

Industrial Q2 2022

	YoY Chg	12-Mo. Forecast
2.5% Vacancy Rate	▼	▲
1.8M YTD Net Absorption, SF	▼	▲
\$4.67 Asking Rent, PSF	▲	▬

(Overall, All Property Classes)

ECONOMIC INDICATORS Q2 2022

	YoY Chg	12-Mo. Forecast
633.5K Greensboro/ Winston-Salem Employment	▲	▲
3.6% Greensboro/ Winston-Salem Unemployment Rate	▼	▼
3.6% U.S. Unemployment Rate	▼	▼

Source: BLS

ECONOMIC OVERVIEW

The Triad market continued to demonstrate positive signs of economic growth post-pandemic, reporting a 3.6% unemployment rate, a decrease of 40 basis points (bps) from the previous quarter and an impressive 180 bps over the past year. The region's employment total rose again this quarter, reflecting 16,800 jobs added across Greensboro/Winston-Salem since Q2 of 2021. The Manufacturing labor forces grew 4.5% year-over-year (YOY) while the Trade, Transportation and Utilities sector grew by 1.4% in that same period, contributing to nonfarm employment gains.

SUPPLY AND DEMAND

Available industrial supply shrank this quarter, with overall vacancy dropping to 2.5%, a 10-bp decrease quarter-over-quarter (QOQ) and a record low. Despite a trio of deliveries this quarter, with Rockingham Business Park, Interstate Industrial Park and 475 Enterprise Park Blvd bringing a combined 454,000 square feet (sf) of vacant space to the market, tenant demand has outpaced supply. With nearly 4.1 million square feet (msf) under construction, expect the new, high-quality speculative development to push vacancy up.

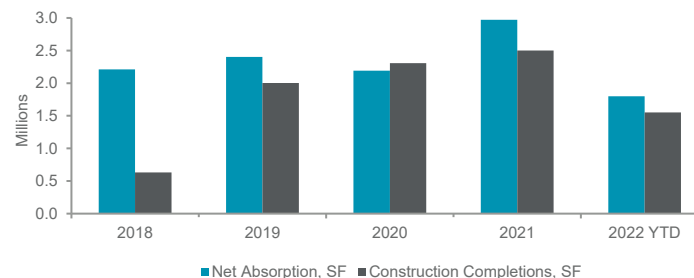
Leasing volume in the Triad remained strong this quarter, adding 1.5 msf of total leasing activity (new and renewals) and bringing the year-to-date (YTD) total to just above 4.0 msf. Major deals were inked in the East Guilford submarket for Warehouse/Distribution (W/D) space, with retail giant Ralph Lauren leasing 360,000 square feet (sf) at Rock Creek Center and Duke Energy signing for 267,300 sf at Greensboro 40 Logistics Center.

Positive occupancy gains continued with nearly 1.8 msf of overall net absorption YTD. East Guilford reported the highest net absorption this quarter, with the two aforementioned tenants immediately occupying and Peloton, a Q1 lease, taking its 280,550-sf space at Young Mills Industrial Park. Another large move-in occurred at Alamance Center in the Burlington/Alamance County submarket where Glen Raven Logistics, a 3PL provider, occupied its 227,347-sf W/D space.

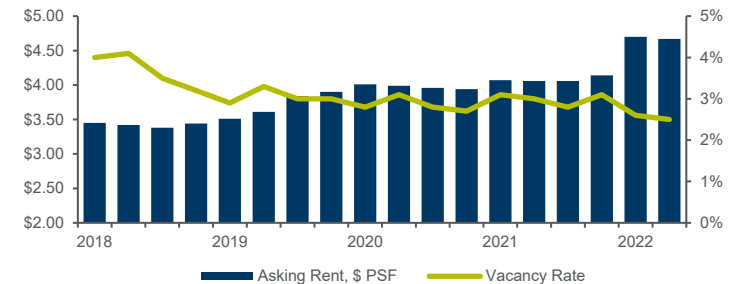
RENTAL RATES

Rental rates saw a stable quarter, with an overall asking rent of \$4.67 per square foot (psf). The highest asking rents occurred in W/D space in the Burlington/Alamance County submarket, where the overall average net rent was \$6.43 psf. As high-quality product continues to deliver, expect asking rents to continue to push upward with the Class A buildings commanding higher rates.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Industrial Q2 2022

