

# Greenville, SC



## Quick Stats

**177 msf**

**Inventory**

3Q19 168 msf

**8.1%**

**Vacancy**

3Q19 4%

**(465,572) sf**

**Net Absorption**

3Q19 1.2 msf

**1.48 msf**

**Deliveries**

3Q19 236,500 msf

**2.1 msf**

**Under Construction**

3Q19 8.5 msf

**\$3.86 psf**

**Average Asking Rents**

3Q19 \$3.85 psf

**5.7%**

**Unemployment**

3Q19 1.8%

The Upstate industrial market experienced negative absorption of 465,572 square feet (sf) in the third quarter of 2020. Spartanburg and Greenville county each experienced more than 200,000 sf of negative absorption, while Anderson experienced close to 40,000 sf of negative absorption. Unfortunately, this was not surprising, as leasing activity and deal flow continued to slow. There were 16 deals done in the third quarter of 2020, which is down from 23 in the second quarter and is more than a 30% decline in leasing activity from the third quarter of last year. The slower leasing velocity combined with five properties delivering 1.2 million sf of new product to the market led to an uptick in vacancy rates from 7% in the second quarter of the year to 8.1% in the third quarter.

The flight to industrial was evident in the Upstate in the third quarter as there were 22 properties that traded for \$106.5 million or \$57.09 per square foot. Leading the way was an eight property portfolio sale by The Blackstone Group. Sealy & Company purchased the portfolio which totaled 1.1 million sf for \$87.5 million.

In more positive news for the region, Moody's announced that the 27% decline in global car sales during the first half of the year seems to have bottomed out. This is encouraging for Volvo and BMW, both of which were directly impacted by COVID. Volvo has almost recovered from the coronavirus slump, posting its best sales for the month of August since 2006. That brings Volvo to within 7% of its total sales for the same time last year. Additionally, the Upstate aerospace industry will benefit greatly from Lockheed Martin's Greenville campus securing a \$62 billion contract to build 90 F-16 fighter jets. Although it was another tumultuous quarter for Boeing, the company officially announced that it would

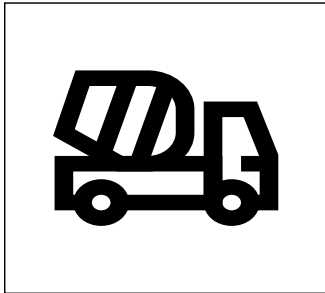
shift all production to North Charleston. The future implications of this development cannot be quantified, but this move should have a significantly positive impact on South Carolina's economic future.

Development in the Upstate remains robust with 2.1 million sf of new industrial space currently under construction. Of the projects currently under construction, one of the more significant ones is the 45,000 sf Tier III data center being built by DC Blox. The \$200 million investment will be located in Greenville's Global Business Park. The data center is expected to be completed in the third quarter of 2021 and adds yet another layer to the vibrant and entrepreneurially driven Upstate region. Tactical Medical Solutions, a global leading developer and manufacturer of pre-hospital medical products, announced that it is investing \$1.7 million into Anderson County, as it expands its operations at 1250 Harris Bridge Road. This expansion is projected to lead to the addition of 21 new jobs.

Moves like these continue to be beneficial as they compound greatly for the Upstate. High-paying jobs and new capital investments continue to draw the attention of other top companies to the region. This has likely played into South Carolina's strong job recovery: per the Upstate Business Journal, South Carolina has recovered roughly 62% of the jobs lost during the mandatory government shutdowns during March and April, compared with a nationwide recovery of just 52%. With plenty of inventory, infrastructure, and land available to support and aid growth, the Upstate is poised to continue forward on its path of growth and expansion, short term vacancy increases not withstanding.

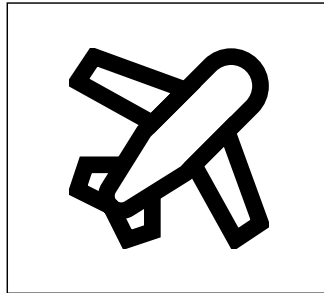
### Underway

Currently the Greenville industrial market has 2.1 million square feet of new space under construction.



