

MARKETBEAT

Greenville, SC

Industrial Q4 2016



CUSHMAN & WAKEFIELD

THALHIMER

GREENVILLE OFFICE

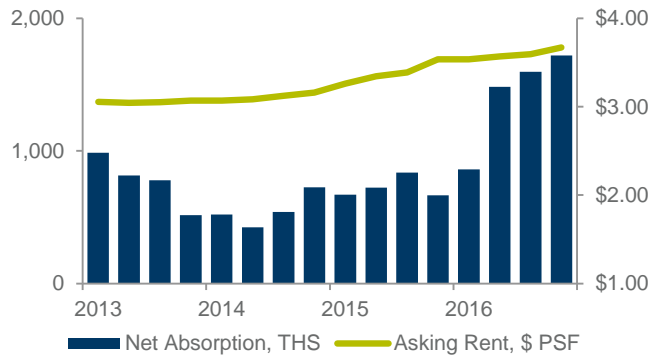
Economic Indicators

	Q4 15	Q4 16	12-Month Forecast
Greenville Employment	406k	412k	▲
Greenville Unemployment	4.8%	4.2%	▼
U.S. Unemployment	5.0%	4.8%	▼

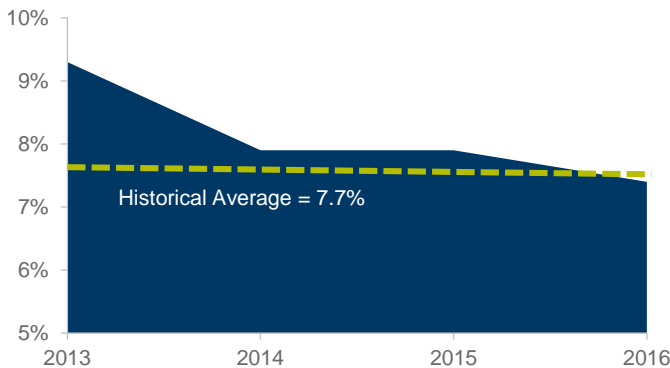
Market Indicators (Overall, All Product Types)

	Q4 15	Q4 16	12-Month Forecast
Overall Vacancy	6.8%	6.6%	▼
Net Absorption	867K	1.4M	▲
Under Construction	3.1M	3.2M	▲
Overall Average Asking Rent	\$3.86	\$4.16	▲

Overall Net Absorption/Asking Rent 4-QTR TRAILING AVERAGE



Overall Vacancy



Economy

As the dust settles following the presidential election, economic indicators from the past month have been broadly positive. Steady gains in the labor market, including a post-recession drop in the unemployment rate in November, have made the headlines. Personal disposable income and household spending remained fairly solid throughout 2016. Meanwhile, positive prospects for oil prices and somewhat improving global conditions are supporting U.S. manufacturing activity.

Market Overview

In the past, the Upstate's largest buildings were build-to-suits for companies like BMW, Dollar Tree, Michelin, Addidas and Amazon. Now, the region is seeing a drive towards the development of larger speculative buildings as a result of rapid growth from close proximity to I-85 and the Greer Inland Port. Over the last few years, undeveloped industrial land was acquired by developers and investors, beginning to capitalize on the demand for Class A, tilt-wall space. Significant capital investment in manufacturing and automotive have played a major role in new development with projects such as Proper Polymers 54,000 square feet (SF), Magna 161,000 SF, Toray Phase 1 at 750,000 SF and First Quality's 1,000,000-SF expansion.

Outlook

Strong absorption is forecasted to continue with new build-to-suit space coming to the market. Indicators will remain positive for investors and developers as rents and lease terms remain stable for both new and existing buildings. New speculative projects that will be delivered in 2017 include 332,000 SF at Augusta Grove, 170,000 SF at Caliber North and 234,000 SF at White Horse Industrial Park, should ease pressure for users looking for larger blocks of space.

