



GREENVILLE, SOUTH CAROLINA

# RESEARCH & FORECAST REPORT



## Vacancy Decreases While Rental Rates Stabilize.

The industrial market in the Upstate of South Carolina absorbed just under 1.5 million square feet of space in 2011. With this level of activity, market vacancy decreased from 10.3% at year-end 2010 to 9.3% at year-end 2011. The largest new transactions of the year included the 293,000-square-foot lease by Confluence Water Sports at Greenville Commerce Center and the 197,000-square-foot lease to Global Automotive Partners at Hillside Industrial Park in Spartanburg. While these two transactions accounted for approximately 30% of the annual absorption in 2011, the market was largely dominated by transactions ranging from 50,000 square feet to 60,000 square feet in size. New leases falling in this category included Dare Foods, VCI, Gics Foods, Span Contract Packaging, Action 3PL, Delta Power Tool and Equipment, Ply Gem Siding Group and ABC Supply.

The upstate economy added 3,500 new jobs in 2011, primarily in the transportation and business services sector. While growth in the transportation sector had a positive impact on the Upstate industrial market through the addition of new 3PL groups, activity in the manufacturing sector was much less substantial. The market has not experienced growth in the manufacturing sector since the onset of the last economic downturn. Although the market is well into economic recovery, new manufacturers have yet to relocate to the Greenville region due to continued

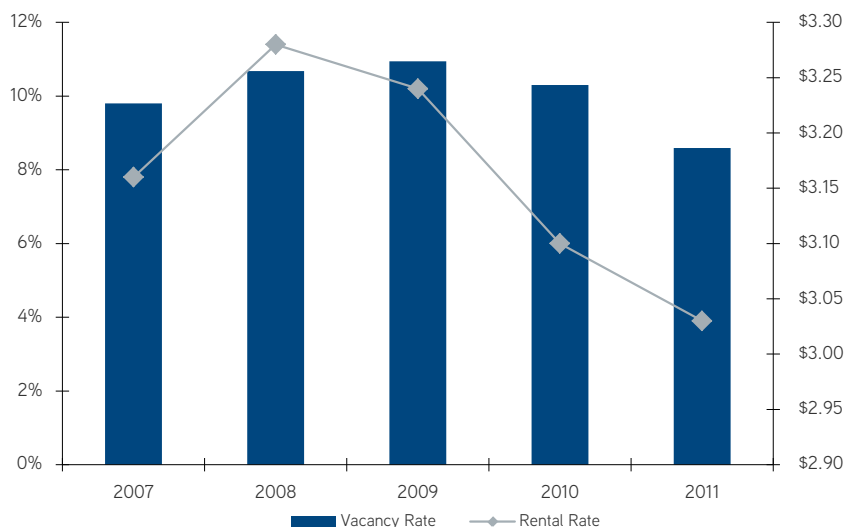
### MARKET INDICATORS

	Q4 2011	Forecast
VACANCY	↓	↓
NET ABSORPTION	↑	↑
CONSTRUCTION	—	—
RENTAL RATE	—	—

### QUICK UPDATES

- MARKET VACANCY DECREASES 1.0% IN 2011
- UPSTATE ADDS 3,500 NEW JOBS DUE TO GROWTH IN TRANSPORTATION AND BUSINESS SERVICES SECTOR
- CLASS A SPACE REMAINS DIFFICULT TO FIND; DEVELOPMENT ACTIVITY LIMITED TO BUILD-TO-SUIT

2000 - 2011 Vacancy Rates and Average Asking Rents



	Bldgs	Square Feet	Vacant Space	Sublease Space	Direct Vacancy Rate	Q4 Absorption	Average Rates
<b>GREENVILLE</b>							
Flex	476	7,486,403	1,908,429	-	25.49%	(94,274)	\$7.06
Warehouse	1,758	60,798,521	4,955,990	50,000	8.15%	832,849	\$2.88
Bulk Logistics	38	8,454,135	1,773,976	177,650	20.98%	112,414	\$3.01
Market	2,272	76,739,059	8,638,395	227,650	11.26%	850,989	\$3.23

<b>SPARTANBURG</b>							
Flex	56	855,215	121,065	6,000	14.16%	37,945	\$5.92
Warehouse	1,182	55,664,256	1,902,555	300,000	3.42%	269,621	\$2.67
Bulk Logistics	49	10,719,466	3,450,957	575,210	32.19%	223,555	\$2.68
Market	1,287	67,238,937	5,474,577	881,210	8.14%	531,121	\$2.71

<b>ANDERSON</b>							
Flex	33	431,195	20,114	-	4.66%	37,886	\$5.84
Warehouse	416	15,673,712	948,999	-	6.05%	77,649	\$2.91
Bulk Logistics	3	932,303	-	-	0.00%	-	-
Market	452	17,037,210	969,113	-	5.69%	115,535	\$3.06

<b>MARKET</b>							
Flex	565	8,722,813	2,049,608	6,000	23.36%	(18,443)	\$6.95
Shallow Bay	3,356	132,136,489	7,807,544	350,000	5.91%	1,180,119	\$2.83
Warehouse	90	20,105,904	5,224,933	752,860	25.99%	335,969	\$2.79
Market	4,011	161,015,206	15,082,085	1,108,860	9.37%	1,497,645	\$3.03

problems in the housing markets and the inability for workers in other markets to sell their homes. Without flexibility in relocating executives it remains difficult for large operations to relocate or enter new markets.

Rental Rates stabilized in 2011 as Class A space became increasingly difficult to find. Although the market continued to tighten, there were no plans for speculative construction at year-end 2011. The next twelve months will bring continued absorption, and will hopefully see a return of advanced manufacturing growth in the Upstate. The market will likely not experience speculative construction until rental rates reach the \$4.00 per square foot range, which will not occur until substantial build-to-suit activity occurs.

## 512 offices in 61 countries on 6 continents

- \$1.5 billion in annual revenue
- 979 million square feet under management
- Over 12,000 professionals
- 73,972 lease/sale transactions
- \$59.6 billion total transaction value

### FOR MORE INFORMATION:

Givens Stewart, SIOR  
Principal  
201 E. McBee Street  
Suite 201  
Greenville, South Carolina 29603  
TEL +1 864 297 4950  
FAX +1 803 527 5444  
givens.stewart@colliers.com

Ryan Hyler, LEED Green Associate  
Vice President | Research & Marketing  
South Carolina  
1301 Gervais Street  
Suite 600  
Columbia, South Carolina 29201  
TEL +1 803 401 4269  
FAX +1 803 401 4269  
ryan.hyler@colliers.com

This market report is a research document of Colliers International. Information herein has been deemed reliable and no representation is made as to the accuracy thereof. Colliers International South Carolina, Inc., and certain of its subsidiaries, is an independently owned and operated business and a member firm of Colliers International Property Consultants, an affiliation of independent companies with over 480 offices throughout more than 61 countries worldwide.



Accelerating success.