

GREENVILLE OFFICE

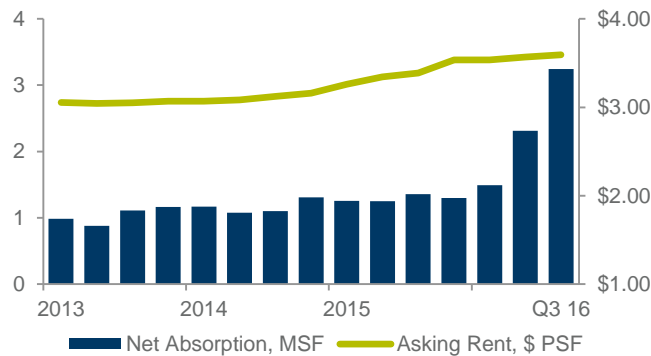
Economic Indicators

	Q3 15	Q3 16	12-Month Forecast
Greenville Employment	404k	409k	▲
Greenville Unemployment	4.9%	4.7%	▼
U.S. Unemployment	5.2%	4.9%	▼

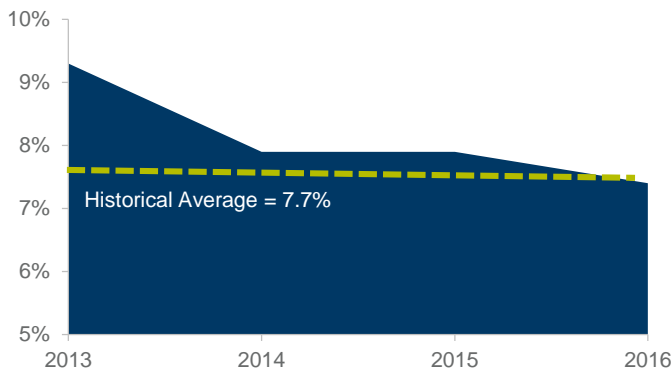
Market Indicators (Overall, All Product Types)

	Q3 15	Q3 16	12-Month Forecast
Overall Vacancy	7.3%	6.9%	▼
Net Absorption	1.1M	1.6M	▲
Under Construction	4.0M	785k	▼
Overall Average Asking Rent	\$3.44	\$3.55	▲

Overall Net Absorption/Asking Rent  
4-QTR TRAILING AVERAGE



Overall Vacancy



Economy

The key demand drivers that support the property markets – consumer confidence, job growth, low interest rates and consumer spending - all remain firmly intact. With the shocks from China’s decelerating economy, weakness in the emerging markets and more recently, Brexit mostly settling down, business investment is anticipated to improve and contribute positively to stronger economic growth in the second half of 2016.

Market Overview

Though some may presume the Greenville industrial market is towards the end of the economic cycle, attitudes and investments reflect differently. The market remains active and optimistic despite a relatively slow sale transaction cycle. Developers continue to invest in the region via the purchase of existing facilities as well as continued speculative development. Liberty Property Trust will break ground on their second major development off Highway 101; a speculative 170,000-square-foot (SF), 36’ clear warehouse distribution facility is expected to be delivered in Q2 2017. Additionally, build-to-suit activity remains robust, particularly along the Highway 290 and Highway 101 corridors. There is over 5 million SF of new build-to-suit activity on the 101 and 290 corridors including Bausch & Lomb, Michelin, Minguai and BMW.

Outlook

Warehouse/distribution space will continue to benefit from empowered consumers and from the continued growth of e-Commerce. At the same time, flex/R&D will prosper from solid gains in high-tech employment sectors. Manufacturing will finally receive some reprieve as industrial production, factory orders, and investment begin to turn the corner starting in the second half of 2016. Strong leasing activity, appetite for modern and transport-centric locations, and supply constraints will feed rent growth in 2017.

