

Industrial Snapshot Q4 2015

Greenville, SC

GREENVILLE OFFICE

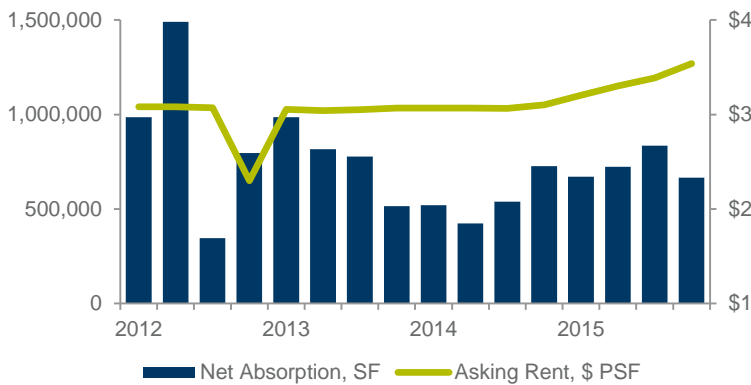
Economic Indicators

	Q4 14	Q4 15	12-Month Forecast
Greenville Employment	392k	403k	▲
Greenville Unemployment	5.6%	5.4%	▼
U.S. Unemployment	5.7%	5.0%	▼

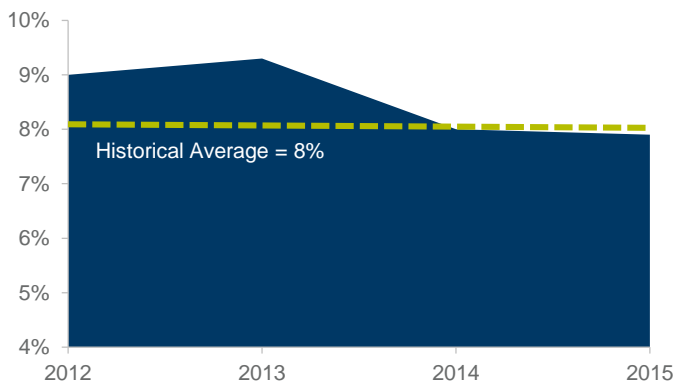
Market Indicators (Overall, All Product Types)

	2014	2015	12-Month Forecast
Overall Vacancy	6.9%	6.8%	▼
Net Absorption	2.9M	2.7M	▼
Under Construction	3.0M	3.1M	▲
Overall Average Asking Rent	\$3.26	\$3.86	▲

Overall Net Absorption/Asking Rent 4Q TRAILING AVERAGE



Overall Vacancy



Economy

The U.S. economy is healthy and the GDP growth is estimated to remain within the 2-3% range in 2016. Unemployment continues to improve in Greenville at 5.4%. The biggest shift heading into 2016 is the increase in oil production leading to lower cost of transportation, food and raw materials for business. This could raise profit margins and give consumers more disposable income to spend.

Market Overview

The Greenville industrial market remains active with users of all types continuing to look for space. BMW is a leading driver with over 400,000 cars being produced at BMW's Greer plant in 2015; making it their largest production facility in the world.

In Q4, the market began to see the delivery of speculative buildings as 265,032 square feet of industrial project built on a spec basis was delivered. Additionally, pad sites are being developed potentially indicating an upcoming wave of new projects. The challenge for developers is time to market and the availability of developable land. The market also reported the completion of 1.8 million square feet of build-to-suit projects in 2015, a trend driven by low interest rates and the lack of infrastructure in speculative shell construction.

Outlook

Our prediction last quarter has come to fruition with landlords having to consider many warehouse lease terms of one to three years, making the decision more challenging. Higher construction costs coupled with lower vacancy are resulting in higher rental rates.

One trend to follow over the next five to ten years is net population migration into the area which will be needed to fill thousands of new job openings with this business expansion. This new workforce demand will have a multiplier effect on other jobs in the service, office and retail industries, and will keep pressure on residential sales for years to come.



