

FIGURES | CHARLESTON INDUSTRIAL | Q1 2026

Industrial Fundamentals Stabilize As Supply Wave Subsides

▼ 13.0%

Vacancy Rate

▲ 867,000

SF Net Absorption

▼ 636,000

SF Construction Delivered

▼ 175,000

SF Under Construction

▲ \$8.42

NNN/YR Direct Lease Rate

Note: Arrows indicate change from previous quarter.

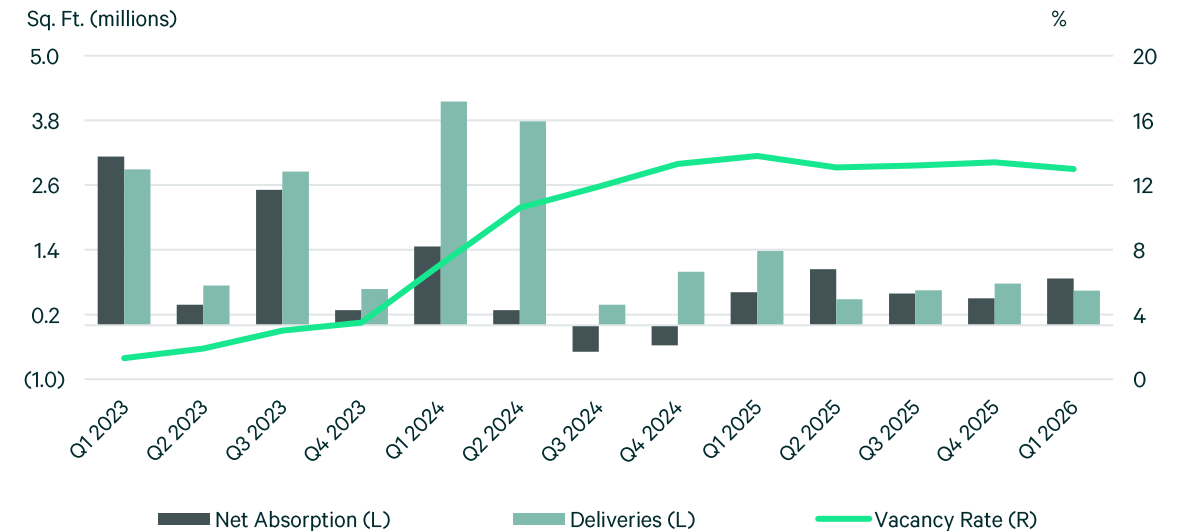
Market Overview

The market transitioned over the past few years from tight conditions to a supply-driven, higher-vacancy environment, then began a stabilization trend in 2025. Heavy deliveries through 2024, including 4.2 million sq. ft. in Q1 2024 and 3.8 million sq. ft. in Q2 2024, coincided with two quarters of negative net absorption in the second half of 2024 and pushed vacancy from 7.1% in Q1 2024 to 13.0% by Q1 2026, while availability rose from 10.0% to 16.8%.

By Q1 2026, fundamentals showed continued signs of improvement. Net absorption reached 867,000 sq. ft., up 74.1% quarter-over-quarter and 42.6% year-over-year, as vacancy edged down 40 basis points (bps) from Q4 2025 and 80 bps from Q1 2025. Availability also dipped 1.4% quarter-over-quarter.

At the same time, the construction pipeline had largely cleared: space under construction has fallen 93.1% year-over-year, from 2.5 million sq. ft. in Q1 2025 to 175,000 sq. ft. in Q1 2026, while deliveries were 54.0% lower than a year earlier. Therefore, 2026 began with elevated vacancy from prior years but firmer demand, modest 4.9% year-over-year rent growth, and a sharply reduced development pipeline.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q1 2026

Availability Rate

Industrial availability in the Charleston market moved lower in Q1 2026, signaling modest progress following a prolonged period of elevated vacancy. Overall availability ended the quarter at 16.8%, improving from 18.2% in Q4 2025, though still slightly above the 16.6% level recorded one year earlier. Availability continues to vary by building size, with properties larger than 300,000 sq. ft. reporting a vacancy rate of 17.63%, compared with 8.76% for buildings under 300,000 sq. ft., highlighting stronger demand for smaller and mid-sized space.