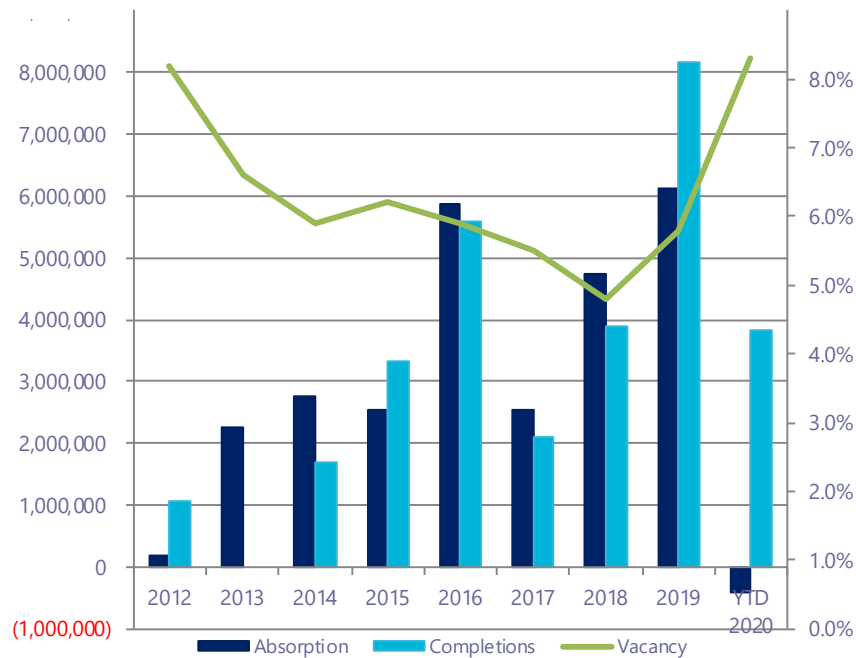
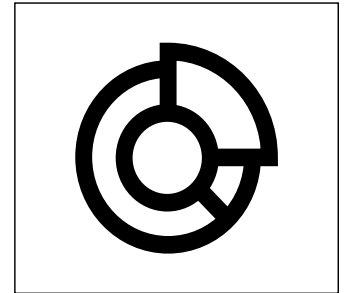
### Aerospace

Lockheed Martin's Greenville campus locks in with \$62 billion contract for producing the F-16 fighter jet. Boeing decides to move all production to, South Carolina.



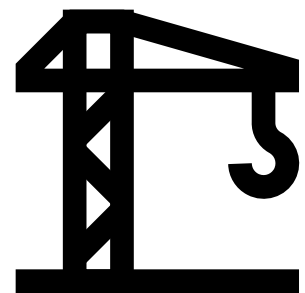
### Ports Authority

Inland Port Greer had 12,994 rail moves in September, which is up 4% year-over-year.



### Construction update

Upstate industrial construction remains steadfast and robust. There have been 3.8 msf of new deliveries in 2020.

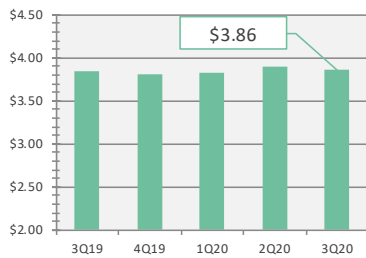


### SCPA Trending Positively

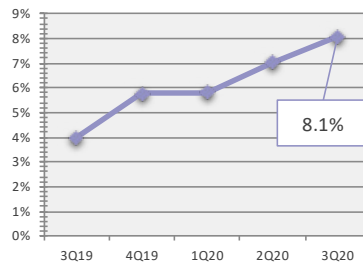
Though volumes were down almost 10% year over year, they were trending up as the third quarter came to a close. There was an 18% increase over July and 33% increase over June pointing to a slow but emerging recovery during the ongoing pandemic.



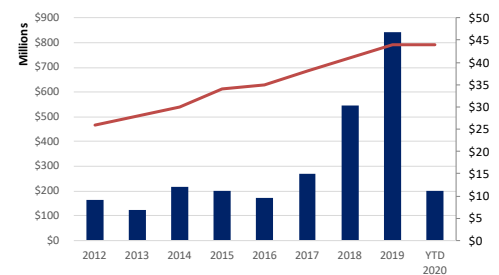
**Average asking rental rate**  
(psf/year/NNN)



**Upstate quarterly vacancy rate**



**Industrial sales**



### Select 3Q 2020 Lease Transactions

Tenant	Address	Type	Submarket	SF
Undisclosed	120 Orion St	Sublease	Greenville	312,000
Fabri-Kal	1100 Piedmont Hwy	New	Greenville	200,000
Electrolux	2 Greentree Rd	New	Anderson	121,000
Contec	250 Broadcast Dr	New	Spartanburg	115,000
Undisclosed	700 Bluffton Rd	New	Spartanburg	103,000
IEWC Corporation	120 Caliber Ridge Dr	Renewal	Greenville	64,000
Elite Marketing	25 Old Mill Rd	New	Greenville	60,000