SUBMARKET	TOTAL BLDGS	INVENTORY (SF)	YTD LEASING ACTIVITY(SF)	OVERALL VACANCY RATE	YTD NET OVERALL ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL WEIGHTED AVG. NET RENT (MF)	OVERALL WEIGHTED AVG. NET RENT (OS)	OVERALL WEIGHTED AVG. NET RENT (W/D)
Anderson	504	32,464,920	215,600	5.7%	265,855	862,340	\$3.31	N/A	\$3.98
Northern Spartanburg	512	41,544,353	2,628,363	7.1%	(339,978)	1,327,000	\$3.30	N/A	\$3.03
Southern Spartanburg	167	10,210,260	77,051	7.8%	143,900	413,000	\$2.66	N/A	\$1.69
Greer	264	16,181,297	257,090	4.5%	39,511	169,000	\$3.11	N/A	\$3.87
Hwy. 290 Corridor	81	7,814,157	880,430	7.2%	185,700	309,000	\$4.04	\$5.32	\$4.94
Northern Greenville	398	22,389,486	1,528,750	7.8%	725,668	N/A	\$2.44	N/A	\$2.66
I-85 East Greenville	218	9,364,994	371,000	4.7%	234,500	N/A	\$4.23	\$5.25	\$4.92
West Greenville	247	13,595,596	465,650	4.4%	733,176	N/A	\$1.95	N/A	\$3.16
Southern Greenville	496	34,571,635	929,500	5.5%	671,980	N/A	\$3.00	N/A	\$4.35
GREENVILLE TOTALS	2,887	188,136,698	7,353,434	6.8%	2,660,312	3,080,340	\$3.12	\$5.29	\$3.62

*Rental rates reflect asking \$psf/year

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

Key Lease Transactions Q4 2015

PROPERTY	SF	TENANT	PROPERTY TYPE	SUBMARKET
2721 White Horse Road – Bldg 1	306,000	Colgate Palmolive	Warehouse/Distribution	West Greenville Ind
160 National Avenue	206,000	Yusen Logistics	Warehouse/Distribution	Upper Sptg City
Wingo Industrial Park	201,500	Phillips Pet	Warehouse/Distribution	Upper Sptg City
141 Southchase Blvd	205,000	Tower Automotive	Manufacturing	I-385/Simpsonville
Matrix Parkway	164,000	Magna Decostar	Manufacturing	West Greenville Ind
112 Hidden Lake Circle	154,000	Sunland Logistics	Warehouse/Distribution	Rt. 290 Corridor
130 Caliber Ridge Drive	41,600	Otto Bock	Warehouse/Distribution	Rt. 101 Corridor

Key Projects Under Construction Q4 2015

PROPERTY	SF	TENANT/SPEC	DEVELOPER	EXPECTED DELIVERY DATE
Mount Olive Road	1,500,000	Dollar Tree	Cherokee County Development Board	Q4 2016
Orange Way	1,300,000	TTI	Redrock	Q2 2016
Flatwood Road	900,000	Rite Aid Distribution Center	Johnson Development Association	Q4 2016
Hwy. 290 – Toray Phase 1	750,000	Toray	Toray	Q1 2016
Highway 101	675,000	BMW	BMW	Unknown
Flatwood Road	362,800	Flatwood Spec	Johnson Development Association	Q2 2016
545 Brookshire Road	242,000	Spec	Beacon Partners	Q2 2016
2721 White Horse Road – Bldg 2	234,000	Spec	Exeter	Q3 2016
1786 Hwy. 290	173,000	Kobelco	Kobelco	Q1 2016
Old Laurens Road	150,000	ZF Transmissions	Agracel	Q2 2016

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

Cushman & Wakefield is a global leader in commercial real estate services, helping clients transform the way people work, shop, and live. The firm's 43,000 employees in more than 60 countries provide deep local and global insights that create significant value for occupiers and investors around the world. Cushman & Wakefield is among the largest commercial real estate services firms in the world with revenues of \$5 billion across core services of agency leasing, asset services, capital markets, facilities services (branded C&W Services), global occupier services, investment management (branded DTZ Investors), tenant representation and valuations & advisory. To learn more, visit www.cushmanwakefield.com or follow @Cushwake on Twitter.
Copyright © 2015 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources considered to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy. Alliance firms are independently owned and operated.