |
| 2016 | \$29.49 | 117 | 6.5% | -2.0% | 346,157 | 8.6% | -1.0% |
| 2015 | \$27.70 | 109 | 5.0% | -8.6% | 347,665 | 9.6% | -3.9% |
| 2014 | \$26.39 | 104 | 4.4% | -14.0% | 447,568 | 13.4% | 0.7% |
| 2013 | \$25.28 | 100 | 0% | -19.0% | 412,260 | 12.7% | 0% |
| 2012 | \$25.26 | 100 | 1.2% | -19.1% | 404,725 | 12.8% | -2.9% |
| 2011 | \$24.96 | 99 | -1.1% | -20.5% | 489,769 | 15.7% | -3.7% |
| 2010 | \$25.23 | 100 | 1.0% | -19.2% | 591,569 | 19.4% | -0.8% |
| 2009 | \$24.99 | 99 | -1.3% | -20.4% | 617,184 | 20.2% | 1.7% |
| 2008 | \$25.31 | 100 | 1.7% | -18.9% | 566,340 | 18.5% | 2.5% |

3 STAR RENT & VACANCY

| Year | Gross Asking Rent | | | | Vacancy | | |
|------|-------------------|-------|----------|--------------|-----------|---------|----------|
| | Per SF | Index | % Growth | Vs Hist Peak | SF | Percent | Ppts Chg |
| 2022 | \$25.07 | 117 | 0.4% | -0.6% | 1,198,504 | 10.3% | 0.3% |
| 2021 | \$24.98 | 117 | -0.5% | -1.0% | 1,164,222 | 10.0% | 0.3% |
| 2020 | \$25.11 | 117 | -0.4% | -0.4% | 1,132,766 | 9.8% | 0% |
| 2019 | \$25.22 | 118 | 0.2% | 0% | 1,123,632 | 9.7% | -0.2% |
| 2018 | \$25.16 | 118 | 0.2% | -0.2% | 1,146,719 | 9.9% | 0.3% |
| YTD | \$24.89 | 116 | -0.8% | -1.3% | 1,144,522 | 10.0% | 0.4% |
| 2017 | \$25.10 | 117 | -0.5% | -0.5% | 1,098,823 | 9.6% | 0.8% |
| 2016 | \$25.22 | 118 | 7.4% | 0% | 999,896 | 8.8% | 0% |
| 2015 | \$23.49 | 110 | 5.4% | -7.4% | 988,348 | 8.7% | 2.1% |
| 2014 | \$22.29 | 104 | 6.2% | -13.2% | 742,386 | 6.5% | -1.3% |
| 2013 | \$21.00 | 98 | 7.9% | -20.1% | 888,305 | 7.9% | -0.4% |
| 2012 | \$19.47 | 91 | 1.7% | -29.6% | 919,346 | 8.3% | -1.2% |
| 2011 | \$19.14 | 89 | 0.7% | -31.8% | 1,034,639 | 9.5% | -0.7% |
| 2010 | \$19.00 | 89 | -3.8% | -32.7% | 1,097,817 | 10.2% | -1.9% |
| 2009 | \$19.76 | 92 | -7.6% | -27.7% | 1,265,629 | 12.1% | 2.2% |
| 2008 | \$21.39 | 100 | -4.0% | -17.9% | 1,008,763 | 9.9% | 0% |

