

MARKETBEAT

Greenville

Retail Q2 2017



ECONOMIC INDICATORS

| National | Q2 16 | Q2 17 | 12-Month Forecast |
|--------------------------|-------|-------|-------------------|
| GDP Growth | 1.3% | 2.3% | ▲ |
| CPI Growth | 1.1% | 1.9% | ▲ |
| Consumer Spending Growth | 2.7% | 2.7% | ■ |
| Retail Sales Growth | 2.2% | 4.0% | ■ |

*Forecasted by Cushman & Wakefield. Values represent year-over-year % change.

| Regional | Q2 16 | Q2 17 | 12-Month Forecast |
|-------------------|----------|----------|-------------------|
| Household Income | \$50,296 | \$52,224 | ▲ |
| Population Growth | 1% | 1% | ■ |
| Unemployment | 4.7% | 4.0% | ▼ |

Economy

Through the first six months of 2017, the U.S. economy added over 860,000 jobs and overall the unemployment rate remained under 4.5%. South Carolina added about 32,000 jobs since the start of the year and the Greenville/Spartanburg market added about 5,500. The strong employment gains and low interest rates have continued to be a boom for households as consumers remain optimistic and have money to spend. Locally Greenville/Spartanburg has reported tremendous growth in manufacturing and construction jobs.

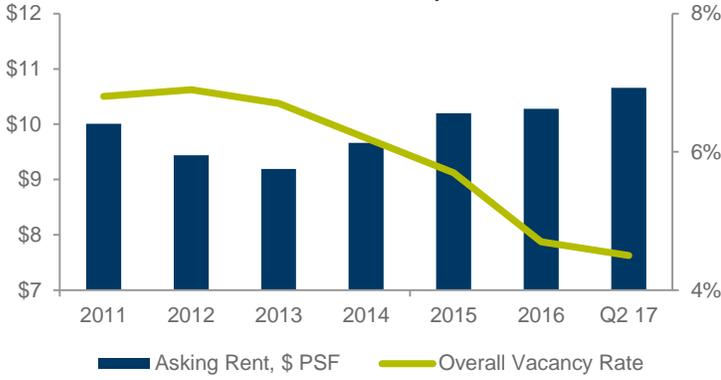
Market Overview

In order to compete with the e-commerce platforms, retailers are readjusting their brands; providing interactive experiences for their customers. Brick and Mortar retailers are being more creative. Interacting with merchandise such as sampling food/drinks, trying on clothes, demoing new technology, is keeping customers in stores longer. Engaging with the brands longer, creating a dialogue with personnel all leads to creating a stronger relationship with the consumer as well as creating repeat customers/future sales.

Outlook

With the constantly rising lease rates, specifically on Main Street, we're seeing an emphasis to go parallel and into beginning stages of urban renewal in otherwise blighted neighborhoods. Seeing neighborhoods move from blighted to edgy, to cool, to upscale. This process can take a long time or move quickly. Ones to watch are the projects moving in tandem with the Swamp Rabbit Trail: Hampton Station and City Park. The market will begin to see a push in the outlying arteries of the CBD including Wade Hampton Blvd. and Poinsett Highway, spurred by the population growth, and a stable and growing local economy.

Overall Rental Rate vs. Overall Vacancy



About Cushman & Wakefield

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