

MARKETBEAT INDUSTRIAL SNAPSHOT

GREENVILLE/SPARTANBURG, SC

A Cushman & Wakefield Research Publication

Q4 2013



ECONOMIC OVERVIEW

Manufacturing continues to lead the Upstate with new job creation and at the end of 2013 unemployment in the Upstate stood at 5.8%. Going into the new year, the Upstate is poised for continued growth and expansion. The lack

of available space for all building classes in the Upstate will remain as a headwind for users, but provides new opportunity for developers and investors.

TRENDS

Many users announced expansions in 2013 including ZF, Plastic Omnium, Michelin, and Flame Spray; however, many more users elected to sign short term agreements or find temporary overflow space nearby. Additionally, corporations appear to be interested in expansion opportunities, but they are showing patience in long term execution. As the cost of construction increases and should interest rates rise, rental rates will begin to climb.

OPPORTUNITY

Demand for build-to-suit buildings has come to the forefront as available class A space has declined. As of the end of Q4, Cushman & Wakefield | Thalhimier is tracking about 3% vacancy for this product type. Laurens County has delivered their 50,000-square foot (sf) spec building. Liberty Property Trust will be delivering their new building in Q1 2014, which has 104,000 sf available. There are a number of users looking for space near the Inland Port, which was delivered in Q4 2013. Other developers announcing plans for speculative construction include: Duncan (108,000 sf), Corporate Center (100,000 sf), and Ben Hamby Lane (90,000 sf).

OUTLOOK

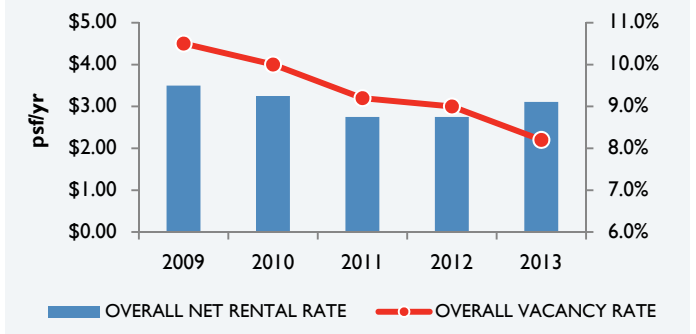
We believe more users will expand in 2014 and will be forced into committing to their long term plans. The Upstate could see a substantial increase in new construction as both speculative and build-to-suit activity picks up. Finally, with the current low interest rates,

borrowers will continue to take advantage of the option to finance which should encourage additional growth.

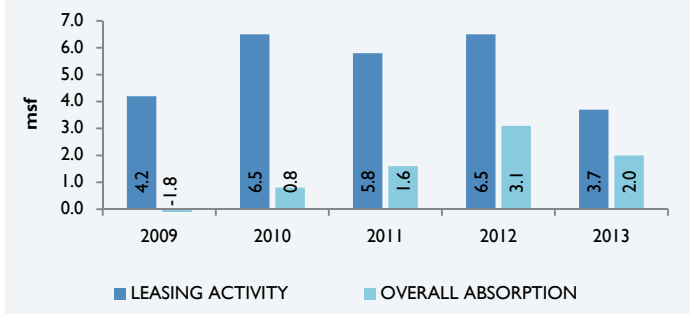
STATS ON THE GO

	Q4 2012	Q4 2013	Y-O-Y CHANGE	12 MONTH FORECAST
Overall Vacancy	9.8%	8.5%	-0.9pp	▼
Direct Asking Rents (psf/yr)	\$3.16	\$3.11	-1.6%	↕
YTD Leasing Activity (sf)	4,824,740	3,740,575	-22.5%	▲

