

Greenville, SC



Quick Stats

26.1 msf

Inventory

3Q19 25.7 msf

10%

Vacancy

3Q19 7.5%

(466,375) sf

Net Absorption

3Q19 52,990 sf

0 sf

Deliveries

3Q19 60,000 sf

194,351 sf

Under Construction

3Q19 564,906 sf

\$21.12 psf

Average Asking Rents

3Q19 \$19.82 psf

5.7%

Unemployment

3Q19 1.8%

The Greenville office market stumbled this quarter as the market experienced negative absorption of 466,375 square feet (sf). Leasing activity and move-ins could not keep up and as a result, vacancy rates increased 1.8% from 8.2% in the second quarter of 2020 to 10% in the third quarter of 2020. The Greenville submarket led the way with 353,516 sf of negative absorption which stems from significant vacancies arising at 701 Brookfield Pky, 55 Camperdown Pky, and a large sublease coming available at 50 International Dr.

Leasing activity was slow this quarter as there were 31 deals completed for the quarter. This is down from 39 deals in the second quarter of 2020 and is a 54% decline in deals transacted year over year. The Greenville County submarket continued to attract a majority of the deals with 23 for the quarter, five of which were done in the CBD. One thing of note is that rates increased across Anderson, Greenville, and Spartanburg counties this quarter as well as in the Greenville and Spartanburg central business districts.

As some companies begin to return to the office, it will be interesting to see whether or not they will adjust their footprint. Will they remain the same, will they increase due to needing more space for their employees to socially distance, or will they downsize due to work from home strategies that have been put in place? KPMG released a survey saying that 68% of large company CEOs plan to decrease their office footprint. If that thought extends into the Greenville market, we could expect pressure on occupancy and rates over the

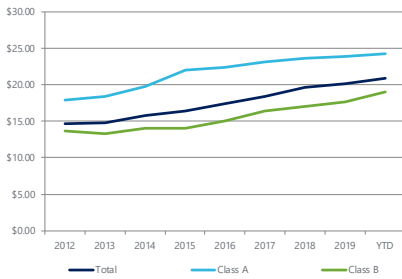
next few years. The one idea that does seem to be more concrete than the rest is that the office is still core to employees. The social interaction, culture, and cohesion cannot be built over a Zoom call.

Upstate office sales picked up some in the third quarter with six deals being done for \$10.1 million or \$137.61 per square foot. Despite the uptick in transactions, there continues to be a large gap between buyers and sellers as sellers continue to look in the rearview mirror for pre-pandemic prices.

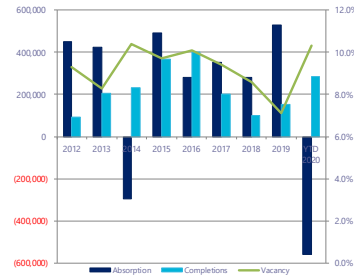
Regardless of the negative absorption this quarter, Greenville and the Upstate continue to grow in business and industry. Lockheed Martin's Greenville campus received a \$62 billion contract to build 90 F-16 fighter jets. The deal locks in Greenville's importance to Lockheed Martin and U.S. foreign policy. Additionally, Greenville placed sixth in the latest Conde Nast Traveler Reader's Choice list of the best small U.S. cities.

News like this continues to be beneficial as it compounds greatly for the Upstate. High-paying jobs and new capital investments continue to draw the attention of other top companies and talent to the region. There has been an influx of residents and business owners moving from larger metropolitan areas to a smaller city with great culture. With plenty of talent, infrastructure and land available to support and aid growth, the Upstate is poised to continue forward on its path of growth and expansion.

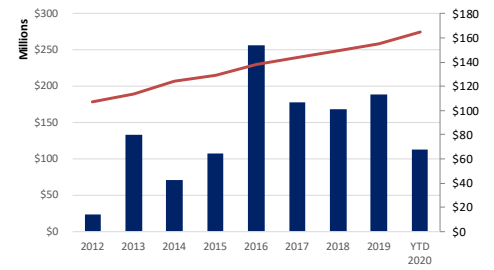
Average asking rental rate (psf/year/FS)



Quarterly absorption



Office investment sales



Select 3Q 2020 Lease Transactions

Tenant	Address	Type	Submarket	SF
Undisclosed	104 S Main St	New	Greenville	19,152
Undisclosed	104 S Main St	New	Greenville	11,500
Wyatt & Stalvey Law Firm	24 Clevelend St	New	Greenville	8,100
US Government	535-621 Haywood Rd	Renewal	Greenville	7,674
CapCenter	103 N Main St	New	Greenville	6,506
Norbord Panels USA	511 Rhett St	New	Greenville	5,765

