

YoY
Chg 12-Mo.
Forecast

9.2%

Vacancy Rate



-217.7K

Net Absorption, SF



\$22.15

Asking Rent, PSF



(Overall, All Property Classes)

ECONOMIC INDICATORS
Q3 2020YoY
Chg 12-Mo.
Forecast

417.7K

Greenville
Employment

6.6%

Greenville
Unemployment Rate

8.8%

U.S.
Unemployment Rate

Source: BLS

ECONOMY: Recovery Continues Amid Election Uncertainty

The manufacturing and logistics sectors continue to lead the economic recovery in South Carolina. Boeing recently announced the complete relocation of their 787 Dreamliner production to South Carolina. The multi-tenant data center operator, DC BLOX, announced a \$200 million investment with plans to establish operations in Greenville County at Global Business Park off of I-85. The intelligent materials handler, JIDA Industrial Solutions also announced plans to establish operations in Greenville County with a \$4.5 million investment that is expected to create 78 new jobs over the next five years. South Carolina's business-friendly climate and skilled workforce continue to be the main drivers attracting companies to the state.

Upon the arrival of COVID-19 in the U.S., the economy entered a recession in March 2020, recording the worst decline in post-war history in Q2 2020. Mounting evidence indicates that the recovery began in May or June with Q3 2020 data likely reflecting that. But, until there is a public health resolution to the pandemic, the recovery is likely to remain uncertain and gradual. Only then can households and businesses become more confident. Access the most recent research on CRE and the state of economy [here](#).

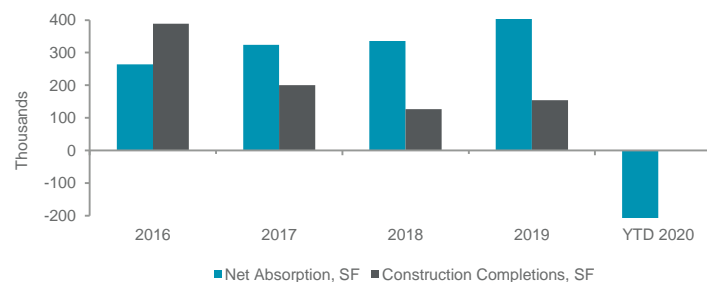
SUPPLY and DEMAND: Sublease Activity Continues

As employers have extended the length of WFH period for employees, the need to increase company's cash flows is leading to increased sublease opportunities. Over the last quarter, over 82,000 square feet (sf) of large blocks for sublease have come online. For lease renewals coming due, many tenants are requesting short term extensions in order to re-evaluate their positions at a later date. Leasing demand continues to be driven by growth in the engineering and consulting sectors. Employers that had to furlough some employees earlier in the year began hiring back some of their workforce this quarter as activity picked up.

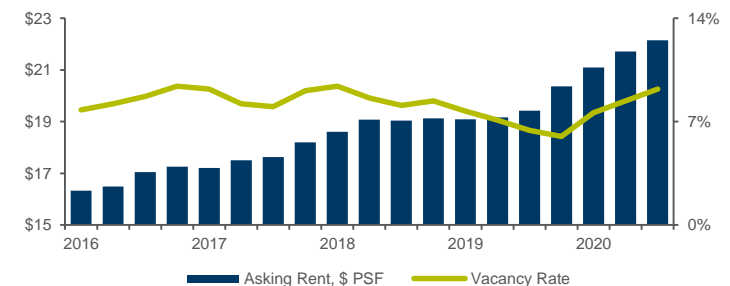
PRICING: Consistently in Favor of Occupiers

Transaction activity in the Upstate continued to move forward as buyers and sellers continue their processes of price discovery. With sellers expecting pre-recession prices and buyers demanding discounts, the bid/ask spread began to close in favor of buyers. In the leasing market, rental rates have continued to increase as new construction and office park renovations have increased the quality of available space. The increase in the supply of large block spaces available for sublease may place downward pressure on rental rates for some landlords as they compete against these availabilities within their own parks.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Anderson County	1,819,880	0	22,405	1.2%	500	9,109	290	0	\$17.37	N/A
Greenville CBD	5,830,160	78,783	621,160	12.0%	-126,114	-266,647	231,481	151,351	\$24.86	\$26.05
Greenville Suburban	13,028,035	127,444	1,194,837	10.2%	-97,766	45,477	167,092	0	\$20.11	\$22.26
Pickens County	893,625	0	83,585	9.4%	22,432	12,414	14,832	0	\$9.00	N/A
Spartanburg CBD	1,794,225	20,480	77,707	5.5%	-4,779	-16,126	17,277	0	\$17.78	\$20.87
Spartanburg Suburban	2,574,010	0	151,720	5.9%	-11,991	-78,610	38,740	0	\$19.17	\$20.82
MARKET TOTALS	25,939,935	226,707	2,151,414	9.2%	-217,718	-294,383	469,712	151,351	\$22.15	\$24.63

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q3 2020

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
104 S Main Street	Greenville CBD	Armada	13,500	New Lease
300 N Main Street	Greenville CBD	Ogletree Deakins	10,174	Renewal
511 Rhett Street	Greenville CBD (West End)	Norbord Panels	5,765	New Lease
37 Villa Road	Greenville Suburban (Pelham Road)	NUS Consulting	5,098	New Lease
15 S Main Street	Greenville CBD	Zipit Wireless	4,705	New Lease
400 Executive Center Drive	Greenville Suburban (Pelham Road)	Jedson Engineering	4,133	New Lease

KEY SALES TRANSACTIONS Q3 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
2375 E Main Street	Greenville Suburban (East Side)	unknown / Brooks Family Income Trust	23,978	\$637,500 / \$26.59
108 Frederick Street	Greenville Suburban (South Pleasantburg)	World Acceptance Corp / Transcendia	22,000	\$2,150,000 / \$97.73
1403 E Greenville Street	Anderson County	Madurai LLC / Greenleaf Management	15,105	\$2,000,000 / \$132.41
1075 Boiling Springs Road	Spartanburg Suburban (North Side/Route 9 Corridor)	Property Associates / CCR of Spartanburg	12,692	\$1,650,000 / \$130.00
1330 Boiling Springs Road	Spartanburg Suburban (North Side/Route 9 Corridor)	Spartanburg Greer ENT & Allergy / Spartanburg Regional Healthcare System	10,097	\$3,725,000 / \$368.92
745 Wade Hampton Boulevard	Greenville Suburban (Stone Avenue/E North Street Corridor)	Luthi Real Estate Co / NAI Earle Furman	10,000	\$700,000 / \$70.00

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