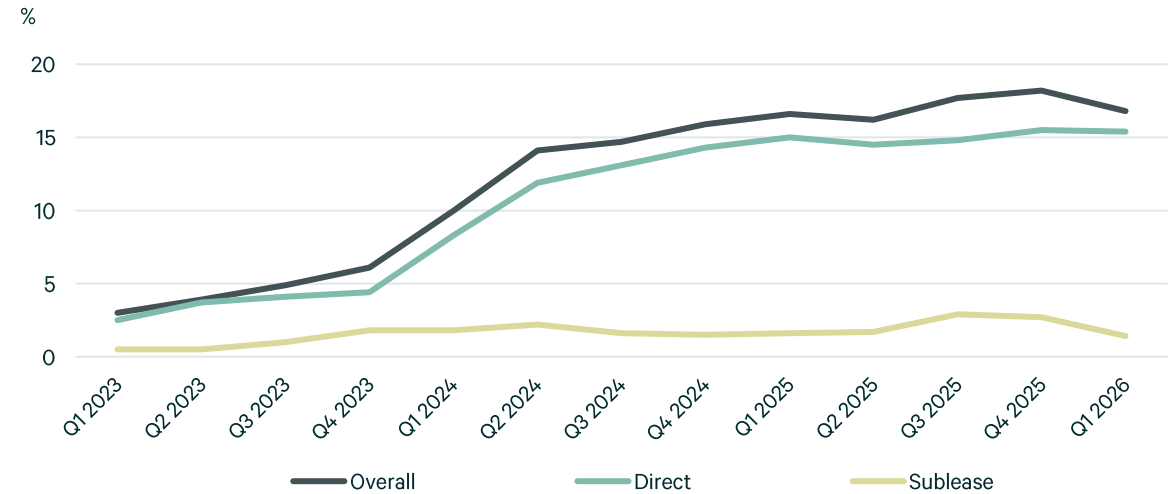
Much of the quarter’s improvement was tied to a meaningful reduction in sublease space, with sublease availability declining to 1.4% from 2.7% in the prior quarter. This shift occurred alongside elevated leasing activity, as total leasing volume reached 2.3 million sq. ft., reinforcing underlying demand. The reduction was largely driven by Hounen Solar America executing a direct lease for 1.0 million sq. ft. that had previously been offered as sublease space, removing a significant block from the I-26 North submarket. Despite this removal, I-26 North continues to carry the highest availability at 24.4%. Class A availability remains elevated at approximately 25.0%, reflecting ongoing lease-up of newer inventory even as demand improves.

Asking Rent

Industrial asking rents in the Charleston market remained relatively steady in Q1 2026, reflecting pricing stability amid sustained demand for functional space. The average market asking rent reached \$8.42 per sq. ft., recording a slight quarter-over-quarter increase and remaining higher than levels observed one year earlier. This marks a recovery trend that has been ongoing since a surge of new warehouse construction hit the market in early 2024. Although the added Class A completions lifted top-of-market rents for warehouse, the overall direct asking rate for the market - which includes a combination of warehouse and flex - experienced a downward shift to the weighted average, given that the warehouse rents are generally lower than flex.

