

# MARKETBEAT INDUSTRIAL SNAPSHOT

## GREENVILLE/SPARTANBURG, SC

A Cushman & Wakefield Alliance Research Publication

Q1 2013



### ECONOMIC OVERVIEW

The unemployment rate in Greenville and Spartanburg in February was 6.9% and 8.4%, respectively. This is an improvement for both MSA's over last year at this time, although up slightly from lows reached in the latter half of

last year.

### INLAND PORT

The official commencement of construction on the new Inland port began in Q1 2013. This is expected to have a significant impact on the Upstate industrial market in several ways. First, local manufacturers will reap the benefit of access to rail to ship to the port in Charleston, thus lowering transportation cost. Secondly, users of the port will have an opportunity to locate in the Upstate instead of at the port which will lead to lower occupancy cost. Finally, the abundance of land around the port will lead to new development opportunities including build-to-suits.

### NEW DEVELOPMENT

During the second quarter we expect to see some construction including some speculative space. Several developers including Liberty Property Trust are in the market and considering some speculative construction. Speculative space is space that is under construction, but not yet leased to a user. Laurens County will begin its 50,000 square-foot speculative project in the second quarter. We also expect several build-to-suits to be announced during this quarter.

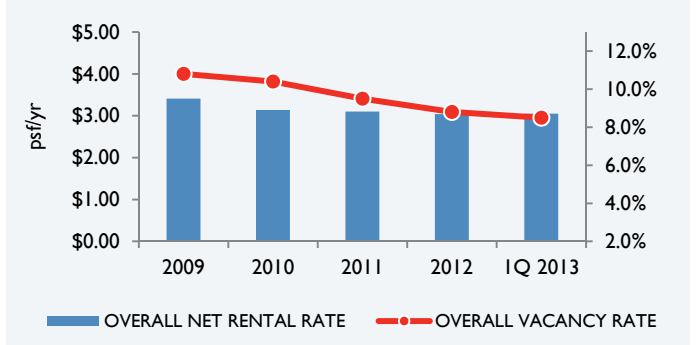
### OUTLOOK

We will see rents continue to escalate due to the lack of available quality space. This should encourage new development and will likely provide developers with lease comps to support speculative development. We expect class A lease rates in the \$4 per square foot plus range going forward.

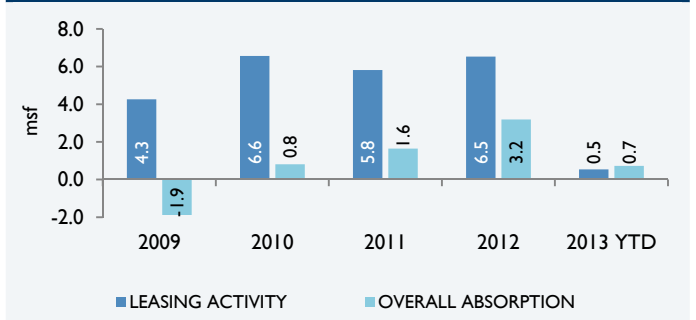
### STATS ON THE GO

	Q1 2012	Q1 2013	Y-O-Y CHANGE	12 MONTH FORECAST
Overall Vacancy	9.6%	8.5%	-1.1%	▼
Direct Asking Rents (psf/yr)	\$3.14	\$3.08	-1.9%	◄
YTD Leasing Activity (sf)	2,218,611	538,498	-75.7%	▲

