



**GREENVILLE / SPARTANBURG  
3Q17 INDUSTRIAL MARKET**

**VACANCY IN THE GREENVILLE  
INDUSTRIAL MARKET HITS  
ALL TIME LOW**

Vacancy in the Greenville industrial market has dropped to 5.9%, an all-time low for the region. Deliveries have tapered off in 2017, with 1.1 million square feet in 10 buildings delivered year-to-date, compared with 7.4 million square feet delivered in all of 2016. The abundance of industrial/flex space delivered last year is being occupied quickly, however, with 2.5 million square feet positively absorbed so far this year. Fifteen buildings totaling 5.1 million square feet remain under construction.

Nearly 41.0% of this year's deliveries were in Spartanburg County, and 4.4 million square feet is currently under construction in the submarket. Spartanburg's popularity is due in large part to its transportation infrastructure, including two interstates, a recently expanded international cargo airport, rail access, the inland port and a highly ranked aviation airport. The widening of I-85, which will be funded by the roads bill that passed earlier this year, will be a catalyst for further investment in the region. The \$485.0 million project is second only to the Cooper River Bridge project in Charleston in terms of cost for the Department of Transportation.

Two major announcements were made this quarter in the Greenville/Spartanburg market:

- The 1.8 million-square-foot Giti Tire plant in Chester County received confirmation that two of its Giti-brand tire sizes will come as original equipment on the 2019 Volkswagen Passat. The plant should be operational later this year and will have the capacity to produce 5.0 million radial passenger, light-truck and SUV tires annually. Giti is the 10th-largest tire manufacturer in the world.
- In June, BMW announced a \$600.0 million expansion to its plant in Spartanburg, the production facility for the BMW X models. Ongoing expansion of the Spartanburg plant has made it the largest manufacturing facility in the BMW Group production network within the span of 25 years. According to the Department of Commerce, in terms of monetary value, the BMW Group is the largest vehicle exporter from the U.S. The nationwide economic impact of the BMW Group plant in Spartanburg is \$38.5 billion annually.

**The largest lease signings of the quarter included:**

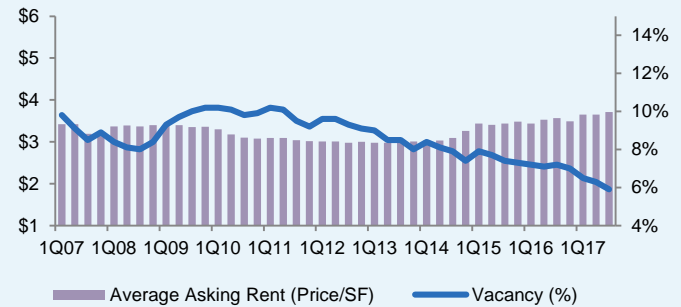
- The 125,00-square-foot lease at 2781 New Cut Rd. in the Upper Spartanburg submarket signed by Grupo Antolin, a manufacturer of automobile interiors
- The 115,000-square-foot lease at 1649 Pearman Dairy Rd. in outlying Anderson County signed by First Quality Tissue.

**Current Conditions**

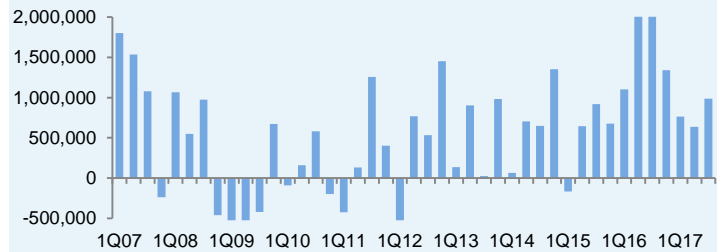
- Vacancy at a ten year low at 5.9%
- Industrial rates: \$3.48/SF, Flex rates: \$8.21/SF
- YTD Absorption: 2.5 million SF
- Greenville continues to lead over Spartanburg as square footage leader

