

	YoY Chg	12-Mo. Forecast
2.4% Vacancy Rate	▼	▲
2.2M Net Absorption, SF	▲	▲
\$4.36 Asking Rent, PSF	▲	▲

Overall, Net Asking Rent

ECONOMIC INDICATORS Q1 2022

	YoY Chg	12-Mo. Forecast
598.8K Greenville-Spartanburg Employment	▲	▲
3.1% Greenville-Spartanburg Unemployment Rate	▼	▼
3.6% U.S. Unemployment Rate	▼	▼

Source: BLS

ECONOMY: New Business Announcements

Economic indicators for the Greenville-Spartanburg Metro showed further improvement in the first quarter of the year with the unemployment rate declining by 50 basis points (bps) from the Q4 2021 figure to 3.1%. The below-average unemployment rate paired with the 8,100 new jobs that were recorded illustrates why the market is viewed as an attractive target for companies to establish and expand operations. In the first quarter alone, 16 firms announced plans to either establish or expand operations in the Upstate with investments totaling over \$775 million. The investments will create over 1,500 new jobs, with approximately 1,200 new jobs expected by the end of 2023.

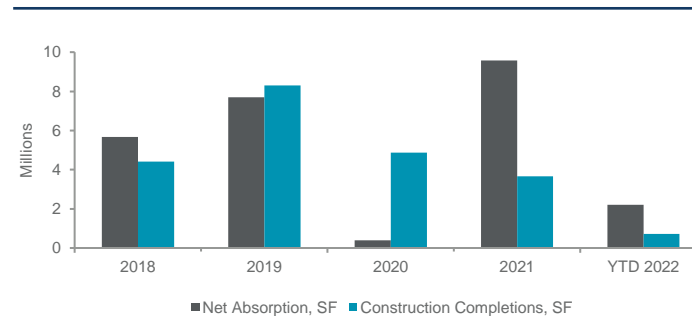
SUPPLY and DEMAND: Strong Leasing Activity

The industrial market started off the year extremely strong, breaking multiple records as accelerated growth continued. Space demand outpaced new supply in the first quarter of 2022 with net occupancy gains tripling the amount of square footage delivered to the market. Existing available supply reached a new historical low as the overall vacancy rate figure was measured at only 2.4%, a 340-basis-point decrease since one year ago. Tenants seeking readily available space must be prepared to move swiftly or target a project within the construction pipeline. Of the 7.7 million square feet (msf) of new product that has broken ground, nearly 45% has been preleased which has invited developers, seeking healthy returns, to flock to the Upstate. Total quarterly leasing activity in the market skyrocketed to a record-breaking 6.5 msf, surpassing the combined leasing activity in the entire first half of 2021 by 895,000 square feet. This enormous figure was largely driven by the Hwy 290 Corridor, South Greenville, and North Spartanburg submarkets accounting for 42%, 21%, and 18% of space leased, respectively. Along with leasing activity trending upwards over the last five years, the average deal size and deal term have increased considerably with larger corporations selecting the Greenville-Spartanburg market as a manufacturing and logistics hub for the region.

PRICING: Progressing Yet Still Advantageous

Net asking rates ticked up to \$4.36 per square foot (psf) with a quarter-over-quarter increase of 1.2%, rounding out to a 7.4% increase year-over-year. Tenants seeking warehouse/distribution space along popular industrial corridors such as Hwy 101 and Hwy 290 can expect to pay a 25% premium or greater as both submarkets are commanding asking rates at or above \$5.50 psf on average. With limited existing availabilities and multiple projects expected to deliver throughout the year, the overall average asking rent is forecasted to continue an upward progression towards 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 CONSTRUCTION (SF)	CONSTRUCTION COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)*	OVERALL WEIGHTED AVG NET RENT (FX)*	OVERALL WEIGHTED AVG NET RENT (WD)*
Anderson County	28,451,954	465,895	1.6%	(333,552)	(333,552)	0	0	\$3.25	\$5.00	\$5.05
Cherokee County	9,160,603	10,000	0.1%	0	0	1,300,000	0	-	-	-
Greenville Downtown	3,082,527	94,536	3.1%	(24,019)	(24,019)	0	0	-	\$9.96	-
East Greenville	10,827,053	352,234	3.3%	(17,884)	(17,884)	45,436	0	\$10.00	\$9.59	\$4.06
North Greenville	21,153,002	418,886	2.0%	362,781	362,781	44,796	0	-	-	\$4.39
South Greenville	36,007,603	1,627,397	4.5%	(66,566)	(66,566)	1,318,510	69,770	\$3.53	\$9.25	\$4.02
Greer/Hwy 101 Corridor	28,615,716	678,960	2.4%	1,473,055	1,473,055	2,471,302	653,287	-	\$9.24	\$5.86
Hwy 290 Corridor	13,324,411	158,521	1.2%	(12,000)	(12,000)	1,082,027	0	\$2.75	-	\$5.50
Laurens County	13,566,177	0	0.0%	190,192	190,192	0	0	-	-	-
North Spartanburg	43,012,719	1,485,025	3.5%	567,007	567,007	1,467,280	0	\$3.83	\$6.50	\$3.90
South Spartanburg	9,233,040	78,500	0.9%	112,000	112,000	0	0	-	-	\$5.01
Pickens County	6,815,460	82,100	1.2%	(42,100)	(42,100)	0	0	-	-	\$4.25
MARKET TOTALS	223,250,265	5,452,054	2.4%	2,208,914	2,208,914	7,729,351	723,057	\$3.54	\$8.27	\$4.39

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

FX = Flex MF = Manufacturing W/D = Warehouse/Distribution

KEY LEASE TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
SC Global Logistics Center	Hwy 290 Corridor	Techtronic Industries	1,850,113	Pre-lease
Park 290 at I-26 Building 1	Hwy 290 Corridor	Ingram Micro	618,002	Pre-lease
Interstate Crossing Logistics Center – Building A	North Spartanburg	Michelin	564,000	Pre-lease

KEY SALES TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	SELLER BUYER	SF	PRICE \$ PSF
Hillside Industrial Park/Brookfield South	Hwy 290 Corridor/East Greenville	Prologis, Inc. Equus Capital Partners, Ltd.	830,800	\$81,088,416 \$97.60
Exchange Logistics Park at I-85	Anderson County	VanTrust Real Estate, LLC STAG Industrial, Inc.	289,173	\$28,500,000 \$98.56

KEY CONSTRUCTION COMPLETIONS YTD 2022

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER DEVELOPER
Velocity II – 915 Victor Hill Rd	Greer/Hwy 101 Corridor	Sunland Logistics Solutions	297,607	Childress Klein
Victor Hill Distribution Center	Greer/Hwy 101 Corridor	Available	185,250	Clarion Partners, LLC
1150 S Danzler Rd	Greer/Hwy 101 Corridor	Magna International	170,430	SunCap Property Group

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