### OVERALL RENTAL VS. VACANCY RATES



### LEASING ACTIVITY VS. OVERALL ABSORPTION



**GREENVILLE, SC**

SUBMARKET	INVENTORY	OVERALL VACANCY RATE	YTD LEASING ACTIVITY	UNDER CONSTRUCTION	YTD CONSTRUCTION COMPLETIONS	YTD DIRECT NET ABSORPTION	YTD OVERALL NET ABSORPTION	DIRECT WEIGHTED AVERAGE NET RENTAL RATE			
								HT	MF	OS	W/D
Cherokee County	5,302,890	18.3%	6,389	90,000	0	36,600	36,600	\$0.00	\$2.28	\$3.25	\$2.61
Downtown Airport	3,383,842	4.2%	2,500	0	0	252,549	252,549	\$0.00	\$0.00	\$8.54	\$3.51
Downtown Greenville	444,124	1.8%	0	0	0	0	0	\$0.00	\$6.00	\$0.00	\$0.00
East Side	1,789,730	19.3%	0	0	0	122,000	122,000	\$0.00	\$1.00	\$2.23	\$2.23
Greenville CBD	294,774	0.0%	0	0	0	0	0	\$0.00	\$0.00	\$8.28	\$0.00
I-385/Simpsonville	11,027,380	6.5%	6,000	0	0	(129,197)	(129,197)	\$0.00	\$2.61	\$2.88	\$3.24
I-385/ Woodruff Rd Hwy 14	8,206,508	6.5%	20,142	0	0	(62,736)	(62,736)	\$8.50	\$8.96	\$7.44	\$4.01
I-85 South/Donaldson	14,544,268	6.9%	4,000	0	0	112,270	112,270	\$4.12	\$3.75	\$2.00	\$3.06
I-85 Anderson County	266,797	0.0%	0	0	0	0	0	\$0.00	\$0.00	\$0.00	\$0.00
I-85/Wenwood/ICAR	11,469,597	17.2%	99,336	0	0	61,561	61,561	\$0.00	\$2.61	\$6.99	\$3.05
Laurens County	9,931,037	6.5%	0	0	0	91,084	91,084	\$0.00	\$1.75	\$0.00	\$2.44
Lower Spartanburg	11,337,986	4.2%	4,950	0	0	79,800	79,800	\$0.00	\$1.74	\$0.00	\$2.50
North Side/Rte9 Corridor	10,937,170	12.5%	22,715	0	0	(26,165)	(26,165)	\$0.00	\$3.65	\$6.00	\$2.44
Outlying Anderson County	18,620,737	7.1%	95,000	0	0	(144,772)	(117,942)	\$0.00	\$0.00	\$0.00	\$2.82
Outlying Pickens County	5,226,728	4.4%	107,202	0	0	(6,066)	(6,066)	\$0.00	\$2.75	\$5.10	\$3.02
Pelham Road	1,899,302	5.1%	6,962	0	0	56,480	166,480	\$0.00	\$0.00	\$7.36	\$3.61
Route 101 Corridor	8,556,243	7.9%	33,900	0	0	(49,075)	(43,075)	\$0.00	\$5.50	\$3.94	\$4.29
Route 14 Corridor	3,599,423	7.4%	10,000	0	0	(495)	(495)	\$0.00	\$0.00	\$6.50	\$3.78
Rte 153/Rte 123 Corridor	1,580,112	7.3%	3,200	0	0	8,875	8,875	\$0.00	\$6.72	\$2.40	\$2.78
Route 29 Rutherford Road	7,934,059	9.9%	2,100	0	0	17,353	17,353	\$0.00	\$0.00	\$7.00	\$2.96
Route 290 Corridor	7,483,235	2.5%	15,000	0	0	12,000	12,000	\$0.00	\$3.61	\$5.22	\$3.06
South Greenville	452,154	0.0%	0	0	0	0	0	\$0.00	\$0.00	\$0.00	\$0.00
Spartanburg CBD	830,797	20.9%	0	0	0	127,200	127,200	\$0.00	\$0.00	\$0.00	\$0.00
Travelers Rest	3,149,008	6.6%	0	0	0	4,124	4,124	\$0.00	\$2.35	\$3.48	\$2.41
Upper Spartanburg City	22,324,177	5.8%	57,828	0	0	263,200	263,200	\$0.00	\$3.03	\$2.50	\$2.62
West End	465,639	3.2%	0	0	0	0	0	\$0.00	\$0.00	\$0.00	\$0.00
West Greenville	14,412,428	16.1%	39,400	0	0	(99,533)	(99,533)	\$0.00	\$1.89	\$3.76	\$2.42
West Side	9,846,779	7.9%	1,874	0	0	(140,834)	(140,834)	\$0.00	\$1.01	\$3.00	\$2.29
<b>TOTALS</b>	<b>195,316,924</b>	<b>12.0%</b>	<b>538,498</b>	<b>90,000</b>	<b>0</b>	<b>586,223</b>	<b>729,053</b>	<b>\$7.51</b>	<b>\$2.49</b>	<b>\$5.37</b>	<b>\$2.97</b>

\* RENTAL RATES REFLECT ASKING \$PSF/YEAR HT= HIGH TECH MF = MANUFACTURING OS = OFFICE SERVICE W/D = WAREHOUSE/DISTRIBUTION

## MARKET HIGHLIGHTS

Significant Q1 2013 Lease Transactions	SUBMARKET	TENANT	PROPERTY TYPE	SQUARE FEET
Milledge Ct	Donaldson	The Crown Group	Manufacturing	98,000
Brozzini Ct	Pelham Rd	Hartness Int	Warehouse	72,000
Wade Hampton	Taylors	Marvin's Produce	Warehouse	45,000
Beachtree Blvd	Donaldson	Corbures	Manufacturing	30,000
Significant Q1 2013 Sale Transactions	SUBMARKET	BUYER	PURCHASE PRICE / \$PSF	SQUARE FEET
Old Stage Rd	I-385 South	Sunland	\$10,850,000/\$17.50	620,000
Significant Q1 2013 Construction Completions	SUBMARKET	MAJOR TENANT	COMPLETION DATE	BUILDING SQUARE FEET
N/A				
Significant Projects Under Construction	SUBMARKET	MAJOR TENANT	COMPLETION DATE	BUILDING SQUARE FEET
Cherokee Industrial Park	Cherokee County	Berricap	Q4 2013	90,000