### Select 3Q 2020 Sale Transactions

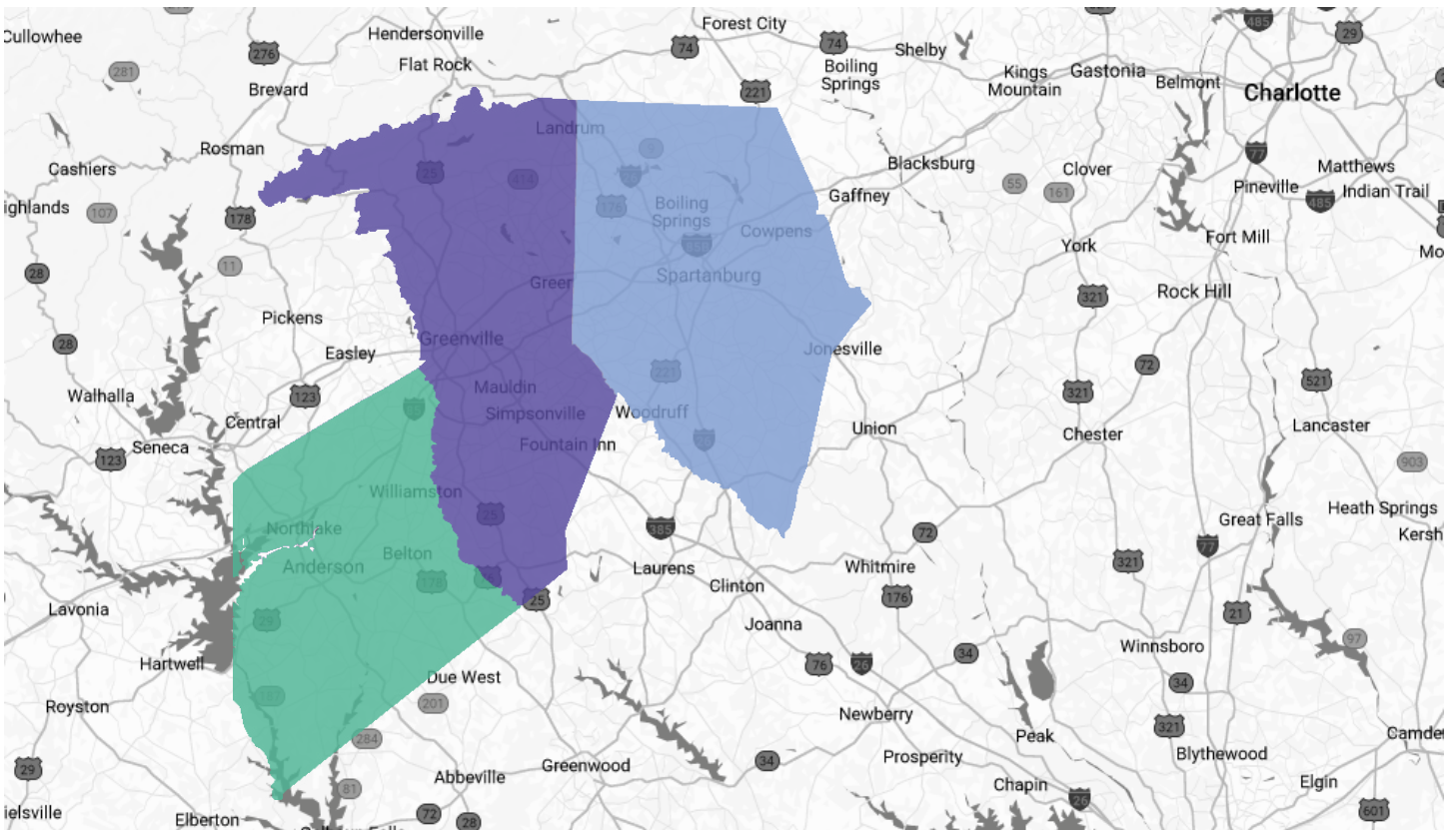
Property	Submarket	Buyer	Total sf	Purchase price	Price/sf
1200 Woods Chapel Rd	Spartanburg	Sealy & Company	156,800	\$24,256,727	\$154.70
120 Hidden Lake Cir	Spartanburg	Sealy & Company	303,091	\$20,671,864	\$68.20
201 Commerce Ct	Spartanburg	Sealy & Company	150,000	\$10,023,609	\$66.82
1825 E Main St	Spartanburg	Sealy & Company	93,942	\$9,404,792	\$100.11

### Select Construction Projects

Property	Submarket	Projected Completion	Total sf	Tenant/Developer
350 Old Laurens Rd	Greenville	First Quarter 2021	298,530	Hughes Commercial Properties
1800 Highway 86	Anderson	Fourth Quarter 2020	289,173	VanTrust Real Estate
189 Milacron Dr	Greenville	Third Quarter 2021	240,000	The Sudler Companies
1630 Easley Hwy	Anderson	Third Quarter 2021	212,500	Rooker
White Plains Rd	Anderson	Fourth Quarter 2020	187,200	Rooker

### Market by the numbers

By Submarket	Inventory	Vacancy Rate	Net Absorption 3Q20	YTD	SF Under Construction	Average Asking Rent
Anderson	22,668,383	2.3%	-37,850	158,150	719,273	\$3.69
Greenville	67,287,044	7.2%	-206,437	87,779	1,202,138	\$3.98
Spartanburg	87,025,886	10.2%	-221,285	-657,463	158,340	\$3.80
Total	176,981,313	8.1%	-465,572	-411,534	2,079,751	\$3.86



### Greenville Submarket Map

Anderson County

Spartanburg County

Greenville County

**Get more  
market  
information**

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