

Industrial Q3 2021

4.8%

Vacancy Rate

YoY
Chg12-Mo.
Forecast

2.4 M

Net Absorption, SF



\$4.04

Asking Rent, PSF



Overall, Net Asking Rent

ECONOMIC INDICATORS
Q3 2021

586.4K

Greenville-Spartanburg
EmploymentYoY
Chg12-Mo.
Forecast

3.9%

Greenville-Spartanburg
Unemployment Rate

5.2%

U.S.
Unemployment Rate

Source: BLS

ECONOMY: Continued Recovery

Momentum continued to shift toward economic recovery during Q3 2021. The unemployment rate in Greenville-Spartanburg remained well below the U.S. rate, falling to 3.9%. Key industrial segments recorded healthy annual growth, with employment in Trade, Transportations, and Utilities up 3.6% and manufacturing jobs up 3.4%.

E-commerce sales remain at an all-time high. Last quarter, national e-commerce sales totaled \$225B, the highest quarterly revenue in history, and accounted for 13.3% of total U.S. retail sales. Locally, this will continue to fuel the need for warehouse space as e-commerce and third-party logistics firms target Greenville-Spartanburg to expand their foothold in the Southeast.

SUPPLY AND DEMAND: Vacancy Declines as Market Experiences Uptick in Demand

Greenville's Q3 industrial vacancy rate reached its lowest point since before the onset of the pandemic after climbing incrementally throughout 2020. At 4.8%, vacancy has fall 100 basis points (bps) since Q2 and 170 bps since the end of 2020. Anderson County remains the tightest submarket in the region with an occupancy rate of 98.8%.

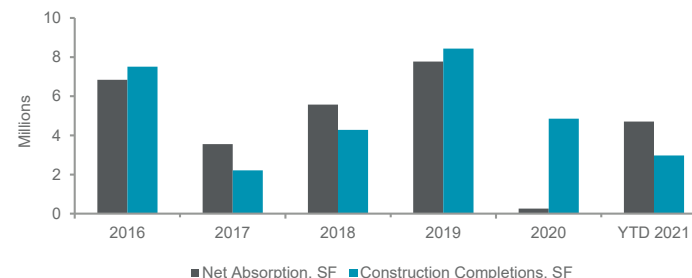
Leasing remained strong in Q3 with nearly 2.4 million square feet (msf) of new transactions signed. This drove the year-to-date total to 5.9 msf, a 14.5% increase over the same period in 2020. In total, 13 leases of 100,000 square feet (sf) or greater were signed during Q3. Demand continued to outpace supply, propelling the market to more than 4.7 msf of net absorption gains in 2021 year-to-date.

The construction pipeline remains robust. In the first three quarters of the year, more than 2.8 msf of new product delivered across the Greenville market, though only four projects completed during Q3, concentrated within Anderson County and North Spartanburg. Construction is currently underway on another 18 buildings totalling more than 4.5 msf. Though demand is high and Greenville market fundamentals are expected to remain tight in the coming quarters, rising construction costs, labor shortages, and supply chain bottlenecks are anticipated to create headwinds for the national industrial market which will likely have impacts locally.

PRICING: Asking Rents Remain Stable

The overall average asking rent remained stable at \$4.04 per square foot (psf), falling slightly since the Q4 2020 high, though as ample high-quality product delivers in the coming quarters, the average rate is expected to rise once again. West Greenville—the smallest submarket—is also among the priciest, commanding asking rents of \$6.97 psf for warehouse/distribution (W/D) product. Greer and East Greenville also boast average W/D asking rents that surpass the \$4.50-psf mark.

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	29,112,307	362,108	1.2%	328,535	615,061	30,400	299,200	\$4.02	\$5.45	\$3.79
Cherokee County	9,250,094	428,400	4.6%	0	0	0	0	N/A	N/A	\$3.62
N Greenville	22,179,314	807,964	3.6%	-123,509	-304,842	107,000	0	\$5.66	\$13.05	\$3.93
E Greenville	11,562,141	538,448	4.7%	227,955	101,196	24,500	0	\$7.47	\$7.65	\$4.66
W Greenville	3,603,853	126,727	3.5%	15,902	58,495	0	0	\$7.00	\$11.68	\$6.97
S Greenville	37,486,589	1,845,327	4.9%	394,445	1,251,505	1,379,050	0	\$3.76	\$5.51	\$4.16
Greer	23,946,087	1,644,676	6.9%	1,747,927	3,880,658	1,036,750	0	\$3.56	\$7.64	\$4.88
Hwy 290 Corridor	10,283,819	667,441	6.5%	137,836	30,308	0	0	\$4.75	\$6.16	\$4.24
Laurens County	14,017,933	571,605	4.1%	68,500	25,637	0	0	\$2.00	N/A	\$3.37
N Spartanburg	44,546,548	2,513,275	5.6%	-471,926	-780,078	949,400	59,000	\$3.06	\$4.18	\$3.70
S Spartanburg	17,058,841	495,438	2.9%	43,000	17,850	1,005,855	0	\$2.75	\$4.25	\$3.84
Pickens County	7,040,357	1,109,007	15.8%	0	-196,821	0	0	N/A	N/A	\$3.19
TOTAL MARKET	230,087,883	11,110,416	4.8%	2,368,665	4,707,969	4,532,955	358,200	\$3.66	\$6.92	\$3.91

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

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

KEY LEASE TRANSACTIONS Q3 2021

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
550 Mason Farm Lane	Hwy 290 Corridor	One World Technologies	551,670	New Lease
200 Fort Prince Road	N Spartanburg	One World Technologies	439,360	New Lease
153 Gibbons Road	Cherokee County	Techtronic Industries	426,400	New Lease
1375 Howell Road	Hwy 290 Corridor	Dollar General Corporation	307,778	New Lease

KEY SALES TRANSACTIONS Q3 2021

PROPERTY	SUBMARKET	SELLER BUYER	SF	PRICE \$ PSF
210 Henson Road Portfolio	Cherokee County	Green Tech Solution Home Fashions International	366,533	\$6.4M \$18

KEY CONSTRUCTION COMPLETIONS YTD 2021

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER DEVELOPER
100 Exchange Logistics Park Dr.	Anderson County	Fischer Packaging, CHEP	289,173	Fischer Packaging & Automation VanTrust
1636 Easley Hwy – Bldg. 1	Anderson County	One World Technologies	212,500	One World Technologies Rooker

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