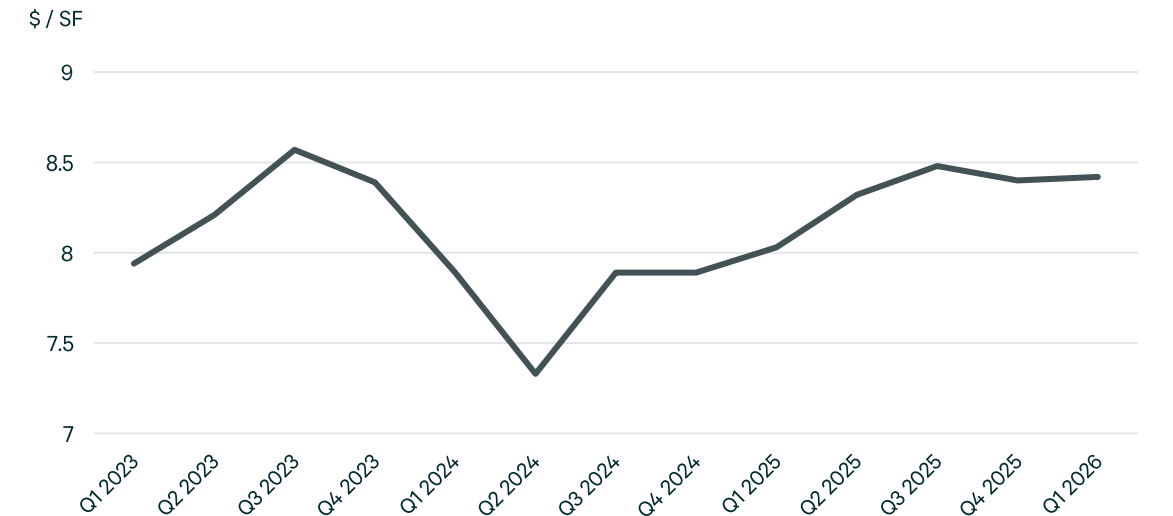
Class A asking rents have risen steadily from \$5.75 per sq. ft. in Q1 2023 to \$8.01 per sq. ft. in Q1 2026, a compounded effect caused by both new construction at higher rates and organic rent growth for existing assets driven by landlords demising space to remain competitive to varied tenant size requirements. Rent levels continue to vary meaningfully by submarket: West Ashley recorded the highest average asking rent at \$18.75 per sq. ft., followed by the Charleston (Peninsula) submarket at \$13.64 per sq. ft., reflecting smaller and more flex-heavy footprints. East Cooper, Hanahan, North Charleston/Ladson, and I-26 North posted lower average asking rents ranging from \$7.36 to \$11.08 per sq. ft., underscoring the role of scale as large/bulk product dominates these logistics-driven corridors.

Figure 2: Availability Rates



Source: CBRE Research, Q1 2026

Figure 3: Average Direct Asking Rate



Source: CBRE Research, Q1 2026

Net Absorption

The Charleston industrial market recorded continued improvement in occupancy fundamentals during Q1 2026, posting approximately 867,000 sq. ft. of positive net absorption. This shows that Q1 2026 exceeds the per-quarter average of 825,000 sq. ft. across the past three years and also exceeds the per-quarter average of 682,000 sq. ft. throughout 2025.

Absorption this quarter was driven by several large occupancies in modern buildings, including 343,600 sq. ft. at Coastal Crossroads Building 3, 209,580 sq. ft. at 157 Belgium Way, and 171,080 sq. ft. at Tradepark East on Weber Boulevard. Notably, while Hounen Solar America executed a 1.0 million sq. ft. lease at Charleston Trade Center during the quarter, the transaction did not contribute to net absorption, as the space had been previously occupied. At the submarket level, I-26 North accounted for roughly 706,000 sq. ft. of net gains, followed by North Charleston/Ladson with approximately 225,000 sq. ft.. Offsetting this activity, East Cooper and West Ashley recorded moderate negative absorption, largely within smaller or older assets.