**Market Analysis**

**Asking Rent and Vacancy**



**Net Absorption  
Square Feet**



**Market Summary**

	Current Quarter	Prior Quarter	Year Ago Period	12 Month Forecast
Total Inventory	207.7MSF	207.4MSF	205.1MSF	↑
Vacancy Rate	5.9%	6.3%	6.7%	↓
Quarterly Net Absorption	986,014	719,350	2,488,126	↑
Average Asking Rent	\$3.71	\$3.65	\$3.61	↑



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## Submarket Statistics

	Total Inventory (SF)	Total Vacancy Rate	Total Availability Rate	Qtr Absorption (SF)	YTD Absorption (SF)	INDUSTRIAL Asking Rent (Price/SF)	FLEX Asking Rent (Price/SF)	Total Asking Rent (Price/SF)
Anderson County	23,240,079	4.5%	7.9%	197,680	210,352	\$5.11	\$6.71	\$5.15
Cherokee County	7,764,544	13.5%	21.2%	131,378	137,804	\$2.74	\$6.67	\$2.75
Greenville County	78,798,327	6.4%	10.4%	-365,754	-45,045	\$3.66	\$8.38	\$4.11
Laurens County	11,361,570	2.0%	3.5%	-9,917	-56,524	\$2.41	-	\$2.41
Pickens County	6,096,629	7.2%	8.4%	16,000	-22,428	\$2.62	\$4.58	\$2.68
Spartanburg County	77,998,540	5.6%	9.1%	1,057,273	2,525,332	\$3.28	\$7.78	\$3.41
<b>Total Market</b>	<b>207,744,603</b>	<b>5.9%</b>	<b>10.1%</b>	<b>986,014</b>	<b>2,628,219</b>	<b>\$3.48</b>	<b>\$8.21</b>	<b>\$3.71</b>

## Lease/User Transactions

Tenant	Building	Submarket	Type	Square Feet
Grupo Antolin	2781 New Cut Rd.	Upper Spartanburg County	Move-In	125,000
First Quality Tissue	1649 Pearman Dairy Rd.	Outlying Anderson County	Move-In	115,000

## Select Sales Transactions

Building	Submarket	Sale Price	Price/SF	Square Feet
805 Suburban Park Dr.	Rt 101 Corridor Ind	\$2,450,000	\$60.87	40,250
297 Commerce Dr.	West Greenville Ind	\$2,400,000	\$41.21	58,245
121 Interstate Blvd.	I-385/Woodruff Rd Ind	\$1,961,904	\$91.78	21,375



**SOUTH CAROLINA  
3Q17 LABOR STATISTICS**

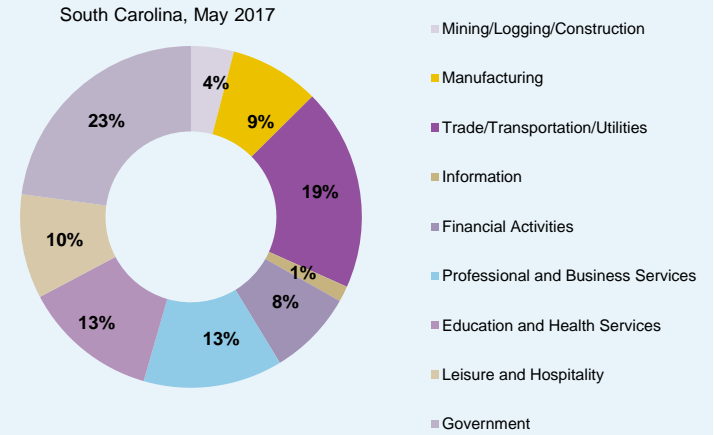
**ECONOMIC CONDITIONS**

Unemployment in South Carolina has reached an all-time low of 3.9% as of May 2017. The national average for unemployment is currently at 4.3%. Trade, government and professional services continue to dominate the state's employment sectors, as companies continue to migrate into and grow with South Carolina.

South Carolina was ranked fourth for business in Chief Executive's 13th annual Best and Worst States for Business survey, an advancement of three spots from last year and its highest position yet. Additionally, South Carolina was ranked third for manufacturing and fifth for technology. The rankings, which reflect current CEO perceptions of South Carolina's business climate, are considered an accurate assessment of the state's ability to attract and retain business investment.

