

## Industrial Q1 2021

**3.1%**

Vacancy Rate

YoY  
Chg12-Mo.  
Forecast**165K**

Net Absorption, SF

**\$4.02**

Asking Rent, PSF



Overall, Net Asking Rent

**ECONOMIC INDICATORS  
Q1 2021****606.0K**Greensboro/  
Winston-Salem  
EmploymentYoY  
Chg12-Mo.  
Forecast**6.3%**Greensboro/  
Winston-Salem  
Unemployment Rate**6.0%**U.S.  
Unemployment Rate

Source: BLS

**ECONOMY**

COVID-19 caused a seismic shift in consumer behavior over the past year, and e-commerce sales are at an all-time high. U.S. online sales through year-end 2020 totaled \$788 billion, an increase of 32.1% from the previous year. E-commerce sales accounted for 14% of total national retail sales for 2020, prompting a surge in demand for warehouse space by both retailers and logistics firms.

Market fundamentals in the Greensboro/Winston-Salem market continue to improve. Employment in the region has recaptured 47,500 jobs lost to the pandemic with employment currently at 93.0% of its pre-COVID-19 total. The region's unemployment rate of 6.3% continued to improve and is approaching the national average.

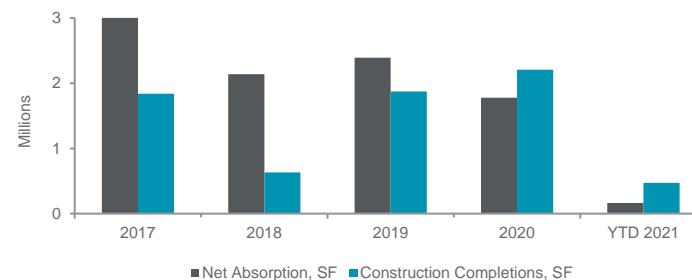
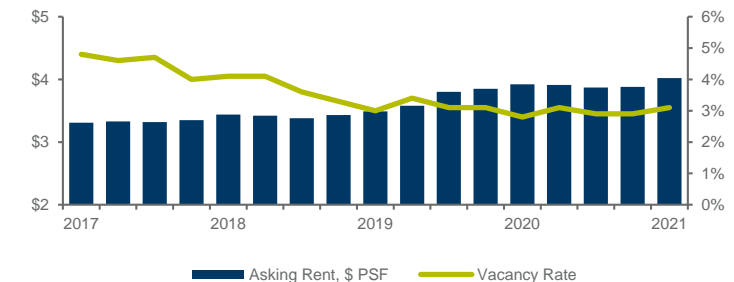
**SUPPLY AND DEMAND**

The Triad region recorded an industrial overall vacancy rate of 3.1% in Q1 2021. After dropping below 3% for the first time on historical record, the rate has remained near this low point, speaking to the tightness of the market. Demand continues to outpace supply, and local companies with expansion plans are on hold as they wait for availability in the correct size or submarket. The Triad region covers a wide geographic area and some submarkets within it boast sub-2.0% vacancy.

The Burlington/Alamance County submarket remains an industrial hot spot with the recent delivery of a 297,000 square foot (sf) speculative building. Nearly 3.1 million square feet (msf) of product under construction in the Triad is expected to deliver in 2021, about half of which is speculative development. That additional supply should offset demand constraints throughout the region as the eleven buildings are completed.

**PRICING**

The region continues to be a strong economic opportunity for relocating companies compared to larger markets in the state. Leasing rates in the Triad region continue to increase but at a marginal rate. The average Q1 2021 rate of \$4.02 per square feet (psf) represents a 2.6% increase from the prior year. With construction costs rising rapidly and a shortage of steel and other construction supplies including roof joists and decking increasing lead times for developers, the 3.1 msf of product currently under construction may drive pricing higher as it comes online during 2021, but that issue is not simply a regional one. Availability and pricing of construction materials continues to be a concern for all products. New industrial products are leasing in the \$5.00 psf range.

**SPACE DEMAND / DELIVERIES****OVERALL VACANCY & ASKING RENT**

## Industrial Q1 2021

## 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)	CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT
North Guilford	13,940,394	469,742	3.4%	122,005	122,005	1,510,000	0	\$3.24
Airport	29,722,758	854,257	2.9%	-45,508	-45,508	90,000	176,000	\$4.96
Central Guilford	13,873,466	576,179	4.2%	-47,458	-47,458	110,117	0	\$3.44
East Guilford	7,722,520	152,000	2.0%	-10,100	-10,100	738,500	0	\$4.58
SW Guilford	29,518,903	821,807	2.8%	-177,721	-177,721	0	0	\$2.94
Rockingham County	13,936,123	204,872	1.5%	0	0	253,866	0	\$3.47
Randolph County	23,207,092	118,979	0.5%	63,702	63,702	20,000	0	\$3.83
Burlington / Alamance Co.	25,552,749	1,259,525	4.9%	-123,830	-123,830	0	297,000	\$3.78
Central Forsyth	3,506,930	2,500	0.1%	-2,000	-2,000	0	0	\$2.75
SE Forsyth	23,195,482	370,653	1.6%	196,029	196,029	250,000	0	\$4.92
North Forsyth	19,521,818	1,262,571	6.5%	-185,992	-185,992	0	0	\$3.78
West Forsyth	2,077,109	0	0.0%	0	0	0	0	N/A
NW Piedmont	4,145,689	457,682	11.0%	0	0	0	0	\$1.95
Davidson County	23,664,637	363,820	1.5%	375,781	375,781	100,000	0	\$4.45
Davie County	8,830,791	686,012	7.8%	0	0	0	0	\$3.93
<b>MARKET TOTALS</b>	<b>242,416,461</b>	<b>7,600,599</b>	<b>3.1%</b>	<b>164,908</b>	<b>164,908</b>	<b>3,072,483</b>	<b>473,000</b>	<b>\$4.02</b>

PROPERTY TYPE	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT
Warehouse / Distribution	134,334,821	4,575,826	3.4%	207,839	207,839	2,712,483	473,000	\$4.06
Manufacturing	102,684,362	2,573,611	2.5%	-28,483	-28,483	360,000	0	\$3.65
Office Service / Flex	5,397,278	451,162	8.4%	-14,448	-14,448	0	0	\$6.15

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

## KEY CONSTRUCTION COMPLETIONS YTD 2021

PROPERTY	SUBMARKET	MAJOR TENANTS	SF	OWNER/DEVELOPER
3875 Senator Ralph Scott Pkwy	Burlington / Alamance Co.	N/A	297,000	Scott/Mayo Properties
780 Pegg Rd.	Airport	Home Depot, Cranston	176,000	Scannell Properties

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