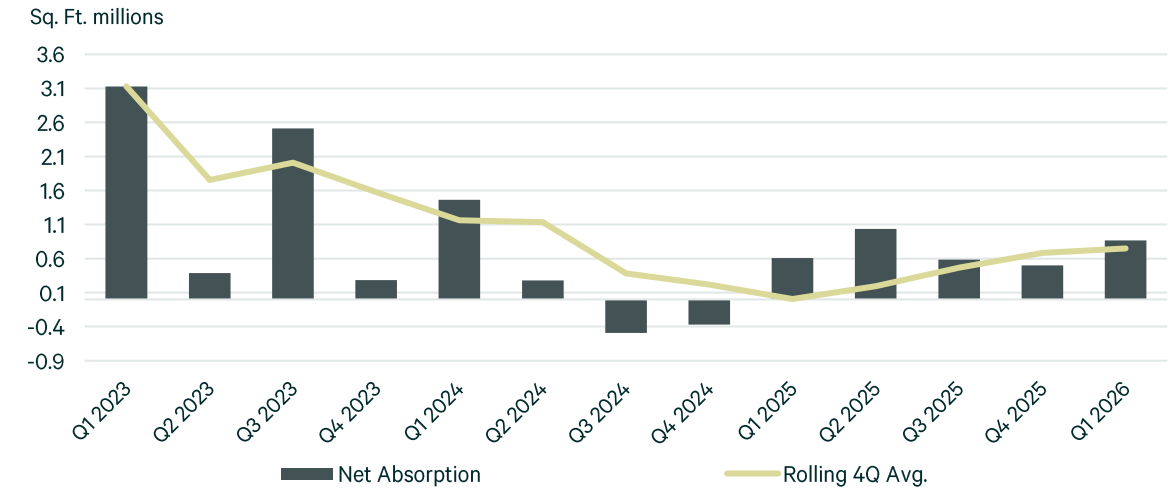
Construction Activity

In Q1 2026, the market had 175,000 sq. ft. under construction and delivered 636,000 sq. ft. of new space. Over full-year 2025, construction deliveries totaled 3.3 million sq. ft., and space under construction ended the year at 790,000 sq. ft., reflecting a pronounced slowdown from earlier levels. Versus Q4 2025, the Q1 2026 pipeline contracted by 77.9% while deliveries declined 17.7%, and compared with Q1 2025, under construction was 93.1% lower and deliveries were down 54.0%.

All current development activity is concentrated in the North Charleston/Ladson submarket, where 175,000 sq. ft. is underway across two projects. The largest is Lowcountry Logistics I, a 145,000 sq. ft. distribution/logistics facility that is still fully available and scheduled to deliver in Q3 2026, alongside the 30,000 sq. ft. warehouse/storage project at 7216 Cross Park Dr, also fully available. No other submarkets report projects under construction this quarter.

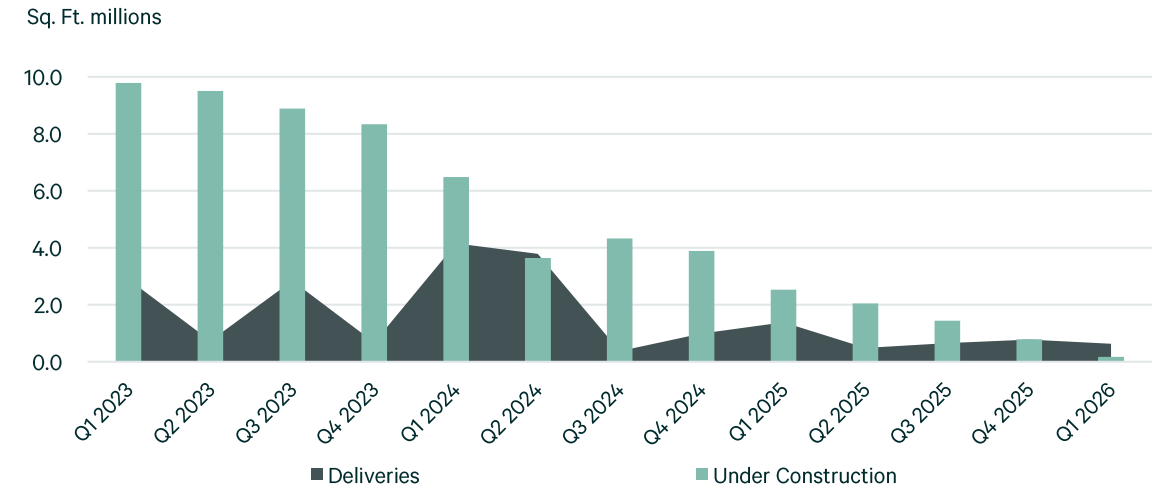
Multiple next-in-line proposed projects are fully permitted and awaiting stabilization of recently delivered product before breaking ground in the coming quarters.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q1 2026

