

YoY  
Chg 12-Mo.  
Forecast**6.1%**

Vacancy Rate

**-653K**

Net Absorption, SF

**\$4.06**

Asking Rent, PSF



Overall, Net Asking Rent

**ECONOMIC INDICATORS  
Q2 2020**YoY  
Chg 12-Mo.  
Forecast**390.4K**Greenville  
Employment**12.7%**Greenville  
Unemployment Rate**13.0%**U.S.  
Unemployment Rate

Source: BLS

**ECONOMY: Rapid Recovery Begins**

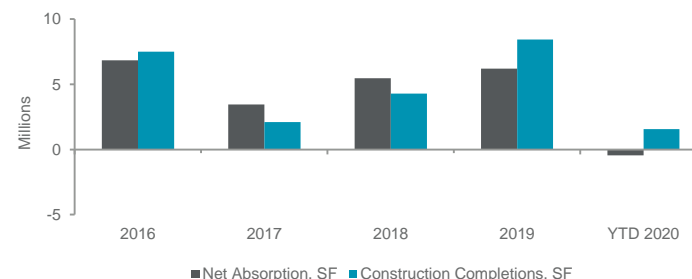
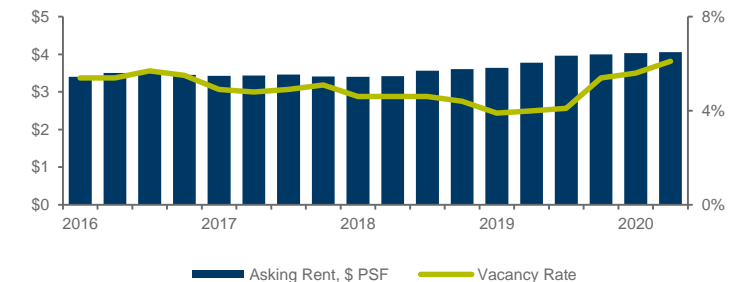
Despite global uncertainty, economic activity in the Upstate has started to recover from the fallout of the pandemic. Recent economic announcements include Home Depot leasing 74 Brookfield Oaks Drive and manufacturing companies like Eaton and Orbis announcing expansions in the Upstate. The COVID-19 pandemic struck the U.S. in March 2020, late in the quarter but with enough time to have a significant impact on first quarter market fundamentals. In the second quarter of 2020, the U.S. economy felt its effects more fully, as government-mandated shutdowns along with shelter-in-place ordinances pushed the country deeper into recession. The situation remains very fluid. Access the most recent information specific to COVID [here](#).

**SUPPLY and DEMAND: Fundamentals Still Strong**

Despite the COVID-19 interruption, the overall industrial market remains healthy. Leasing activity initial slowed, resulting in below average quarterly leasing activity, but accelerated with numerous renewals and new leases in Q2 that totaled nearly 1.1 million square feet (msf) of leasing activity. The industrial sector should see increases in demand due to eCommerce and supply chain adjustments. There will be a continued boom for eCommerce requirements in our market, most recently reflected with Home Depot leasing 74 Brookfield Oaks Drive for a last mile fulfillment center. New manufacturing requirements are also prevalent, most recently with companies like Eaton and Orbis announcing expansions in the Upstate. Companies can no longer risk a delay in imports. Overall, we anticipate stateside inventories to double from a three-month supply to a six-month supply. Supply is currently rising to meet the growing demand. Over 7.0 msf of vacant Class A spec space exists or will be delivered by the end of Q3, while the overall vacancy rate increased to 6.1% during the quarter after 1.3 msf of industrial space delivered.

**PRICING: Staying Level**

Rental Rates slightly increased to \$4.06 per square foot, up 7.4% from the same time last year, while landlords are offering more concessions such as free rent and additional tenant improvement allowances. Construction pricing has also remained flat over the past 12 months. User sales prices have also remained at pre-COVID-19 levels and the expectation that CAP rates will hold is also there. However, sales activity slowed during the quarter with no local exchanges above \$5.0 million in Q2.

**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 (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Anderson County	25,367,921	557,460	2.2%	41,200	198,500	688,873	0	\$3.99	\$4.92	\$3.14
Cherokee County	9,228,054	376,500	4.1%	-323,900	-297,900	379,600	0	N/A	N/A	\$3.46
Greer	23,776,520	3,280,630	13.8%	39,854	-83,373	1,270,081	1,104,270	\$4.52	\$4.90	\$4.81
Hwy 290	9,826,659	539,907	5.5%	-204,114	-211,007	551,670	0	\$3.75	\$6.10	\$3.75
Laurens County	13,294,322	737,509	5.5%	2,200	-66,300	150,660	0	N/A	N/A	\$3.37
N Greenville	23,527,371	1,021,535	4.3%	-210,477	-171,318	210,000	0	\$5.31	\$6.90	\$3.23
E Greenville	11,346,861	924,787	8.2%	-22,453	3,572	136,500	148,643	\$5.67	\$7.83	\$4.45
W Greenville	3,583,082	112,602	3.1%	-36,782	-38,512	0	0	N/A	\$7.78	\$7.24
S Greenville	36,641,685	2,497,700	6.8%	186,640	361,972	294,000	0	\$3.85	\$6.92	\$3.90
N Spartanburg	43,376,508	2,720,237	6.3%	-120,978	-86,078	286,000	0	\$3.78	\$5.67	\$3.98
S Spartanburg	16,963,493	391,657	2.3%	-25,000	43,450	0	0	\$2.79	N/A	\$2.82
Pickens County	6,714,237	572,980	8.5%	21,000	-99,670	0	0	\$3.00	N/A	N/A
<b>MARKET TOTALS</b>	<b>223,646,713</b>	<b>13,733,504</b>	<b>6.1%</b>	<b>-652,810</b>	<b>-446,664</b>	<b>3,967,384</b>	<b>1,252,913</b>	<b>\$3.97</b>	<b>\$5.71</b>	<b>\$3.88</b>

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

FX = Flex MF = Manufacturing OS = Office Service/Flex W/D = Warehouse/Distribution

## KEY LEASE TRANSACTIONS Q2 2020

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
130 Caliber Ridge	Greer (Route 101 Corridor)	CH Mueller	114,400	Renewal
65 Brookfield Oaks Dr	E Greenville (I-385/Woodruff Rd/Hwy 14)	Baier & Michel	76,800	Renewal
74 Brookfield Oaks Dr	E Greenville (I-385/Woodruff Rd/Hwy 14)	Home Depot	74,321	New Lease
115 USAC Dr	Greer (Route 101 Corridor)	AFL Alumoweld	67,000	Renewal
120 Caliber Ridge	Greer (Route 101 Corridor)	IEWC	52,000	Renewal
75 Brookfield Oaks Dr	E Greenville (I-385/Woodruff Rd/Hwy 14)	RiteRug	32,000	New Lease
360 Mayfield Rd	Greer (Route 101 Corridor)	Courier Express	25,200	New Lease

## KEY SALES TRANSACTIONS Q2 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
2200 Old N Laurens Rd	Laurens County	RAI / Meiden America Switchgear	52,500	\$4.3M/\$82.86
5205 Route 25	Greenwood County	USTAC / Eaton	110,000	\$4.2M/\$38.55

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