

GREENVILLE OFFICE

Economic Indicators

	Q1 16	Q1 17	12-Month Forecast
Greenville Employment	407k	411k	▲
Greenville Unemployment	5.0%	4.1%	■
U.S. Unemployment	4.9%	4.8%	■

Economy

The U.S. added 2.3 million jobs from February 2016 to February 2017 of which 219,000 were in the construction industry. Housing starts increased 6.2% over the same time period. Improving economic fundamentals allowed the Federal Reserve to increase the Fed Funds Rate in March for the third time since December 2015. The Greenville MSA unemployment rate was at 3.7% through February of 2017. Locally the construction sector continues to lead the way in the number of new jobs added.

Market Indicators (Overall, All Classes)

	Q1 16	Q1 17	12-Month Forecast
Vacancy	8.9%	8.9%	▼
Net Absorption (sf)	36k	202k	▲
Under Construction (sf)	212k	104k	▲
Average Asking Rent	\$16.26	\$17.36	▲

*Rental rates reflect gross asking \$psf/year

Market Overview

Asking rents in both suburban and CBD office space increased although consumption remains stable. Some institutional inventory downtown (Erwin Penland and Liberty 1 & 2) and in the surrounding suburban market (Patewood and Brookfield) changed ownership during Q1 2017. New landlords plan improvement packages to their properties that they hope will attract users, increase rates and reduce inventory. Recent trends lead to more of a tenant migration downtown. BB&T is selling their downtown office complex and relocating the majority of their employees to a 140,000-square-foot new build-to-suit at Butler Road and I-385.

Overall Asking Rent/Overall Vacancy 4-QTR TRAILING AVERAGE



Outlook

Rental rates and sale prices in both CBD and suburban office space continue to increase, however there are not any new speculative projects. Occupancy should continue improving despite many companies reducing their footprints. Space is being used more efficiently and workforces continue to work more remotely causing large blocks of space to become available for sublease.

About Cushman & Wakefield

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