Figure 5: Construction Activity



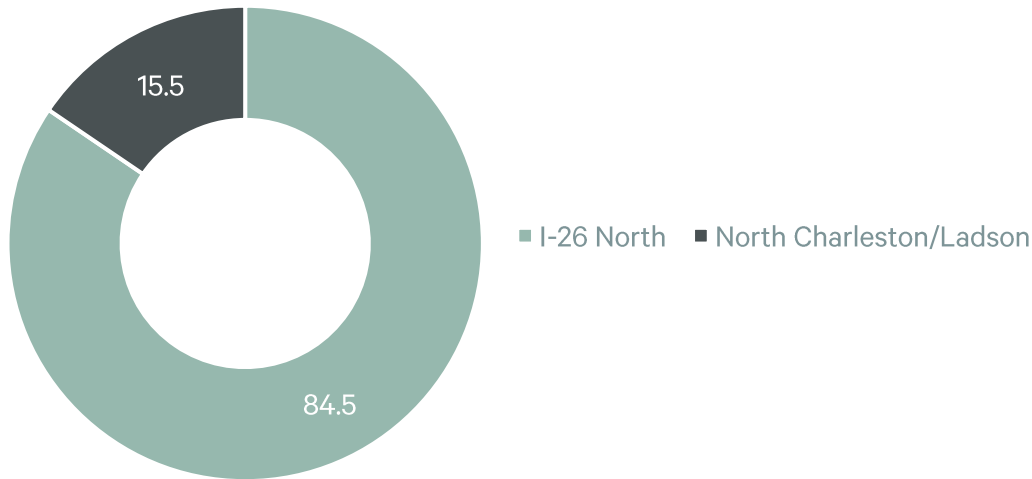
Source: CBRE Research, Q1 2026

Leasing Activity

Leasing activity accelerated in Q1 2026, reflecting a notable rebound in tenant demand compared with recent quarters. Total leasing volume reached 2.3 million sq. ft., surpassing both the prior quarter and the same period last year, and exceeding the previous three-year quarterly high of 1.9 million sq. ft. recorded in Q2 2025. Since Q1 2023, cumulative leasing activity has totaled 15.2 million sq. ft., highlighting the market’s ability to generate sustained leasing demand to support the recent influx in new construction.

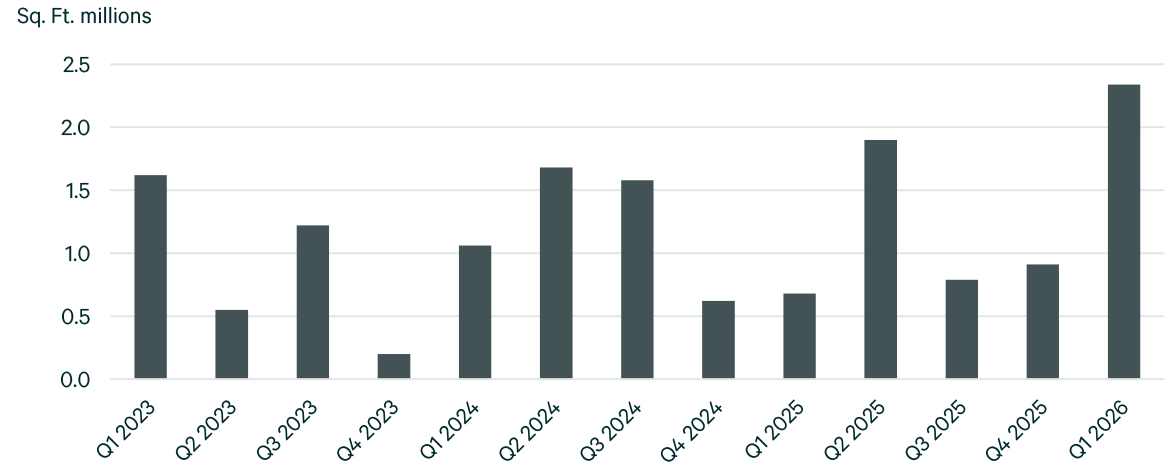
Leasing was highly concentrated within the I-26 North submarket, which accounted for approximately 2.0 million sq. ft. of total activity during the quarter. Demand in this corridor was driven by several large-format transactions, led by Hounen Solar America’s 1.0 million sq. ft. lease at Charleston Trade Center and Mobix Fulfillment’s 343,306 sq. ft. commitment at Coastal Crossroads Building 3. North Charleston/Ladson recorded 363,000 sq. ft. of activity, primarily through moderately sized transactions. Overall, Q1 2026 leasing highlights continued tenant preference for modern, well-located industrial facilities along established logistics corridors, with large users having an outsized impact on quarterly leasing totals.