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SUBMARKET	TOTAL BLDGS	INVENTORY (SF)	YTD LEASING ACTIVITY (SF)	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION (SF)	OVERALL AVERAGE NET RENT (MF)	OVERALL AVERAGE NET RENT (OS)	OVERALL AVERAGE NET RENT (WD)
Anderson	481	35,330,279	377,041	5.0%	2,957,558	\$3.75	N/A	\$2.42
Northern Spartanburg	521	43,211,462	1,006,863	10.0%	1,006,863	\$3.09	N/A	\$4.50
Southern Spartanburg	172	11,366,379	55,603	4.8%	1,221,567	\$2.66	N/A	\$1.25
Greer	269	16,797,439	492,478	5.6%	495,769	\$4.66	N/A	\$4.83
Hwy. 290 Corridor	82	7,997,750	173,293	9.4%	69,078	\$3.95	N/A	\$4.28
Northern Greenville	400	23,476,940	152,530	8.1%	412,439	\$2.38	N/A	\$2.74
I-85 East Greenville	219	9,504,326	141,596	3.2%	260,024	\$4.27	\$5.80	\$4.92
West Greenville	121	3,583,081	16,886	3.6%	-12,598	N/A	N/A	\$4.00
Southern Greenville	501	35,182,611	507,080	6.5%	360,137	\$3.50	N/A	\$3.86
Outlying Cherokee Laurens Pickens	226	1,1179,216	127,555	9.8%	104,249	\$2.00	N/A	\$2.00
GREENVILLE TOTALS	2,992	197,629,483	3,050,925	6.6%	6,875,086	\$3.36	\$5.80	\$3.48

*Rental rates reflect asking \$psf/year

MF = Manufacturing OS = Office Services/Flex WD = Warehouse/Distribution

Key Lease Transactions Q4 2016

PROPERTY	SF	TENANT	TRANSACTION TYPE	SUBMARKET
1131 Howell Road	62,500	Advanced Ceramic Coatings	Lease	Rt. 290 Corridor
3001 N. Blackstock Road	50,000	Piedmont Distribution	Lease	West Side Industrial
200 Ben Hamby	50,000	NSC	Lease	1-385 Woodruff Hwy. 14
200 Ben Hamby	40,000	Henry Schein	Lease	1-385 Woodruff Hwy. 14
530 Robin Lake Road	16,250	AFL	Lease	Rt. 101 Corridor

Key Sales Transactions Q4 2016

PROPERTY	SF	SELLER / BUYER	PRICE / \$PSF	SUBMARKET
5675 N. Blackstock Road	572,038	JIM Holding, LLC STAG Industrial	\$20,850,785 / \$36	Upper Spartanburg Cty
107 Southchase Boulevard	203,000	CAT Apian	\$5,750,990 / \$28	I-385 Simpsonville
300 International Boulevard	136,834	Synalloy Corporation Store Master Funding	\$4,651,96 / \$34	Laurens County
17 Haywood Road	100,000	Advance Automation 17 Haywood LLC	\$3,700,000 / \$37	Downtown Airport
127 Turningstone Court	90,000	Mosley Real Estate ROIF Turningstone	\$4,975,200 / \$55	West Greenville
1108 NE Main Street	82,380	Heard and Heard IV TE Storage Rentals	\$2,624,626 / \$32	I-385 Simpsonville
48 Brookfield Oaks Drive	66,000	MVP Properties NAI/Apian	\$5,650,260 / \$86	I-385 Woodruff Hwy. 14
5396 N Blackstock Road	61,340	CRPH Realty South Global Investments	\$1,181,408 / \$19	Upper Spartanburg Cty
1698 Perimeter Road	50,000	Coast Sign Perimeter Road Investors	\$1,650,000 / \$33	I-85 South Donaldson
136 Blakely Road	44,361	Kroger 136 Blakely Road, LLC	\$999,896 / \$23	I-385 Simpsonville

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