Select 3Q 2020 Sale Transactions

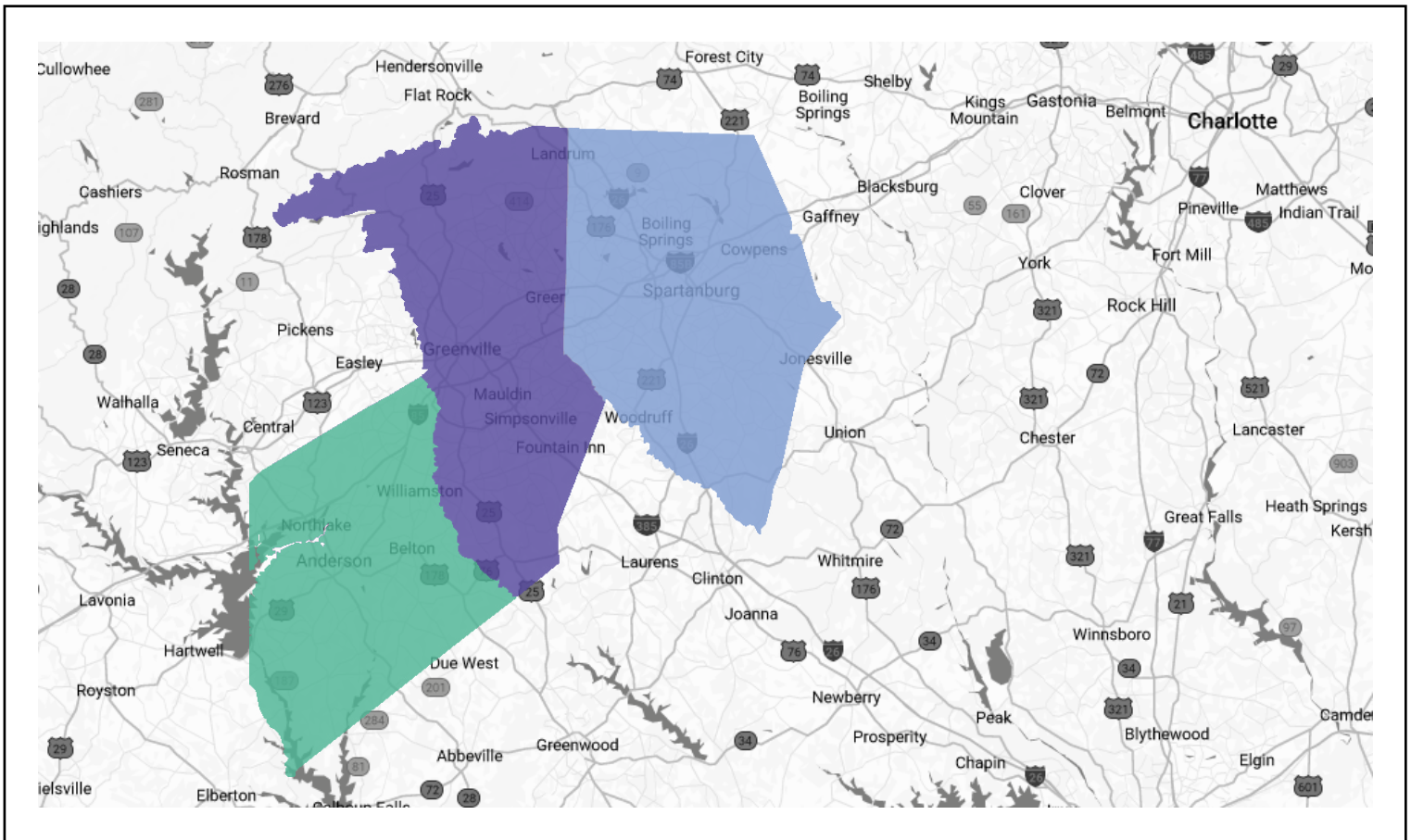
Property	Submarket	Buyer	Total sf	Purchase price	Price/sf
1330 Boiling Springs Rd	Spartanburg	Spartanburg Regional Health-care System	10,097	\$3,725,000	\$368.92
108 Fredrick St	Greenville	Transcendia	22,000	\$2,150,000	\$97.73
1403 E Greenville St	Anderson	Greenleaf Management	15,105	\$2,000,000	\$132.41
107 Boiling Springs Rd	Spartanburg	CCR Of Spartanburg	12,692	\$1,650,000	\$130.00

Select Construction Projects

Property	Submarket	Project status	Total sf	Tenant/Developer
423 S Main St - Camperdown	Greenville	Fourth Quarter 2020	184,000	Centennial American Properties
900 Pendleton St	Greenville	Fourth Quarter 2020	10,351	Windsor Aughtry

Market by the numbers

By submarket	Inventory	Vacancy			Net Absorption		SF Under	Average Asking Rent		
		Total	Class A	Class B	3Q20	YTD	Construction	Total	Class A	Class B
Anderson	1,819,880	1.2%	7.1%	1.4%	790	9,399	0	\$9.39	\$11.00	\$9.12
Greenville	19,941,152	11.6%	13.6%	12.5%	-449,983	-462,041	194,351	\$21.80	\$24.49	\$19.84
Spartanburg	4,368,235	6.3%	6.4%	6%	-17,182	-95,148	0	\$15.31	\$21.00	\$14.81
Greenville CBD	4,626,813	14%	15.7%	13.4%	-119,282	-281,953	194,351	\$24.86	\$25.97	\$24.49
Spartanburg CBD	1,794,225	5.6%	3.8%	7.3%	-4,492	-15,839	0	\$18.40	\$21.80	\$17.66



Greenville Submarket Map

■ Anderson County

■ Spartanburg County

■ Greenville County

**Get more
market
information**

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