Figure 7: Leasing Activity by Submarket (% of Total Activity)



Source: CBRE Research, Q1 2026

Figure 6: Leasing Activity Trend



Source: CBRE Research, Q1 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Hounen Solar America	1,019,000	New Lease	401 Trade Center Pkwy	I-26 North
Mobix Fulfillment	343,000	New Lease	420 Strathmore Rd	I-26 North
Hinton Lumber Products	210,000	New Lease	157 Belgium Way	I-26 North
Bintelli	171,000	New Lease	6901 Weber Blvd	North Charleston/Ladson
WECS Renewable Agents	158,000	New Lease	135 Electric Ave	I-26 North
Beyond Lifestyle	110,000	New Lease	410 Tradeport Dr	I-26 North
Palm Casual Patio Furniture	63,000	Renewal	420 Industrial Rd	I-26 North
GMH Land Holdings	52,000	Renewal	6555 Fain St	North Charleston/Ladson

Source: CBRE Research, Q1 2026

Market Statistics by Size

Figure 9

Size Range	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Q1 Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Under 100,000 sq. ft.	18.50	3.7	8.3	7.1	1.1	11.24	(6,000)	(6,000)	87,000	30,000
100,000-199,999 sq. ft.	16.29	7.3	11.2	8.9	2.3	11.22	-	-	-	145,000
200,000-299,999 sq. ft.	14.23	17.0	21.0	18.5	2.5	8.13	40,000	40,000	236,000	-
300,000-499,999 sq. ft.	14.32	12.6	16.7	15.6	1.1	7.72	489,000	489,000	313,000	-
500,000-749,999 sq. ft.	12.47	19.0	26.8	24.7	2.1	7.86	-	-	-	-
750,000 sq. ft.	18.30	20.6	20.6	20.6	-	6.62	344,000	344,000	-	-
Total	94.11	13.0	16.8	15.4	1.4	8.42	867,000	867,000	636,000	175,000

Source: CBRE Research, Q1 2026

Market Statistics by Product Type

Figure 10

Product Type	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Q1 Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Distribution/Logistics	68.29	17.5	22.3	20.3	1.9	8.35	824,000	824,000	636,000	175,000
Manufacturing - General	23.66	1.0	2.4	2.3	0.2	8.91	50,000	50,000	-	-
R&D/Flex	2.16	1.7	3.3	3.3	-	15.19	(8,000)	(8,000)	-	-
Total	94.11	13.0	16.8	15.4	1.4	8.42	867,000	867,000	636,000	175,000

Source: CBRE Research, Q1 2026

Market Statistics by Class

Figure 11

Property Class	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Q1 Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	52.28	20.7	25.0	23.2	1.8	8.01	873,000	873,000	591,000	145,000
Class B and C	41.83	3.3	6.7	5.7	1.1	9.90	(6,000)	(6,000)	45,000	30,000
Total	94.11	13.0	16.8	15.4	1.4	8.42	867,000	867,000	636,000	175,000

