

MARKETBEAT INDUSTRIAL SNAPSHOT

GREENVILLE/SPARTANBURG, SC

A Cushman & Wakefield Research Publication

Q1 2014



ECONOMIC OVERVIEW

During the first Quarter, the Upstate received several large announcements that will have long lasting positive effects on employment and the industrial sector. Spartanburg County had two \$1 Billion investment announcements in BMW and Toray. Together these announcements will create over 1,300 new jobs. The unemployment rate continues to drop in the Upstate. Currently Greenville county unemployment stands at 4.3% and Spartanburg county unemployment stands at 6.7%.

NEW DEVELOPMENT

BMW's announcement as of late March 2014 will be a huge driver in the next two years for the Greenville/Spartanburg area. Their projected 50% production increase will dictate that many suppliers also increase their square feet. In addition, there are over 1,100,000 SF of build-to-suit or expansion projects under construction. There is also over 1,000,000 SF of speculative space currently under construction or that has been announced. The industrial market will continue to see significant construction over the next two years.

Land sites with access to utilities and the interstate, that offer good topography and have minimal encumbrances, are becoming harder to find. Industrial users demand access to these amenities as well as good proximity to their desired employee base.

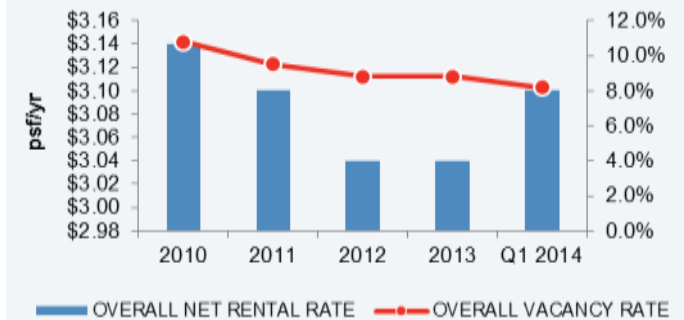
OUTLOOK

Corporations continue to actively seek space in the Upstate; however, there is continued hesitancy to commit. We believe this is due to the volatility in the economy, government interference & uncertainty, lack of quality space, and the hardships endured during the last recession. Users will continue to flock to quality and proximity to the Interstate system and the Inland Port will dictate where many of the users locate. We look for a significant number of deals to transact during Q2 and Q3 based on the volume of users in the market.

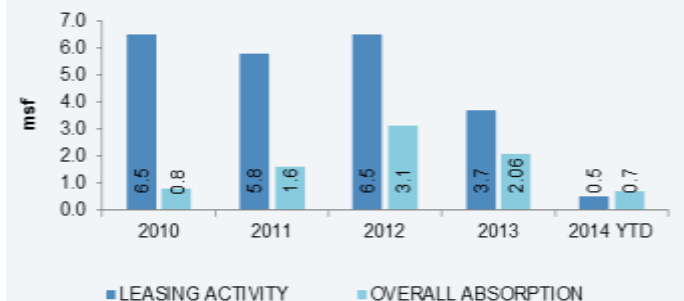
STATS ON THE GO

	Q1 2013	Q1 2014	Y-0-Y CHANGE	12 MONTH FORECAST
Overall Vacancy	8.5%	9.1%	0.9pp	▼
Direct Asking Rents (psf/yr)	\$3.08	\$3.10	0.2%	↕
YTD Leasing Activity (sf)	1,778,940	938,247	-40.3%	▲

OVERALL RENTAL VS. VACANCY RATES



OVERALL OCCUPIER ACTIVITY



GREENVILLE, SOUTH CAROLINA

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	
Anderson	19,194,643	4.7%	11,000	0	0	(2,250)	(2,250)	\$0.00	\$2.28	\$3.25	\$2.61
Hwy 290 Corridor	7,278,862	5.8%	38,000	0	0	(65,000)	(221,000)	\$0.00	\$0.00	\$8.54	\$3.51
I-85 East Greenville	7,293,913	2.7%	23,000	0	0	25,800	25,800	\$0.00	\$6.00	\$0.00	\$0.00
Northern Greenville	22,307,910	11.4%	38,035	0	0	(266,794)	(266,794)	\$0.00	\$1.00	\$2.23	\$2.23
Southern Greenville	33,710,512	6.5%	143,753	0	0	128,930	128,930	\$0.00	\$0.00	\$8.28	\$0.00
West Greenville	2,769,172	2.4%	0	0	0	(4,260)	(4,260)	\$0.00	\$2.61	\$2.88	\$3.24
Northern Spartanburg	41,615,744	9.9%	65,026	0	0	(355,211)	(355,211)	\$8.50	\$8.96	\$7.44	\$4.01
Southern Spartanburg	10,388,093	7.7%	40,000	0	0	59,250	59,250	\$4.12	\$3.75	\$2.00	\$3.06
Greer	12,182,317	8.8%	10,000	0	0	46,456	46,456	\$0.00	\$0.00	\$0.00	\$0.00
TOTALS	178,380,381	8.4%	368,814	0	0	(566,179)	(722,179)	\$7.49	\$2.56	\$5.29	\$2.85

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

MARKET HIGHLIGHTS

SIGNIFICANT Q1 2014 LEASE TRANSACTIONS	SUBMARKET	TENANT	PROPERTY TYPE	SQUARE FEET
111 Southchase Blvd	Fountain Inn	Caterpillar	Industrial	168,000 SF
1224 Old Stage Rd	Simpsonville	Container Design & Solutions	Industrial	123,753 SF
6400 Augusta Rd	Greenville	DDI	Industrial	90,000 SF
7112 Augusta Rd	Greenville	Response Packaging	Industrial	60,000 SF
SIGNIFICANT Q1 2014 SALE TRANSACTIONS	SUBMARKET	BUYER	PURCHASE PRICE / \$PSF	SQUARE FEET
Hwy 290	Moore	Toray	Unknown	400 Acres
685 Cedar Crest Road	Spartanburg	Adidas	Unknown	1.9 million SF
SIGNIFICANT PROJECTS UNDER CONSTRUCTION	SUBMARKET	MAJOR TENANT	COMPLETION DATE	BUILDING SQUARE FEET
Hwy 290	Moore	Toray	TBD	Unknown
Highway 101 and I-85	Spartanburg	BMW	Q4 2015	675,000 SF
White Horse Rd & 185	Greenville	Spec	Q1 2015	300,000 SF
Southchase Blvd	Greenville	Spec	TBD	250,000 SF
Matrix Parkway	Greenville	KI Logistics	TBD	200,000 SF
Ben Hamby Court	Greenville	Spec	TBD	190,000 SF

* RENEWAL - NOT INCLUDED IN LEASING ACTIVITY STATISTICS