

	YoY Chg	12-Mo. Forecast
9.4% Vacancy Rate	▼	▼
49K Net Absorption, SF	▲	▲
\$22.32 Asking Rent, PSF	▲	▲

(Overall, All Property Classes)

**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: Employment Gains

Greenville-Spartanburg recorded strong economic figures during the first quarter of the year. With a total employment figure just shy of 600,000, the market has eclipsed pre-pandemic employment levels and the upward trend is expected to continue based on forecasts. The unemployment rate for the quarter remains below 4.0%, only 10 basis points (bps) above the national unemployment rate, and is forecasted to improve in the coming 12 months.

SUPPLY and DEMAND: New Construction Projects Underway

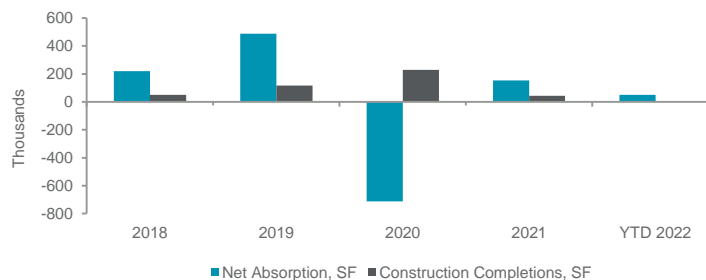
With no deliveries reported in Q1 and a minimal number of deliveries in Q4 of 2021, the market vacancy rate declined by 140 bps quarter-over-quarter (QOQ), falling below 10% for the first time since Q3 of 2020 as tenants move quickly to seek out existing available space to suit their return-to-office needs. Despite supply chain disruptions, the market continues to boast a strong construction pipeline, with nine projects currently underway, totaling over 925,000 square feet (sf) of new product. The focus of new office development remains on Greenville’s Central Businesses District (CBD) and the Southeast Greenville submarket, headlined by the recent announcement of United Community Bank’s new headquarters breaking ground on E Camperdown Way. The 118,000-sf office will stand seven stories, overlooking Falls Park, and is expected to catalyze Greenville’s new “innovation district.”

Net occupancy gains were recorded for the second consecutive quarter, driven by tenants such as Wyche, P.A. and Illumifin Corporation occupying space greater than 20,000 sf in the Greenville CBD; however, the Southeast Greenville submarket saw the highest volume of overall leasing activity during the quarter, accounting for 36.3% of square footage signed in Q1. Tenants are not the only party shopping for opportunity in the Southeast Greenville submarket, as Park 37, a nine-property portfolio, traded for nearly \$53.3 million in January.

PRICING: Minor Pullback During Overall Climb

Though asking rates for available office space receded by 1.3% QOQ, the upward year-over-year trend holds with a 1.6% increase in asking rates since Q1 of 2021. Properties located in either CDB submarket are now commanding \$26.25 per square foot (psf) on average, a sizeable jump of 6.9% from the previous quarter. The overall average asking rate for space located in the Greenville CBD has reached \$27.10 psf which is a record high for the Greenville-Spartanburg market, requiring tenants to consider the 22% premium (at a minimum) of locating near Main Street.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CONSTRUCTION (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Greenville CBD	5,753,321	532,614	140,828	11.7%	55,535	55,535	32,301	430,843	\$27.10	\$28.24
Southeast Greenville	8,543,587	1,041,598	51,904	12.8%	(2,387)	(2,387)	41,372	286,000	\$22.19	\$24.49
Northeast Greenville	2,137,503	101,567	0	4.8%	4,842	4,842	7,971	0	\$16.67	-
Southwest Greenville	550,509	127,484	11,780	25.3%	(9,148)	(9,148)	0	211,802	\$17.72	-
Northwest Greenville	350,721	4,000	0	1.1%	0	0	0	0	-	-
Spartanburg CBD	1,634,086	38,411	0	2.4%	1,802	1,802	8,496	0	\$19.10	\$20.00
Spartanburg Suburban	1,573,494	52,274	0	3.3%	3,155	3,155	21,358	0	\$22.00	-
Anderson County	1,280,232	5,111	0	0.4%	0	0	0	0	-	-
Cherokee County	102,730	0	0	0.0%	0	0	0	0	-	-
Laurens County	137,920	0	0	0.0%	0	0	0	0	-	-
Pickens County	493,275	16,353	0	3.3%	(4,382)	(4,382)	0	0	\$13.01	-
MARKET TOTALS	22,557,378	1,919,412	204,512	9.4%	49,417	49,417	111,498	928,645	\$22.32	\$25.52

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
775 Spartan Blvd	Spartanburg Suburban	Undisclosed	15,473	New Lease
ONE Greenville – 2 W Washington St	Greenville CBD	Rodl Management, Inc.	8,273	New Lease
100 Verdae Blvd	Southeast Greenville	Undisclosed	7,445	New Lease
124 Verdae Blvd	Southeast Greenville	MTC Federal Credit Union	6,782	New Lease
100 Dunbar St	Spartanburg CBD	Undisclosed	5,450	New Lease

KEY SALES TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	SELLER BUYER	SF	PRICE \$ PSF
Park 37	Southeast Greenville	TWO Capital Partners, LLC Tourmaline Capital Partners	424,015	\$53,250,000 \$125.59
400 Brookfield Pky	Southeast Greenville	SomeraRoad Greenville Classical Academy	74,881	\$5,000,000 \$66.77

KEY METRIC YOY COMPARISON

QUARTER	INVENTORY (SF)	OVERALL VACANCY RATE	OVERALL ASKING RENTS (ALL CLASSES)*	OVERALL NET ABSORPTION (SF)	TOTAL LEASING ACTIVITY (SF)	COMPLETIONS (SF)	UNDER CONSTRUCTION (SF)
Q1 2021	22,554,289	11.0%	\$21.96	29,421	243,773	10,351	611,062
Q1 2022	22,557,378	9.4%	\$22.32	49,417	111,498	0	928,645

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