Source: CBRE Research, Q1 2026

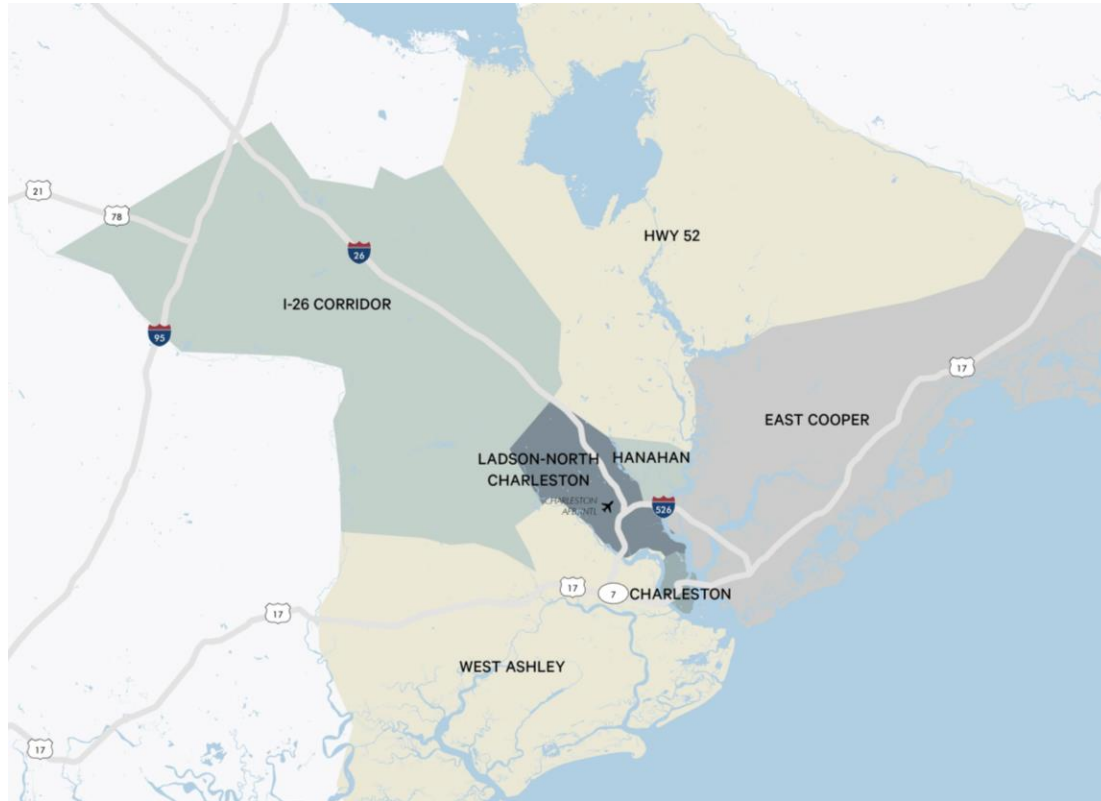
Market Statistics by Submarket

Figure 12

Submarket	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Q1 Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Charleston (Peninsula)	0.31	17.7	17.7	17.7	-	13.64	-	-	-	-
East Cooper	9.50	7.7	15.1	13.8	1.3	11.08	(51,000)	(51,000)	24,000	-
Hanahan	6.81	5.3	8.4	6.9	1.5	9.48	-	-	-	-
Hwy 52 North	6.34	-	0.9	-	0.9	-	-	-	-	-
I-26 North	37.42	21.4	24.4	23.4	1.0	7.36	706,000	706,000	549,000	-
North Charleston/Ladson	32.69	9.4	14.1	11.9	2.2	9.14	225,000	225,000	64,000	175,000
West Ashley	1.05	1.9	1.9	1.9	-	18.75	(14,000)	(14,000)	-	-
Total	94.11	13.0	16.8	15.4	1.4	8.42	867,000	867,000	636,000	175,000

Source: CBRE Research, Q1 2026

Market Area Overview



CBRE Offices

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Survey Criteria

The CBRE, Inc. Industrial Figures report provides statistics based on a revised set of inventory consisting of industrial properties in the following submarkets: Charleston, West Ashley, Ladson-North Charleston, Hanahan, East Cooper, Hwy 52, and I-26 Corridor. All properties are industrial properties greater than 10,000 sq. ft. Absorption is counted when the lease is signed and is not based on physical occupancy; when a building delivers, preleases are counted as absorption in the quarter of delivery. Historical data is reflective of the current set of inventory rather than previously published report figures and is subject to revision as additional information becomes available.

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