

Industrial Snapshot 2Q 2016

Greenville, SC

GREENVILLE OFFICE

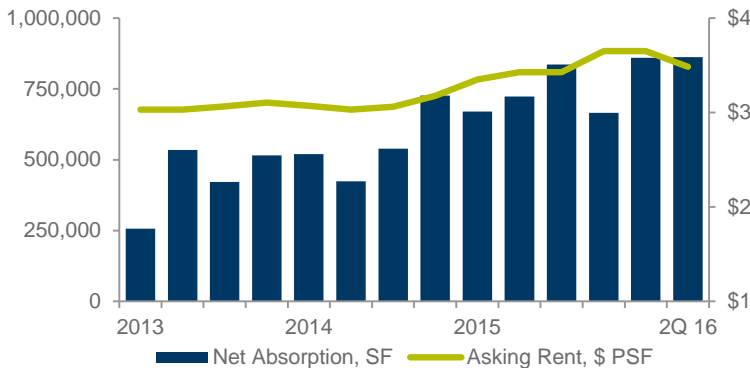
Economic Indicators

	2Q 15	2Q 16	12-Month Forecast
Greenville Employment	399k	408k	▲
Greenville Unemployment	5.4%	5.2%	▼
U.S. Unemployment	5.4%	4.9%	▼

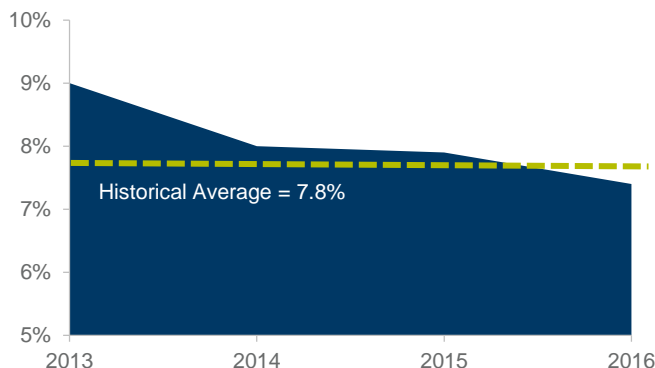
Market Indicators (Overall, All Product Types)

	2Q 15	2Q 16	12-Month Forecast
Overall Vacancy	7.4%	6.7%	▼
Net Absorption	635k	3.6M	▲
Under Construction	764k	7.3M	▲
Overall Average Asking Rent	\$3.41	\$3.53	▲

Overall Net Absorption/Asking Rent 4Q TRAILING AVERAGE



Overall Vacancy



Economy

As with every Presidential election year, the impending election has the markets awash with uncertainty. As for monetary policy, the FED is expected to keep interest rates unchanged through the year. Now that banking requirements are loosening, it is easier for consumers to access cheap money. This access, in combination with the Upstate's average 3% growth in jobs, has led to more disposable income and consumer spending.

Market Overview

The market remains strong, but slow. Transactions continue to take months, if not years, to come to fruition. Per usual, top drivers include BMW, other regional manufacturers, and the Inland Port. There is equal activity in leasing and build-to-suit projects.

Outlook

Deal volume is expected to increase throughout 2016, though as an election year, a slowdown in Q4 would not be abnormal. Additional challenges for the Upstate include labor force and employment. There is a strong need for a larger employer base which would likely drive new residents to locate to the Upstate. This migration of new residents will increase the already strong demand for more affordable housing as well as serve as a driver for more retail.

Developers are anticipated to remain optimistic about the Upstate Market. There is some hesitation building for additional speculative construction. However, once existing Class A product has been absorbed, future supply will be built.

MARKETBEAT

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SUBMARKET	TOTAL BLDGS	INVENTORY (SF)	YTD LEASING ACTIVITY(SF)	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL WEIGHTED AVG. NET RENT (MF)	OVERALL WEIGHTED AVG. NET RENT (W/D)
Anderson	507	32,884,287	211,618	5.3%	(17,759)	1,450,000	\$4.10	\$3.00
Northern Spartanburg	517	43,292,307	109,851	9.7%	1,422,759	1,774,801	\$2.65	\$2.78
Southern Spartanburg	170	10,430,958	43,063	9.8%	97,517	0	\$2.56	\$1.97
Greer	266	16,439,991	203,643	4.6%	247,895	1,537,000	\$4.50	\$3.75
Hwy. 290 Corridor	81	7,814,039	3,193	6.9%	99,380	923,000	\$3.58	\$4.08
Northern Greenville	399	23,143,658	21,750	8.2%	364,473	0	N/A	\$2.83
I-85 East Greenville	218	9,488,483	152,156	4.7%	185,457	0	\$4.12	\$4.44
West Greenville	120	3,569,533	0	2.3%	(4,158)	234,000	N/A	\$3.99
Southern Greenville	495	34,597,760	310,052	5.7%	154,222	0	\$3.10	\$4.37
Outlying Cherokee Laurens Pickens	219	5,980,732	10,255	9.8%	1,882,135	1,349,999	\$2.00	\$3.25
GREENVILLE TOTALS	2,992	187,641,748	1,065,581	6.7%	4,431,921	7268,800	\$3.33	\$3.45

*Rental rates reflect asking \$psf/year

MF = Manufacturing

W/D = Warehouse/Distribution

Key Lease Transactions 2Q 2016

PROPERTY	SF	TENANT	PROPERTY TYPE	SUBMARKET
200 GSP Logistics Parkway	296,700	BMW	Warehouse/Distribution	Hwy. 101 Inland Port
Campground Road	251,100	Phillips	Warehouse/Distribution	Upper Sptg. Cty Industrial
1201 Woods Chapel Road	152,419	LeSaint	Warehouse/Distribution	Rt 101 Corridor
130 Caliber Ridge Drive	114,400	CH Mueller	Warehouse/Distribution	I-85 Wenwood ICAR
1473 Walhalla Hwy	24,300	JR Automation Technologies	Warehouse/Distribution	Outlying Pickens Co

Key Projects Under Construction 2Q 2016

PROPERTY	SF	TENANT/SPEC	DEVELOPER	EXPECTED DELIVERY DATE
Mount Olive Road	1,500,000	Dollar Tree	Cherokee County Development Board	4Q 2016
Orange Way	1,300,000	TTI	Redrock	3Q 2016
Hwy. 290 – Toray	750,000	Toray	Toray	3Q 2016
Highway 101	675,000	BMW	BMW	Unknown
Flatwood Road	362,800	Spec	Johnson Development Association	3Q 2016
2721 White Horse Road – Bldg 2	234,000	Spec	Exeter	3Q 2016
1751 E. Main Street	184,000	Draexlmaier	Draexlmaier	4Q 2016
Old Grove Road	161,000	Magna Decostar	Becknell	1Q 2016
Hwy. 290	150,000	Sterling Contract Pkg.	Sterling Contract Pkg.	3Q 2016
Old Laurens Road	150,000	ZF Transmissions	Agracel	2Q 2016
Old Grove Road	54,000	Proper Polymers	Becknell	1Q 2017

Cushman & Wakefield
Wells Fargo Center
15 South Main St. Suite 925
Greenville, SC 29601
www.thalhimer.com

For more information, contact:
Brad McGetrick
Director of Brokerage Services
Tel: 804 697 3558
brad.mcgetrick@thalhimer.com

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