

	YoY Chg	12-Mo. Forecast
<b>6.3%</b> Vacancy Rate	▲	▼
<b>-250K</b> Net Absorption, SF	▼	▲
<b>\$4.06</b> Asking Rent, PSF	▲	▲

*Overall, Net Asking Rent*

### ECONOMY: Expansion Continues as Employment Recovers

The local economy in Greenville/Spartanburg and the statewide South Carolina economy boasted a healthy Q1 2021. Key economic indicators, especially within employment and housing, suggest that outlook figures are flat month-over-month within Q1 but are still up significantly year-over-year (YOY). Unemployment rates in Greenville and Spartanburg metros are 4.6% and 5.1% respectively, while rapid growth in the housing market suggests that the labor pool continues to expand.

### SUPPLY and DEMAND: Ready For More Product

The current industrial vacancy decreased to 6.3% Q1 2021 from 7.5% in Q4 2020 and we believe is a sign of things to come. Vacancy climbed throughout 2020 after ending 2019 at 5.2%. Supply side pressure is responsible for a majority of the rise in vacancy. Over 12.6 million square feet has been added to the market since Q4 2019. While current vacancy remains slightly higher YOY, strong interest from tenants throughout the market is expected to further lower the overall vacancy rate in 2021 as tenants move into the newly constructed space.

### ECONOMIC INDICATORS Q1 2021

	YoY Chg	12-Mo. Forecast
<b>413.7K</b> Greenville* Employment	▼	▲
<b>4.8%</b> Greenville* Unemployment Rate	▲	▼
<b>6.0%</b> U.S. Unemployment Rate	▲	▼

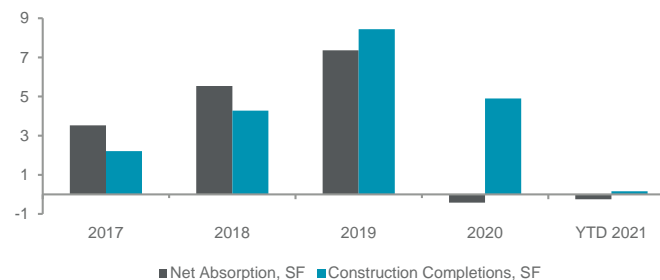
Source: BLS

\*Does not include Spartanburg MSA

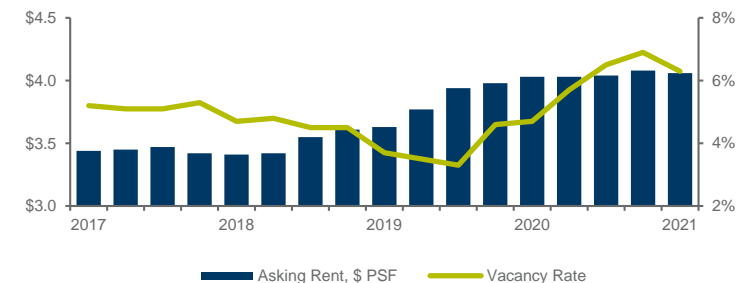
### PRICING: Going Up?

As predicted in Q4, rental rates remained flat at an average of \$4.06 per square foot. The pipeline for delivered speculative construction continues to absorb. Current and new to market developers are vying for land positions and paying record prices for industrial land. A significant amount of industrial product is under contract to close in Q2, and CAP rates will continue to compress from the previous year's transactions, likely setting new market records. The increase in land prices combined with the near weekly increase in construction costs will likely lend to rental rates increasing in the next wave of construction. How big of a rental rate increase is yet to be seen, but we hope it does not make Class A product cost prohibitive for existing and new to market tenants. However, we will have to keep eyes on this trend and its effect on tenants' occupancy costs.

### SPACE DEMAND / DELIVERIES



### OVERALL VACANCY & ASKING RENT



## MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (FX)	OVERALL WEIGHTED AVG NET RENT (W/D)
Anderson County	25,690,619	471,833	1.8%	163,636	163,636	775,973	0	\$4.07	\$4.58	\$3.50
Cherokee County	9,217,954	428,400	4.6%	0	0	0	0	N/A	N/A	\$3.50
Greer	22,648,212	3,164,114	14.0%	-14,807	-14,807	1,659,230	0	\$3.93	\$7.03	\$4.83
Hwy 290	10,276,876	1,122,305	10.9%	-119,971	-119,971	0	0	\$4.49	\$6.12	\$4.14
Laurens County	13,755,278	408,142	3.0%	119,000	119,000	0	150,660	\$2.00	N/A	\$3.37
N Greenville	23,224,272	729,930	3.1%	-296,067	-296,067	0	0	\$4.57	\$7.97	\$4.22
E Greenville	11,565,583	879,288	7.6%	-331,116	-331,116	0	0	\$5.56	\$7.44	\$4.27
W Greenville	3,614,756	172,129	4.8%	16,945	16,945	0	0	N/A	\$11.93	\$6.97
S Greenville	36,809,395	2,269,188	6.2%	395,706	395,706	761,108	0	\$3.73	\$5.56	\$3.99
N Spartanburg	44,249,753	3,043,401	6.9%	-54,172	-54,172	0	12,000	\$3.55	\$4.70	\$4.10
S Spartanburg	16,945,961	515,391	3.0%	-16,000	-16,000	0	0	\$2.75	\$5.14	\$3.31
Pickens County	6,956,609	1,046,302	15.0%	-113,200	-113,200	0	0	N/A	N/A	\$3.27
<b>MARKET TOTALS</b>	<b>224,955,268</b>	<b>14,250,423</b>	<b>6.3%</b>	<b>-250,046</b>	<b>-250,046</b>	<b>3,196,311</b>	<b>162,660</b>	<b>\$3.73</b>	<b>\$5.99</b>	<b>\$4.00</b>

\*Rental rates reflect weighted net asking \$psf/year

FX = Flex MF = Manufacturing W/D = Warehouse/Distribution

## KEY LEASE TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
578 Robinson Road, Building C	Greer (Route 101 Corridor)	TTI Floor Care	1,400,580	New Lease
110 Hidden Lake Road	N Greenville (Route 29 Rutherford Road)	AFL	174,000	New Lease
405 Apple Valley Road	Greer (Route 101 Corridor)	TAGG Logistics	163,680	New Lease
405 Apple Valley Road	Greer (Route 101 Corridor)	Kenco Logistics	163,680	New Lease
49 Donkle Road	N Greenville (Route 29 Rutherford Road)	Swafford Transport	146,322	New Lease

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## KEY SALES TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
290 Old Anderson Road	Anderson County	CM Knight Pendleton LLC / unknown	405,000	\$13.02M / \$31.00

## KEY METRIC YOY COMPARISON

QUARTER	INVENTORY	OVERALL VACANCY	NNN ASKING RENTS	OVERALL NET ABSORPTION	NEW LEASING ACTIVITY (SF)	COMPLETIONS	UNDER CONSTRUCTION
Q1 2020	220,297,398	4.7%	\$4.03	552,777	1,703,033	408,087	6,545,303
Q1 2021	224,955,268	6.3%	\$4.06	-250,046	2,190,753	162,660	3,196,311

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