

MARKETBEAT

Greenville, SC

Industrial Q2 2018



CUSHMAN & WAKEFIELD

THALHIMER

GREENVILLE INDUSTRIAL

Economic Indicators

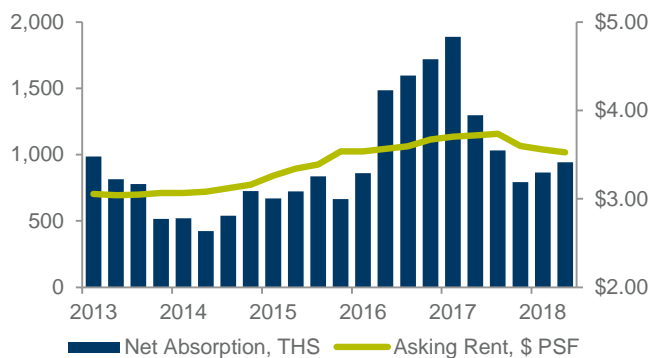
	Q2 17	Q2 18	12-Month Forecast
Greenville Employment	415k	422k	▲
Greenville Unemployment	3.7%	3.7%	■
U.S. Unemployment	4.3%	3.8%	▼

Market Indicators (Overall, All Product Types)

	Q2 17	Q2 18	12-Month Forecast
Overall Vacancy	7.7%	5.3%	▼
Net Absorption (sf)	1.4M	1.1M	▼
Under Construction (sf)	695k	3.6M	▼
Average Asking Rent	*\$4.17	*\$3.45	▼

*Rental rates reflect net asking \$psf/year

Overall Net Absorption/Overall Rent 4-QTR TRAILING AVERAGE



Economy

Encouraged by stable market conditions, inflation nearing its 2% target, and a healthy labor market, the Federal Reserve Bank approved another increase in the fed funds benchmark rate to 2.00% from 1.75%. Although the U.S. is experiencing the second-largest economic expansion on record, this rate hike signaled a cautious optimism for the U.S. economy. Rising interest rates coupled with the recent federal tax reform should enhance investor appetite and lead to a further increase in market activity throughout 2018.

Market Overview

Policy drives the economy, the economy drives jobs, jobs drive real estate. South Carolina like many other southern states has seen net gains in population via relocation from other states. South Carolina has recently seen growth in all sectors including a large announcement from Keurig for their Green Mountain Coffee brand in Spartanburg County. Additionally drivers for the state include the continued growth of the automotive sector as well as the new models and expectations for retailing and fulfillment of the e-commerce phenomenon.

Outlook

Tariffs are a game of checks and balances. We believe successful corporations have the foresight and sophistication to adjust to sustain profitability and even grow. Access to readily developable land will continue to be a challenge for our area, causing values to increase despite a lag in infrastructure. The Greenville/Spartanburg industrial market remains bullish and we are optimistic that we may still be in the "middle innings" of the cycle.

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SUBMARKET	TOTAL BLDGS	INVENTORY (SF)	YTD LEASING ACTIVITY (SF)	OVERALL VACANCY RATE	OVERALL NET ABSORPTION (SF) CURRENT QUARTER	*OVERALL AVERAGE NET RENT (MF)	*OVERALL AVERAGE NET RENT (OS)	*OVERALL AVERAGE NET RENT (WD)
Anderson	323	23,401,247	44,094	4.1%	44,094	\$2.37	\$4.93	\$2.69
Northern Spartanburg	527	31,447,512	557,581	8.2%	362,381	\$3.03	\$4.93	\$3.03
Southern Spartanburg	181	12,986,553	0	8.3%	422,240	\$2.39	\$4.93	\$2.39
Greer	277	17,360,499	341,873	1.6%	427,232	\$4.08	\$4.93	\$4.08
Hwy. 290 Corridor	87	9,291,095	356,780	7.4%	96,490	\$4.00	\$4.93	\$4.10
Northern Greenville	392	22,293,665	72,650	5.0%	(126,118)	\$2.92	\$4.93	\$2.92
I-85 East Greenville	221	9,612,169	215,077	4.3%	6,693	\$5.27	\$4.93	\$3.27
West Greenville	122	3,619,712	81,800	2.3%	62,404	\$3.88	\$4.93	\$3.86
Southern Greenville	510	34,805,619	503,683	4.0%	660,779	\$3.84	\$4.93	\$3.84
Outlying Cherokee Laurens Pickens	113	30,280,761	969,038	7.8%	(886,447)	\$1.10	\$4.93	\$3.00
GREENVILLE TOTALS	2,753	195,098,832	3,142,576	5.3%	1,069,748	\$3.29	\$4.93	\$3.32

*Rental rates reflect asking \$psf/year

MF = Manufacturing OS = Office Services/Flex W/D = Warehouse/Distribution

Key Lease Transactions Q2 2018

PROPERTY	SF	TENANT	TRANSACTION TYPE	SUBMARKET
901 Victor Hill Road	297,000 SF	BMW	New	Rt. 101 Corridor Ind.
769 Flatwood Industrial Drive	181,334 SF	Contec	New	Upper Sptg. City Ind.
1610 Old Grove Road	79,460 SF	Kimura	New	I-85 South/Donaldson Ind.
1335 Hayne Street	60,000 SF	Knights Apparel	New	North Side/Rt. 9 Corr
2819 Wade Hampton Blvd.	30,000 SF	ZF Transmissions	Renewal	Rt. 29 Rutherford Ind.

Key Sales Transactions Q2 2018

PROPERTY	SF	SELLER / BUYER	PRICE / \$PSF	SUBMARKET
Tyger River Industrial Park North	1,300,000 SF	Pacolet / Keurig Green Mountain	\$8,449,327/\$6.50	Lower Spartanburg County
769 Flatwood Industrial Drive	362,774 SF	Flatwood Farms, LLC/Flatwood Works, LLC	\$23,580,310/\$65.00	Upper Spartanburg Cty. Ind.
Flatwood Spec	330,000 SF	Johnson Development/Contec	\$21,450,000/\$65	Upper Spartanburg Cty. Ind.
1375 Howell Road	307,840 SF	Exeter Property Group/Mapletree Investments	\$19,800,000/\$64.32	Rt. 290 Corridor Ind.
2721 White Horse Road	306,000 SF	Exeter Property Group/Mapletree Investments	\$28,628,000/\$93.56	West Greenville Ind.
2723 White Horse Road	234,000 SF	Exeter Property Group/Mapletree Investments	\$21,892,000/\$93.56	West Greenville Ind.
15 Tyger River Drive	202,104 SF	Exeter Property Group/Mapletree Investments	\$13,500,000/\$66.80	Rt. 290 Corridor Ind.

Cushman & Wakefield | Thalhimer
Wells Fargo Center
15 South Main St. Suite 502
Greenville, SC 29601
www.thalhimer.com

For more information, contact:
Brian Young, CCIM, SIOR
Tel: +1 864 370 8087
brian.young@thalhimer.com

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