

	YoY Chg	12-Mo. Forecast
<b>11.2%</b> Vacancy Rate	▲	▲
<b>-33K</b> Net Absorption, SF	▲	▼
<b>\$17.00</b> Asking Rent, PSF	▲	▬

(Overall, All Property Classes)

#### ECONOMIC INDICATORS Q4 2021

	YoY Chg	12-Mo. Forecast
<b>617.6K</b> Greensboro/ Winston-Salem Employment	▲	▲
<b>4.3%</b> Greensboro/ Winston-Salem Unemployment Rate	▼	▼
<b>4.2%</b> U.S. Unemployment Rate	▼	▼

Source: BLS

#### ECONOMIC OVERVIEW

The economic health of the Triad market continued to improve in the fourth quarter with unemployment remaining closely in line with the national rate and posting at 4.3%, a decrease of 30 basis points (bps) from the previous quarter and an impressive 260 bps over the past year. The region's employment total rose again this quarter, reflecting a total of 16,600 jobs added across Greensboro/Winston-Salem during 2021.

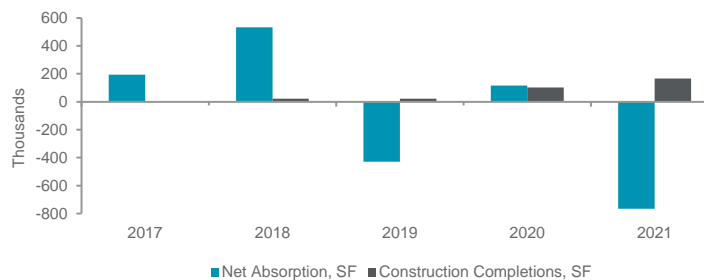
#### SUPPLY AND DEMAND

The overall vacancy rate for the Triad market held steady in Q4, remaining stable at 11.2% for the third consecutive quarter. In Guilford County (Greensboro), subleases comprised 10.2% of all vacant space on the market, elevating the county's total vacancy rate to 14.0%, while they accounted for only 4.4% of the Forsyth County (Winston-Salem) vacant space, contributing to a vacancy rate there of only 8.4%. Excluding sublease space options, the Guilford County direct vacancy rate was 12.8%. Though 32,672 square feet (sf) of occupancy losses were recorded during Q4 throughout the Triad, net absorption losses were less severe than in previous quarters of 2021. The two Central Business District (CBD) markets experienced a combined positive net absorption of 43,408 sf. Many firms are currently in a holding pattern regarding major space planning decisions, resulting in an increase of short-term lease extensions which may prove favorable for landlords if the market improves post-pandemic. Contraction of space is also typical now as remote work continues. Despite this, in total, 185,588 sf of new, sublease, and renewal transactions were signed during Q4, driving the yearly total to 775,169 sf. This represents an 86.6% increase over the 2020 figure. The most substantial transactions of Q4 both occurred within the Guilford County suburbs: Guerrilla RF leased 49,873 sf at 2000 Pisgah Church Road in Greensboro and Uber Freight signed for 41,000 sf at 3803 N Elm Street in Greensboro.

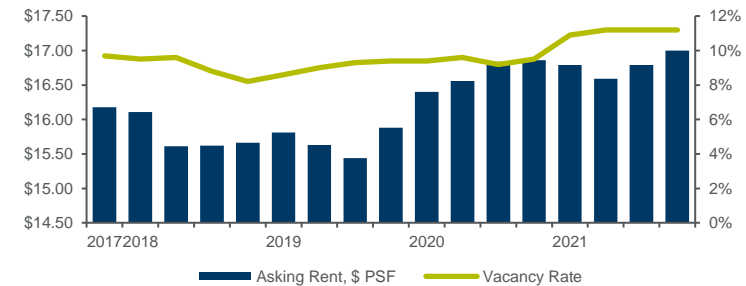
#### RENTAL RATES

Rental rates ticked up slightly in Q4 to reach an average of \$17.00 per square foot (psf) which represents the highest rate to date for the Greensboro/Winston-Salem market. The rate increase was driven by the Guilford County submarkets which each recorded a rise in asking rates. Rental rate growth is expected to level out in 2022 with rates remaining stable near the \$17.00 psf mark, but concessions may increase to incentivize movement. The high cost of construction materials, coupled with supply chain deficiencies, has also tempered tenants' desires to upfit or seek a new space option.

#### 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)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Northwest Guilford	2,207,839	45,918	195,739	10.9%	2,499	-71,578	0	\$21.14	\$24.56
Airport / West Guilford	5,673,716	114,925	537,901	11.5%	-30,000	-252,103	0	\$17.41	\$17.72
Greensboro CBD	3,918,205	0	339,304	8.7%	23,107	73,284	49,900	\$21.19	\$21.77
East Guilford	3,322,556	4,424	740,120	22.4%	-16,607	-54,940	0	\$16.59	\$19.50
West Greensboro	2,496,053	114,657	464,672	23.2%	-99,324	-303,227	0	\$15.59	\$17.50
High Point / SW Guilford	2,014,263	0	233,328	11.6%	56,257	-28,717	24,000	\$18.02	N/A
Winston-Salem CBD	5,930,037	6,875	413,924	7.1%	8,401	-114,495	0	\$15.85	\$18.56
Suburban Winston-Salem	1,076,235	0	113,754	10.6%	10,169	5,138	0	\$18.26	N/A
South Forsyth	3,461,525	0	283,098	8.2%	-9,273	-139,269	0	\$17.34	\$20.71
North Forsyth	3,589,461	45,203	273,872	8.9%	10,199	50,835	0	\$14.38	N/A
Burlington / Alamance Co.	1,485,314	0	7,000	0.5%	11,900	69,139	0	N/A	N/A
<b>MARKET TOTALS</b>	<b>35,175,204</b>	<b>332,002</b>	<b>3,602,712</b>	<b>11.2%</b>	<b>-32,672</b>	<b>-765,933</b>	<b>73,900</b>	<b>\$17.00</b>	<b>\$18.35</b>

\*Rental rates reflect full service asking

## KEY LEASE TRANSACTIONS YTD 2021

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
One West Fourth St.	Winston-Salem CBD	Inmar	177,513	New
One West Fourth St.	Winston-Salem CBD	Womble Bond Dickinson	53,880	Renewal
2000 Pisgah Church Rd.	Northwest Guilford	Guerrilla RF	49,873	New
3803 N Elm St.	East Guilford	Uber Freight	41,000	New

## KEY CONSTRUCTION COMPLETIONS YTD 2021

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER / DEVELOPER
400 Bellemeade St	Greensboro CBD	N/A	112,000	Front Street Capital
275 N Elm St	High Point / SW Guilford	N/A	54,000	Elliot Sidewalk Communities

## PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER / DEVELOPER
1007 Battleground Ave	Greensboro CBD	N/A	49,900	Brown Investment Properties
665 N Main St	High Point / SW Guilford	N/A	24,000	Peters Development LLC

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