MARKETBEAT

# Greenville, SC

Industrial Q3 2016



SUBMARKET	TOTAL BLDGS	INVENTORY (SF)	YTD LEASING ACTIVITY (SF)	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION (SF)	OVERALL AVERAGE NET RENT (HT)	OVERALL AVERAGE NET RENT (MF)	OVERALL AVERAGE NET RENT (OS)	OVERALL AVERAGE NET RENT (WD)
Anderson	261	21,872,005	181,290	5.1%	2,593,690	N/A	\$3.75	N/A	\$2.42
Northern Spartanburg	515	43,185,202	510,828	10.2%	1,243,182	N/A	\$3.09	N/A	\$4.50
Southern Spartanburg	171	10,443,314	23,393	10.1%	114,167	N/A	\$2.66	N/A	\$1.25
Greer	266	16,455,072	374,268	5.6%	184,692	N/A	\$4.66	N/A	\$4.83
Hwy. 290 Corridor	81	7,814,039	263,719	7.2%	78,118	N/A	\$3.95	N/A	\$4.28
Northern Greenville	400	23,457,603	203,903	9.1%	251,856	N/A	\$2.38	N/A	\$2.74
I-85 East Greenville	218	9,462,628	273,044	3.6%	288,065	\$10.00	\$4.27	\$6.05	\$4.92
West Greenville	120	3,568,933	16,332	2.6%	24,895	N/A	N/A	N/A	\$4.00
Southern Greenville	494	34,631,368	478,752	5.2%	257,438	N/A	\$3.58	N/A	\$3.96
Outlying Cherokee Laurens Pickens	215	24,813,013	2,050	10.3%	485,808	N/A	\$2.59	N/A	\$2.35
<b>GREENVILLE TOTALS</b>	<b>2,741</b>	<b>195,703,177</b>	<b>2,327,579</b>	<b>6.9%</b>	<b>5,521,911</b>	<b>\$10.00</b>	<b>\$3.40</b>	<b>\$6.05</b>	<b>\$3.53</b>

\*Rental rates reflect asking \$psf/year

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

## Key Lease Transactions Q3 2016

PROPERTY	SF	TENANT	TRANSACTION TYPE	SUBMARKET
117 Littlejohn Street	116,413	Innovation Fibers, LLC	Lease	Spartanburg Industrial
1171 Howell Road	77,000	Brose	Lease	Rt. 290 Corridor
65 Brookfield Oaks Drive	76,800	Baier & Michels USA	Lease	I-385/ Woodruff Rd/ Hwy 14
1375 Haynes Street	60,000	Hanes Brands, Inc.	Lease	Upper Sptg. Cty Industrial
108 White Horse Court	60,000	Lumber	Lease	I-85 South/Donaldson

## Key Sales Transactions Q3 2016

PROPERTY	SF	SELLER / BUYER	PRICE / \$PSF	SUBMARKET
300 Landrum Mill Road	311,073	Mohawk Carpet / Rhode Island Textile	\$2,400,000 / \$8	Upper Sptg Cty Ind
2838 Grandview Drive	195,210	Executive Cabinetry / NI Ventures X Grandview	\$6,450,000 / \$33	I-385/Simpsonville Ind
111 Southchase Blvd	168,087	Blue Dog Properties Trust / STAG	\$7,025,000 / \$42	I-385/Simpsonville Ind
1224 Old Stage Road	128,606	Ashworth Properties / R&K International	\$1,985,500 / \$15	I-85/Wenwood/ICAR Ind
127 Turnington Ct	90,000	Mosley Real Estate / ROIF Turnington	\$4,975,000 / \$55	West Greenville Ind
1108 NE Main Street	82,380	Heard & Heard / TE Storage Rentals of America	\$2,625,000 / \$32	I-385/Simpsonville Ind
500-514 Matrix Parkway	71,809	Jerusalem Realty / MDH Partners	\$2,915,926 / \$41	I-85 South/Donaldson Ind
139 Interstate Park	52,261	Hastings Park Novak / Artep	\$1,200,000 / \$23	West Side Ind

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