1 & 2 STAR RENT & VACANCY

| Year | Gross Asking Rent | | | | Vacancy | | |
|------|-------------------|-------|----------|--------------|-----------|---------|----------|
| | Per SF | Index | % Growth | Vs Hist Peak | SF | Percent | Ppts Chg |
| 2022 | \$19.62 | 103 | 0.7% | 1.4% | 469,793 | 3.6% | 0.4% |
| 2021 | \$19.49 | 102 | -0.2% | 0.7% | 422,441 | 3.2% | 0.3% |
| 2020 | \$19.53 | 102 | 0% | 0.9% | 378,999 | 2.9% | 0.2% |
| 2019 | \$19.54 | 103 | 0.6% | 1.0% | 350,871 | 2.7% | 0% |
| 2018 | \$19.42 | 102 | 0.7% | 0.4% | 362,423 | 2.7% | -0.2% |
| YTD | \$19.28 | 101 | 0% | -0.3% | 385,097 | 2.9% | 0% |
| 2017 | \$19.29 | 101 | -0.2% | -0.3% | 384,465 | 2.9% | -0.6% |
| 2016 | \$19.32 | 101 | 2.3% | -0.1% | 459,749 | 3.5% | -0.2% |
| 2015 | \$18.88 | 99 | 6.6% | -2.5% | 489,183 | 3.7% | -0.9% |
| 2014 | \$17.72 | 93 | 2.9% | -9.2% | 614,900 | 4.6% | -1.0% |
| 2013 | \$17.22 | 90 | 0.2% | -12.3% | 741,678 | 5.6% | -1.3% |
| 2012 | \$17.19 | 90 | 0.5% | -12.6% | 916,662 | 6.9% | -0.4% |
| 2011 | \$17.10 | 90 | -0.9% | -13.2% | 971,842 | 7.4% | -0.9% |
| 2010 | \$17.26 | 91 | -5.2% | -12.1% | 1,087,339 | 8.3% | 0% |
| 2009 | \$18.21 | 96 | -4.4% | -6.2% | 1,088,323 | 8.3% | 0% |
| 2008 | \$19.06 | 100 | -1.5% | -1.5% | 1,095,258 | 8.3% | 1.0% |

OVERALL SALES

| Year | Completed Transactions | | | | | | Market Pricing Trends | | |
|------|------------------------|-----------|----------|-------------|--------------|--------------|-----------------------|-------------|----------|
| | Deals | Volume | Turnover | Avg Price | Avg Price/SF | Avg Cap Rate | Price/SF | Price Index | Cap Rate |
| 2022 | - | - | - | - | - | - | \$174.22 | 135 | 7.9% |
| 2021 | - | - | - | - | - | - | \$176.16 | 137 | 7.8% |
| 2020 | - | - | - | - | - | - | \$176.03 | 136 | 7.8% |
| 2019 | - | - | - | - | - | - | \$176.28 | 137 | 7.6% |
| 2018 | - | - | - | - | - | - | \$174.32 | 135 | 7.5% |
| YTD | - | - | - | - | - | - | \$170.05 | 132 | 7.5% |
| 2017 | 203 | \$267.9 M | 8.6% | \$2,391,232 | \$159.27 | 7.5% | \$168.65 | 131 | 7.4% |
| 2016 | 217 | \$206.3 M | 5.9% | \$1,379,916 | \$153.95 | 8.1% | \$165.08 | 128 | 7.3% |
| 2015 | 197 | \$210.8 M | 5.5% | \$1,434,328 | \$159.51 | 7.5% | \$155.60 | 121 | 7.5% |
| 2014 | 145 | \$215.8 M | 6.2% | \$2,014,951 | \$131.53 | 7.8% | \$145.34 | 113 | 7.8% |
| 2013 | 146 | \$155.3 M | 4.1% | \$1,809,381 | \$169.92 | 9.6% | \$134.65 | 104 | 8.3% |
| 2012 | 141 | \$116.1 M | 6.6% | \$1,225,673 | \$85.09 | 8.0% | \$122.06 | 95 | 9.0% |
| 2011 | 95 | \$67.9 M | 2.1% | \$1,015,178 | \$145.88 | 7.3% | \$110.38 | 86 | 9.8% |
| 2010 | 88 | \$78.9 M | 4.9% | \$1,398,442 | \$69.14 | 6.3% | \$102.48 | 79 | 10.3% |
| 2009 | 66 | \$70.7 M | 2.3% | \$1,972,571 | \$161.68 | - | \$106.65 | 83 | 10.2% |
| 2008 | 56 | \$27.8 M | 1.0% | \$768,033 | \$173.67 | 8.6% | \$128.98 | 100 | 8.8% |