

# MARKETBEAT OFFICE SNAPSHOT

## GREENVILLE, SC

A Cushman & Wakefield Research Publication

Q2 2013



### ECONOMIC OVERVIEW

The Greenville/Spartanburg office market continues to show improvement in the second quarter of 2013 as overall vacancy is down from 8.8% in Q2 2012 to 8.1%, with net absorption year-to-date of 244,875 square feet (sf). Asking rental rates did not reflect the drop in vacancy, as they dropped almost 5.0% from last year at this time. The state of South Carolina has seen 32,248 jobs created this year and the Greenville/Spartanburg market has seen almost 6,000 new jobs created during 2013. The leading index of economic indicators for South Carolina improved for the fourth straight month and hit its highest point since June 2007 according to a report posted by the S.C. Department of Commerce.

### ABSORPTION AND LEASING

Of the 244,875 sf of positive net absorption year-to-date, class A accounted for half of that with 122,243 sf, class B was 78,436 sf, and the remaining 44,196 was class C absorption.

Significant leases announced in the second quarter include Resurgent Capital and Sherman Financial who took a combined 100,608 sf at the Liberty One Tower; Athene Annuity & Life Assurance signed on for 52,018 sf at 400 Brookfield, and Ogletree Deakins who took 40,000 sf at Patewood IV. The only significant sale in the first half of the year was the 191,600 sf Bank of America Building in Greenville that sold for \$9,800,000, or \$51.50 per square foot.

Project One, the only significant office product under construction in the market, consists of two phases totaling 385,000 sf of office with ground floor retail. Phase I of the project is currently 95% leased and has turned over space to Haynesworth and retail tenants, Anthropologie and Tupelo Honey. Phase II is scheduled to deliver in late 2013/early 2014 and currently has 20,000 sf that has not been leased.

### OUTLOOK

The economy continues to expand and manufacturing and healthcare lead the office market. The Greenville/Spartanburg area is also enjoying an increase in new-home construction and a decrease in the number of unemployment claims. Large employers such as Greenville Hospital System and TD Bank continue to hire and grow into their existing campuses while large engineering firm Flour has been

reducing its footprint in the market. The hope is this growth in the industrial sector will carry over to the office market, specifically the suburban offices in close proximity to the larger manufacturers in the area. No new office projects are scheduled to break ground, however projects shuttered during the recession are in discussion again.

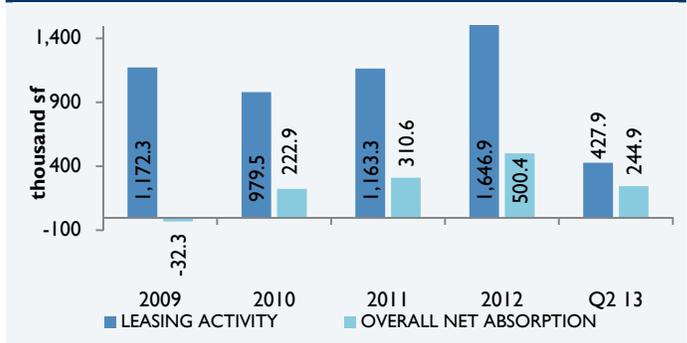
### STATS ON THE GO

	Q2 2012	Q2 2013	Y-0-Y CHANGE	12 MONTH FORECAST
Overall Vacancy	8.8%	8.1%	-0.7pp	▼
Direct Asking Rents (psf/yr)	\$14.48	\$13.76	-5.0%	◄►
YTD Leasing Activity (sf)	375,713	427,893	13.9%	▲

### OVERALL RENTAL VS. VACANCY RATES



### LEASING ACTIVITY VS. NET ABSORPTION



\*Data has been revised after the release of market statistics