

More Available Buildings Means More Opportunity for Greenville County

By Mark Farris, President & CEO, GADC



In late 2011, the US and regional economies began to slowly rebound after the Great Recession. Many domestic and foreign companies who survived the fiscal hardships faced the newly-expanding marketplace with significant cash reserves. And as product and service demand regained and then exceeded pre-recession capacities, expanding industry looked to add volume by taking advantage of cheaper buildings left in the wake of failed or consolidated corporations.

As always, speed to market was critical for many firms as they sought to absorb market share left by operations which did not survive the downturn. As a result, existing building inventories in communities across the Palmetto State -- including Greenville County -- were substantially depleted. Even poorly-adapted buildings were absorbed in the melee, especially with the attractive lease or purchase prices then available.

At the same time, iconic financial institutions that were thought to be solid suffered serious setbacks and ended up holding bad debt in both sub-prime residential as well as commercial and industrial categories. Even when these markets rebounded, banking regulators were especially hesitant to approve funding for almost any speculative construction. And while the restrictions continue to loosen, many banks still shy away from all but the most proven industrial projects.

Today, the cost of new construction has reached historic highs in the region and even if funded, developers are often required to provide as much as 40% equity for speculative industrial space.

Even with such concerns, the Greenville market area was recently ranked third in the nation by Newmark Knight Frank for industrial space absorption behind Atlanta and Industry City, CA. Indeed, a contemporary history of speculative buildings in Greenville shows that buildings recently completed by such developers as TPA, Exeter and Patillo Industrial have been immediately successful, leading to investments by Android, Procter & Gamble and Tower Automotive respectively.

Over half of the companies that contact us here at GADC look first to buy or lease existing buildings, as opposed to assuming the risk of construction. The need for new manufacturing space including features like masonry construction, higher ceilings and wider column spacing is apparent.

Since most site location searches are now internet-based, without available, attractive buildings that we can aggressively market, many projects may eliminate our area before they understand the other inherent benefits we offer like lower total costs of operation, our skilled labor force and unequalled quality of life. The GADC, supported by Greenville County, has engaged with local and regional developers to provide incentives for speculative projects and we hope to have several new buildings on the market before the end of this year.

With such partnerships, we can continue to bring new jobs and investment to Greenville!

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The Greenville Area Development Corporation is a non-profit organization established by Greenville County Council to promote and enhance the economic growth and development of Greenville County. Since its founding in 2001, GADC efforts have resulted in the creation of more than 23,000 new jobs and more than \$4 billion in capital investment in Greenville County, SC. To learn more, please visit www.goGADC.com or call [\(864\) 235-2008](tel:8642352008).