OVERALL RENTAL VS. VACANCY RATES



LEASING ACTIVITY VS. OVERALL ABSORPTION



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
Cherokee County	5,292,158	14.1%	12,531	0	0	6,988	6,988	\$0.00	\$2.28	\$3.25	\$2.61
Downtown Airport	3,114,091	2.7%	10,851	0	0	122,733	122,733	\$0.00	\$0.00	\$8.57	\$3.51
Downtown Greenville	291,828	1.7%	5,962	0	0	(10)	(10)	\$0.00	\$6.00	\$0.00	\$0.00
East Side	1,553,061	18.1%	0	0	0	187,500	187,500	\$0.00	\$1.00	\$2.23	\$2.23
Greenville CBD	301,274	0.0%	0	0	0	0	0	\$0.00	\$0.00	\$8.28	\$0.00
I-385/Simpsonville	10,485,636	4.8%	32,595	0	0	(88,797)	(88,797)	\$0.00	\$2.61	\$2.89	\$3.24
I-385/ Woodruff Rd Hwy14	7,653,256	4.9%	92,678	200,000	0	155,997	155,997	\$8.50	\$8.96	\$7.44	\$4.01
I-85 South/Donaldson	13,193,838	7.4%	411,442	0	0	(63,805)	(63,805)	\$4.50	\$3.75	\$2.00	\$3.06
I-85 Anderson County	297,683	0.0%	0	50,000	0	0	0	\$0.00	\$0.00	\$0.00	\$0.00
I-85 Wenwood/ICAR	11,022,050	18.2%	132,674	0	0	(24,418)	(24,418)	\$0.00	\$0.00	\$6.99	\$3.05
Laurens County	10,488,324	7.4%	0	0	0	57,384	57,384	\$0.00	\$0.00	\$0.00	\$2.44
Lower Spartanburg	10,296,142	9.4%	30,450	254,000	0	89,086	89,086	\$0.00	\$0.00	\$0.00	\$2.82
North Side/Rte9 Corridor	10,139,814	11.1%	254,365	0	0	(80,850)	(80,850)	\$0.00	\$0.00	\$6.00	\$2.44
Outlying Andersons County	16,632,595	5.8%	117,000	0	0	(12,748)	14,082	\$0.00	\$0.00	\$0.00	\$2.82
Outlying Pickens County	4,751,171	14.6%	107,202	0	0	30,660	30,660	\$0.00	\$0.00	\$5.15	\$3.02
Pelham Road	1,649,998	3.3%	32,962	0	0	13,682	123,682	\$0.00	\$0.00	\$7.36	\$3.61
Route 101 Corridor	8,293,005	4.1%	273,275	150,000	0	(23,688)	(17,688)	\$0.00	\$0.00	\$3.97	\$4.29
Route 14 Corridor	3,554,378	5.1%	73,334	0	0	5,830	5,830	\$0.00	\$0.00	\$6.50	\$3.78
Rte 153/Rte 123 Corridor	1,317,408	4.6%	94,101	0	0	(1,050)	(1,050)	\$0.00	\$0.00	\$2.40	\$2.78
Route 29 Rutherford Road	6,571,638	10.7%	103,396	0	0	79,443	79,443	\$0.00	\$0.00	\$7.00	\$2.96
Route 290 Corridor	7,302,540	2.7%	150,000	0	0	184,547	184,547	\$0.00	\$0.00	\$5.22	\$3.06
South Greenville	417,084	0.0%	0	0	0	0	0	\$0.00	\$0.00	\$0.00	\$0.00
Spartanburg CBD	919,503	19.7%	0	0	0	120,000	120,000	\$0.00	\$0.00	\$0.00	\$0.00
Travelers Rest	2,847,942	6.8%	0	0	0	13,695	13,695	\$0.00	\$0.00	\$3.48	\$2.43
Upper Spartanburg City	19,872,213	8.4%	303,228	0	0	314,071	578,071	\$0.00	\$0.00	\$0.00	\$0.00
West End	294,525	1.7%	0	0	0	0	0	\$0.00	\$0.00	\$2.50	\$2.62
West Greenville	12,336,077	14.6%	231,587	0	0	427,602	427,602	\$0.00	\$0.00	\$0.00	\$0.00
West Side	9,130,400	9.0%	142,696	0	0	(170,978)	(170,978)	\$0.00	\$0.00	\$3.76	\$2.42
TOTALS	179,995,081	8.5%	3,740,575	654,000	0	,3357,477	2,062,317	\$8.50	\$2.77	\$5.15	\$2.98

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

MARKET HIGHLIGHTS

SIGNIFICANT Q4 2013 LEASE TRANSACTIONS	SUBMARKET	TENANT	PROPERTY TYPE	SQUARE FEET
111 Southchase Blvd	Fountain Inn	Caterpillar	Industrial	168,087 SF
7112 Augusta Rd	Greenville	Unknown	Industrial	160,000 SF
6400 Augusta Rd	Greenville	DDI	Industrial	100,000 SF
Alliance Parkway	Greenville	Unknown	Warehouse	50,000 SF
SIGNIFICANT Q4 2013 SALE TRANSACTIONS	SUBMARKET	BUYER	PURCHASE PRICE / \$PSF	SQUARE FEET
Common Wealth	Duncan	Exeter	\$9,700,000	221,000 SF
15 Pelham Ridge	Greenville	GVC Realty, LTD	\$1,420,000	60,000 SF
SIGNIFICANT PROJECTS UNDER CONSTRUCTION	SUBMARKET	MAJOR TENANT	COMPLETION DATE	BUILDING SQUARE FEET
Fed Ex Ground	Spartanburg	Fed Ex Ground	Q4 2014	254,000 SF
Corporate Center Drive	Spartanburg	Spec	Q1 2014	100,000 SF
Anderson County	Anderson	Spec	Q2 2014	50,000 SF
Ben Hamby	Greenville	Spec	Q3 2014	90,000 SF
Caliber Ridge	Greer	Spec	Q1 2014	150,000 SF
KI	Greenville	Kimura	Q3 2014	200,000 SF
Pattillo	Spartanburg	Spec	Q4 2014	108,000 SF

* RENEWAL - NOT INCLUDED IN LEASING ACTIVITY STATISTICS