



GREENVILLE, SOUTH CAROLINA

# RESEARCH & FORECAST REPORT



## Continued Success through the Third Quarter

### MARKET OVERVIEW

The Greenville/Spartanburg industrial market continued to improve in the third quarter of 2012 with a positive net absorption of 471,949 square feet and a direct vacancy rate of 9.35%, 49 basis points lower than last quarter. The greatest absorption in the market, adding over 275,000 square feet of occupied space, was observed in the Greenville County submarket. Construction was completed on three buildings totaling 34,000 square feet in the third quarter bringing the year to date delivered inventory to 984,000 square feet.

### CURRENT CONDITIONS

Despite trends of decreased business activity in recent election years, the Greenville/Spartanburg industrial market remained strong through the third quarter while some markets in South Carolina appeared to be stagnant.

Progress was apparent across all counties except Pickens which showed no change in the third quarter. Greenville and Spartanburg counties experienced the greatest activity with each county having a positive net absorption of over 150,000 square feet.

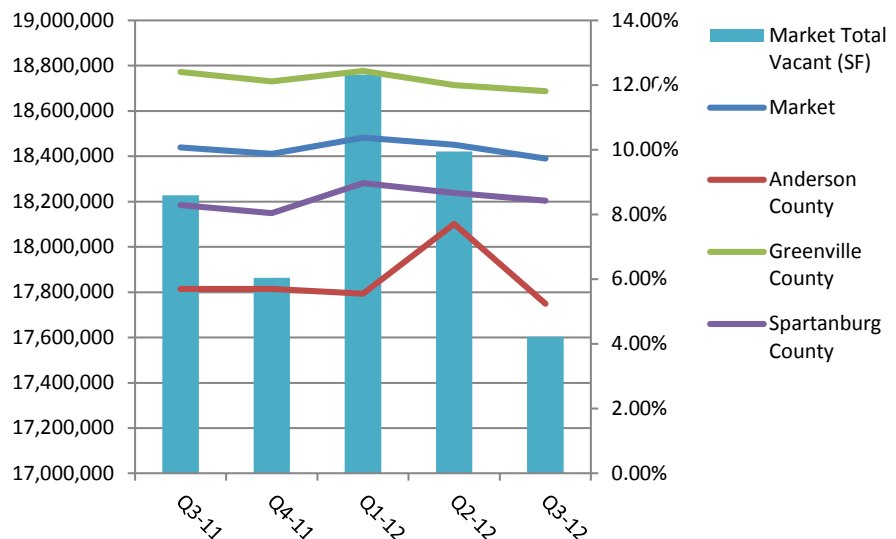
### MARKET INDICATORS

	Q3 2012	Forecast
VACANCY	↓	↓
NET ABSORPTION	↑	↑
CONSTRUCTION	—	—
RENTAL RATE	—	—

### QUICK UPDATES

- DIRECT VACANCY RATE DECLINES BY 49 BASIS POINTS
- ACTIVITY CONTINUES DESPITE ECONOMIC UNCERTAINTY
- GREENVILLE EXPERIENCED GREATEST POSITIVE ABSORPTION

Industrial Vacancy Rates and Market Total Vacant SF



	Number of Buildings	Square Feet	Direct Vacant	Sublease Space	Direct Vacancy	Total Vacancy	Absorption
Anderson	291	17,720,333	928,853	-	5.20%	5.20%	(4,782)
Cherokee	56	5,134,927	974,045	-	19.00%	19.00%	29,091
Greenville	1,348	73,697,199	8,334,042	371,514	11.30%	11.80%	280,687
Laurens	68	9,983,026	731,303	-	7.30%	7.30%	10,106
Pickens	77	5,106,355	417,709	-	8.20%	8.20%	-
Spartanburg	950	69,370,081	5,539,800	306,000	8.00%	8.40%	156,847
<b>Market</b>	<b>2,790</b>	<b>181,011,921</b>	<b>16,925,752</b>	<b>677,514</b>	<b>9.35%</b>	<b>9.72%</b>	<b>471,949</b>

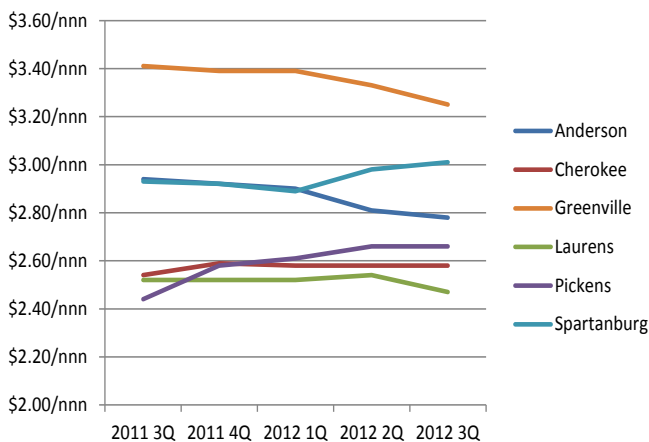
Lease transactions occurring in the third quarter include new leases and renewals in Greenville, Spartanburg and Cherokee counties. Global Automotive Partner, Inc. signed a 202,104 square foot lease at 15 Tyger River Road in Spartanburg County. Another lease was administered with an undisclosed tenant signing a 122,000 square foot lease at 1081 Barnwell Road. Greenville County also witnessed new leases including a lease for 80,000 square feet at 1428 Old Stage Road and a lease at 6400 Augusta Road to occupy 60,000 square feet.

**IN THE MONTHS AHEAD**

Industrial space is becoming increasingly limited yielding a greater need for new build-to-suit and speculative developments.

The vacancy rate is expected to continue to decline through the remainder of the year and into 2013. However, activity is anticipated to be slower in the post election months but should pick up momentum as businesses grasp a clearer understanding of the future economy. Rental rates are speculated to increase as vacancy rates decline and quality space becomes limited.

**Average Rental Rates**



Select Q3 Leasing Transactions				
Building	County	Square Feet	Tenant Name	Lease Type
1312 Old Stage Road	Greenville	432,000	Sunland Distribution	Renewal
15 Tyger River Drive	Spartanburg	202,104	Global Automotive Partners, Inc.	New
1081 Barnwell Road	Spartanburg	122,000	-	New
1387 Victor Hill Road	Spartanburg	100,000	NYK Logistics (Americas), Inc.	Renewal
1428 Old Stage Road	Greenville	80,000	Pratt Industries	New
6400 Augusta Road	Greenville	60,000	Con-Pearl North America	New
Romeo Rim	Cherokee	60,000	-	New
Augusta Center 2	Greenville	50,000	-	New

Source: CoStar Property, Colliers Research

522 offices in 62 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

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