

## MARKETBEAT

# Greenville, SC

Office Q3 2018



### GREENVILLE, SC OFFICE

#### Economic Indicators

	Q3 17	Q3 18	12-Month Forecast
Greenville   Spartanburg Employment	570k	589k	▲
Greenville   Spartanburg Unemployment	3.95%	3.1%	■
U.S. Unemployment	4.4%	3.9%	▼

Numbers above are quarterly averages; May 2018 data used to represent Q3 2018

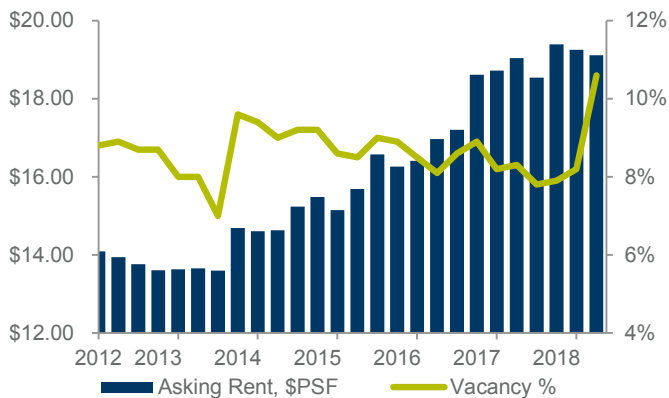
#### Market Indicators (Overall, All Classes)

	Q3 17	Q3 18	12-Month Forecast
Vacancy	8.3%	10.6%	▲
Net Absorption (sf)	157k	77k	▼
Under Construction (sf)	1.0M	143k	▼
Average Asking Rent	\$19.04*	\$19.11*	▲

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

#### Overall Net Absorption/Overall Asking Rent

##### 4-QTR TRAILING AVERAGE



## Economy

Second quarter 2018 GDP growth was a robust 4.2% for the U.S., which was one of the strongest quarters since the expansion began. Massive tax cuts and government spending increases are helping bolster the growth. The national unemployment rate continues to drop below 4.0% showing no signs of downshifting. Locally the rate hovered around 3.1% throughout the quarter. A major shock would need to occur in order to derail the U.S. economy which remains firmly on track.

## Market Overview

Landlords are increasing incentives as the market is shifting towards occupiers. The amount of vacancy in the CBD and suburban office market is creating competition for attracting tenants and thus prompting more incentives. Tenants are also reviewing their space plans to maximize their office square footage while requiring amenities such as gyms, social areas, collaborative lobbies, conference facilities available to tenants, and on-site restaurants. Bank of America will relocate in the new Camperdown project in 2020. Meanwhile, the next redevelopment is taking place at 101 N Main which has started renovations. Hughes Investments and their BridgeWay community has started moving dirt for the first phase of the new town center in Mauldin which its expected to be delivered mid 2019.

## Outlook

We expect to see additional sales transactions of office buildings as the market remains attractive to investors who desire better yields than they can get in larger cities. The Windstream building in the CBD and Harbinger Office Park in the suburban market are both on the market for sale. While additional expected rate hikes are before the end of the year, overall money is still available at competitive rates.

As landlords are competing for tenants, occupiers are competing for talent. Tenants are demanding that landlords re-invest in their properties with the amenities mentioned previously, which enables tenants to attract and retain talent based on the added value of experience amenities on site.

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#### About Cushman & Wakefield

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