

## MARKETBEAT

# Greenville, SC

Retail Q1 2018



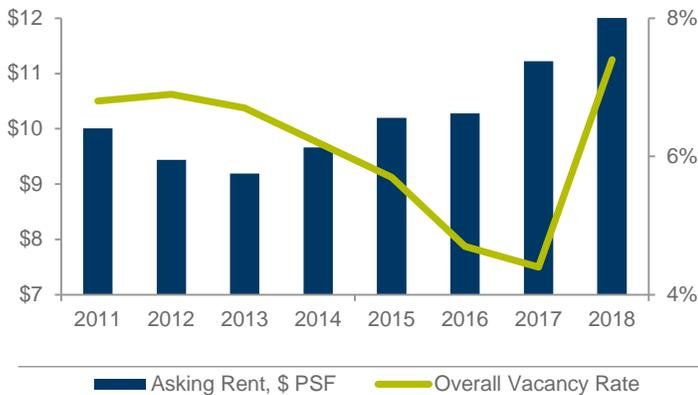
### ECONOMIC INDICATORS

National	Q1 17	Q1 18*	12-Month Forecast**
GDP Growth	2.0%	2.9%*	▲
CPI Growth	2.6%	2.3%*	▼
Consumer Spending Growth	2.9%	2.8%*	▼
Retail Sales Growth	5.2%	4.8%*	▼

\*Q1 18 Estimates. Values represent year-over-year % change.  
\*\*Forecast by Cushman & Wakefield.

Regional	Q1 17	Q1 18	12-Month Forecast
Household Income	\$52,100	\$54,400	▲
Population Growth	1%	1%	■
Unemployment	4.0%	4.0%	■

### Overall Rental Rate vs. Overall Vacancy



### Economy

The U.S. Economy has been on a hiring binge through Q1 2018 adding over 200,000 jobs each month totaling almost 750,000 since the start of the year. Locally, Greenville Spartanburg has added almost 13,000 new jobs since the start of 2017. There are some headwinds going forward as interest rates have risen since Q4 2017, the stock market has become more volatile and the new tariffs on imports may lead to an increase in the cost of goods made overseas or new tariffs on U.S. made goods. Overall, the local and national economies are strong and should remain steady during 2018.

### Market Overview

As competition increases, more retailers are moving from "B" to "A" locations to grow. (CNBC) In Greenville, Habitat for Humanity of Greenville is moving to Woodruff Road for more exposure. Planned communities such as Hollingsworth, Hartness and BridgeWay Station offer residential, office and retail. This trend, already solidified in the CBD, along with shopping centers whose synergy encourages families to stay, shop and play emphasizes that although e-commerce platforms likely will account for a third of all retail sales by 2030, consumers still want to interact and engage.

Growth is in low-end and high-end retail as middle market retail is declining. Sears, KM, Bi Lo, and Macy's are closing underperforming locations. Best Buy is shuttering its freestanding mobile-phone business, Nine West is closing their mall locations as well as all Toys R Us locations with the "A" real estate being quickly acquired. Dollar General is spending big on its brick-and-mortar stores this year, introducing new merchandise and technologies focusing on convenience for customers. Retailers that offer consumers experiences they can't find anywhere else are in growth mode and adding new stores. Nationally, TJX, IKEA and Dollar Tree/Family Dollar plan to open many locations this year.

### Outlook

US retail sales are on track to grow between 3.8% and 4.4% this year, as consumers' wages grow and unemployment remains low. (CNBC) The Upstate generally follows trend or performs a bit better. Bank of America has plans to open 500 branches across the U.S. over the next four years, reports Bloomberg, so retail continues to thrive, only in a different way than traditionally and historically. Scan, Bag & Go is the new trend so look for more automated shopping options. As these trends trickle into Greenville, our loyalty to local is exhibited by new breweries, West End growth, and long term staples such as Half-Moon Outfitters growing and morphing into new locations, co-tenanting with synergistic retail.

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#### About Cushman & Wakefield

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