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)	YTD CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Airport / West Guilford	30,523,347	1,279,692	4.2%	120,000	187,402	703,183	234,000	\$5.80	\$6.76	\$5.80
Burlington / Alamance Co.	25,878,630	563,727	2.2%	227,347	141,747	297,675	0	\$2.82	\$8.75	\$6.43
Central Greensboro	14,087,090	548,778	3.9%	7,200	-27,842	0	168,000	N/A	\$7.61	\$5.05
Central Winston-Salem	3,452,856	0	0	0	0	0	0	N/A	N/A	N/A
Davie County	9,208,329	429,960	4.7%	-15,000	-15,000	282,652	0	N/A	N/A	\$4.78
East Guilford	8,332,006	433,610	5.2%	907,850	946,850	402,000	0	\$2.00	N/A	\$5.24
High Point / Thomasville	44,838,210	80,882	0.2%	46,700	188,972	0	0	N/A	N/A	\$3.81
Kernersville	6,608,936	32,625	0.5%	28,125	-32,625	944,054	0	N/A	\$7.50	N/A
North Forsyth County	19,584,477	686,797	3.5%	-151,901	-451,397	65,000	0	\$4.75	\$9.48	\$3.65
North Greensboro	8,722,358	700,000	8.0%	0	0	0	0	N/A	\$5.75	\$3.69
North Guilford County	5,746,889	100,000	1.7%	0	45,600	1,440,000	0	N/A	N/A	N/A
Outlying Davidson County	15,628,713	0	0	0	18,000	0	0	N/A	N/A	N/A
Randolph County	17,936,245	0	0	30,000	150,000	0	0	N/A	N/A	N/A
Rockingham County	15,147,728	758,499	5.0%	0	204,791	0	429,866	\$6.25	N/A	\$4.00
Southeast Forsyth	13,396,142	489,980	3.7%	0	497,500	0	720,000	\$3.08	N/A	\$4.32
West Forsyth	6,070,442	55,500	0.9%	-55,500	-55,500	0	0	N/A	N/A	\$7.95
MARKET TOTALS	245,162,398	6,160,050	2.5%	1,411,821	1,798,498	4,134,564	1,551,866	\$4.37	\$7.26	\$4.56

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

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

KEY LEASE TRANSACTIONS Q2 2022

PROPERTY	SUBMARKET	TENANT	SF	LEASE TYPE
Rock Creek Center	East Guilford	Ralph Lauren	360,000	Direct New
Greensboro 40 Logistics Center	East Guilford	Duke Energy	267,300	Direct New
2 W 32 nd St	North Forsyth County	Reynolds American	112,500	Direct New

