

# Office Snapshot Q3 2015

Greenville

## GREENVILLE OFFICE

### Economic Indicators

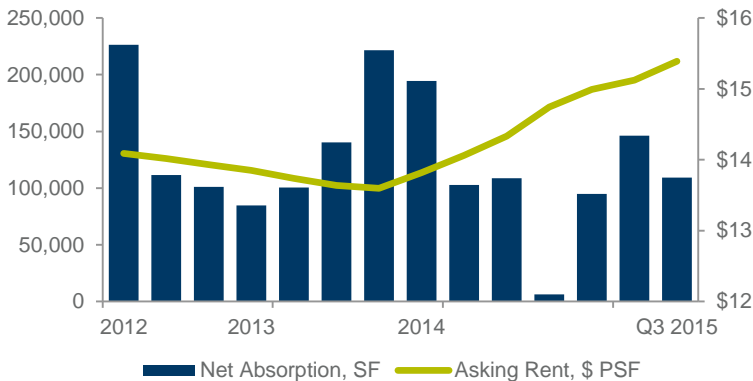
	Q3 14	Q3 15	12-Month Forecast
Greenville Employment	389k	401k	▲
Greenville Unemployment	5.6%	5.9%	▲
U.S. Unemployment	6.1%	5.1%	▼

### Market Indicators

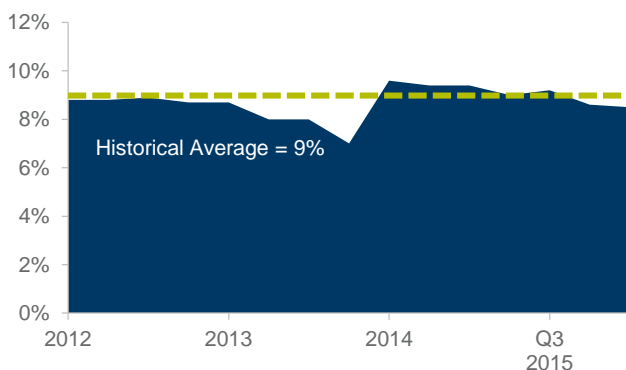
	Q3 14	Q3 15	12-Month Forecast
Overall Vacancy	9.0%	8.5%	▼
Net Absorption	180k	32K	▼
Under Construction	102k	219K	▲
Overall Average Asking Rent	\$14.63	\$15.69	▲

### Net Absorption/Asking Rent

4Q TRAILING AVERAGE



### Overall Vacancy



## Economy

Despite the slowdown in China and the crisis in Greece, the U.S. and South Carolina remain on solid ground. The housing market has recovered one year ahead of schedule and inventory is down. Additionally with unemployment nationally at 5.1%, most everyone who wants a job has one. Finally, the decrease in oil and gas prices will create a windfall for every U.S. family, which should lead to higher spending.

## Market Overview

During the third quarter, office rents in the U.S. increased 3.1% on a year-over-year basis and local rents in both the suburban and downtown market followed suit. Downtown class A asking rates are in the low \$20s per square foot (psf) for existing space and climbing to the upper \$20's psf for new space set to be delivered in 2016. The suburban market continues tightening with no new spec building, outside of CUICAR, announced rates are approaching \$20 psf. Vacancy rates continue to drop to near record lows throughout the market.

Downtown office development is keeping up with the numerous hotel and multifamily projects. The Erwin Penland 360, six-story, 125,000-square-foot (sf) building and parking lot are under construction with over half preleased to Erwin Penland and Cherry Bekaert. The Camperdown project will break ground with a four-story, 28,000-sf office building anchored by The Greenville News.

Suburban construction activity includes the 82,000-sf One Research Drive at CUICAR nearing completion with just 40,000 sf available. A 70,000-sf build-to-suit for CH2M is under construction in Verdae by Holder Properties. This is the first suburban office construction outside of CUICAR in many years.

## Outlook

As the market continues to absorb existing space and rents continue to rise the stage is set for more development of both spec and build-to-suit projects. Developers from outside the market, like Holder, are taking notice of the activity and more may follow. Until additional development occurs the market will continue to tighten making it even more difficult for tenants to find quality space.

## MARKETBEAT

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CUSHMAN &amp; WAKEFIELD

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SUBMARKET	TOTAL BLDGS	INVENTORY	SUBLET VACANT	DIRECT VACANT	OVERALL VACANCY RATE	CURRENT NET ABSORPTION	YTD NET ABSORPTION	UNDER CNSTR	AVERAGE ASKING RENT (ALL CLASSES)*	AVERAGE ASKING RENT (CLASS A)*
Anderson	157	2,899,404	223	92,330	4.1%	(8,996)	17,951	70,000	\$11.00	\$17.10
Greenville CBD	171	6,869,644	8,262	536,807	9.4%	391	147,179	20,000	\$21.85	\$24.45
Greenville Suburban	697	13,970,985	9,473	1,283,474	8.9%	31,745	265,838	128,800	\$15.60	\$23.00
Spartanburg CBD	87	2,585,139	N/A	168,995	8.4%	475	6,923	0	\$16.60	\$21.50
Spartanburg Suburban	227	3,452,498	4,325	426,824	11.7%	8,563	3,514	0	\$13.30	\$19.00
<b>GREENVILLE TOTALS</b>	<b>1,339</b>	<b>29,777,670</b>	<b>22,283</b>	<b>2,508,430</b>	<b>8.5%</b>	<b>32,178</b>	<b>441,405</b>	<b>218,800</b>	<b>\$15.67</b>	<b>\$21.01</b>

\*Rental rates reflect gross asking \$psf/year

SUMMARY BY CLASS	TOTAL BLDGS	INVENTORY	SUBLET VACANT	DIRECT VACANT	VACANCY RATE	CURRENT NET ABSORPTION	YTD NET ABSORPTION	UNDER CNSTR	AVERAGE ASKING RENT OVERALL*	AVERAGE ASKING RENT DIRECT*
Class A	65	6,328,571	5,000	508,490	7.9%	(9,904)	156,977	218,800	\$20.99	\$21.01
Class B	820	17,599,940	8,241	1,614,502	9.8%	27,787	208,527	0	\$14.05	\$14.16
Class C	454	5,849,159	9,042	388,357	7.8%	14,295	75,901	0	\$11.54	\$11.49

## Key Lease Transactions Q3 2015

PROPERTY	SF	TENANT	TRANSACTION TYPE	SUBMARKET
Patewood III	46,118	Real Page, Inc.	Lease	Pelham Road
ONE Greenville – Phase II	15,000	Ernst & Young LLP	Lease	Greenville CBD
Erwin Penland 360	14,000	Cherry Bekaert	Lease	Greenville CBD
One Liberty Square	6,919	Armanda Analytics, Inc.	Lease	Greenville CBD

## Key Sales Transactions Q3 2015

PROPERTY	SF	SELLER/BUYER	PRICE	SUBMARKET
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N/A

## About Cushman &amp; Wakefield

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](http://www.cushmanwakefield.com) or follow @Cushwake on Twitter.

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