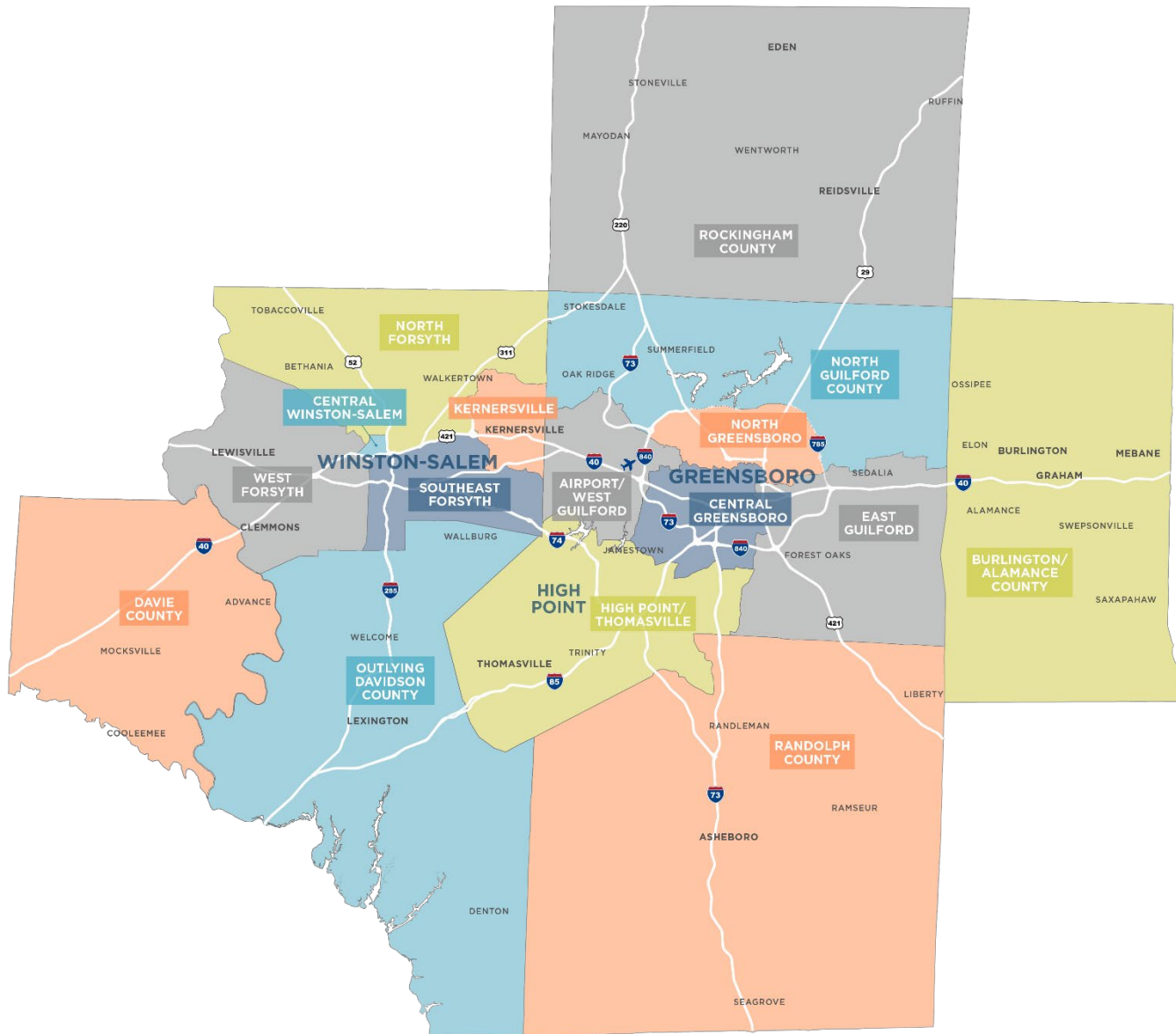
KEY CONSTRUCTION COMPLETIONS Q2 2022

PROPERTY	SUBMARKET	MAJOR TENANT	SF	CONSTRUCTION TYPE	OWNER/DEVELOPER
Rockingham Business Park	Rockingham County	N/A	176,000	Speculative	The Carroll Companies
Interstate Industrial Park	Central Greensboro	N/A	168,000	Speculative	Koury Corporation

KEY PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SF	CONSTRUCTION TYPE	OWNER/DEVELOPER
Macy Grove Rd. Bldgs 1,2,3 & 4	Kernersville	N/A	1,502,927	Speculative	NorthPoint Development
Publix Distribution	North Guilford County	Publix	940,000	Build-to-Suit	Gray / Publix
Reedy Fork Logistics Center	North Guilford County	N/A	500,000	Speculative	The Silverman Group

INDUSTRIAL SUBMARKETS



JP Price

Senior Research Analyst

+1 704 335 4433 / jp.price@cushwake.com

Drew Walters

Research Analyst

+1 864 704 1345 / andrew.walters@cushwake.com

cushmanwakefield.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 50,000 employees in 400 offices and 60 countries. In 2021, the firm had revenue of \$9.4 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.

©2022 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.

cushmanwakefield.com