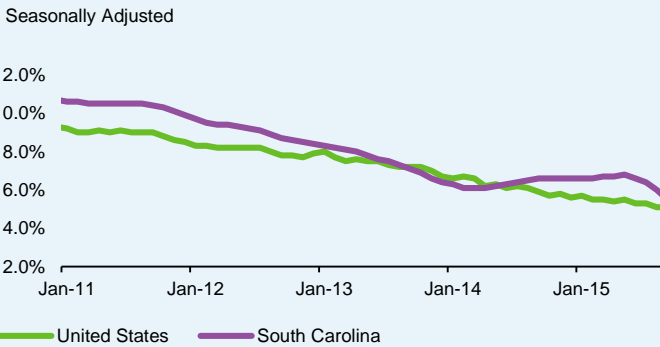
This year alone, 60 projects were announced in 25 different counties in the state, according to the South Carolina Department of Commerce. In June, three major projects were announced: BMW's expansion in Spartanburg; Samsung's new facility in Newberry; and T-Mobile US's expansion into North Charleston. These projects represent the creation of more than 2,300 new jobs and nearly \$1.0 billion in capital investment.

**Employment By Industry**



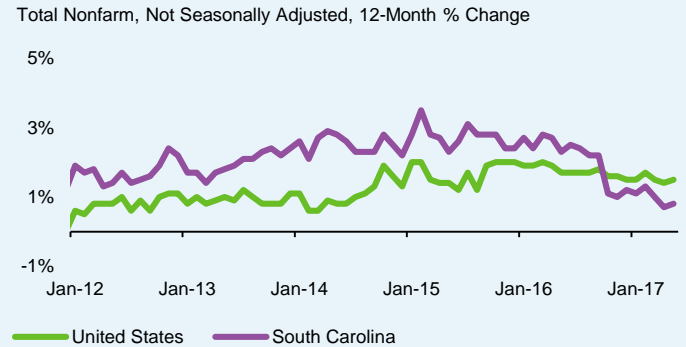
Source: U.S. Bureau of Labor Statistics

**Unemployment Rate**



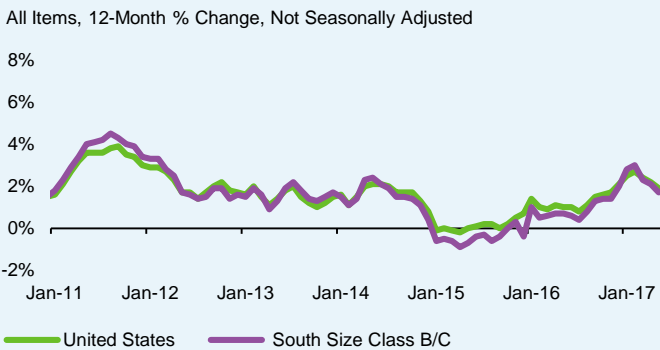
Source: U.S. Bureau of Labor Statistics

**Payroll Employment**



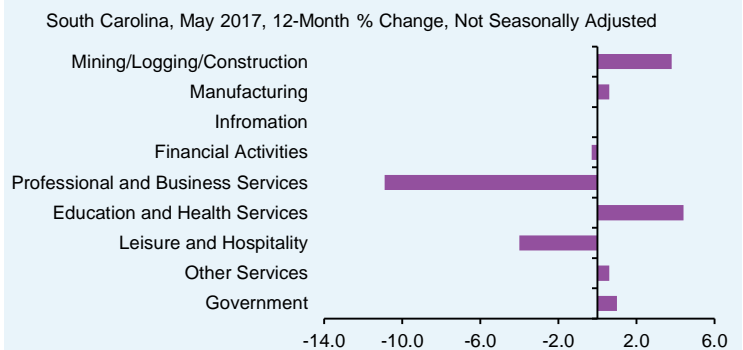
Source: U.S. Bureau of Labor Statistics

**Consumer Price Index (CPI)**



Source: U.S. Bureau of Labor Statistics

**Employment Growth by Industry**



Source: U.S. Bureau of Labor Statistics



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**Columbia, SC**

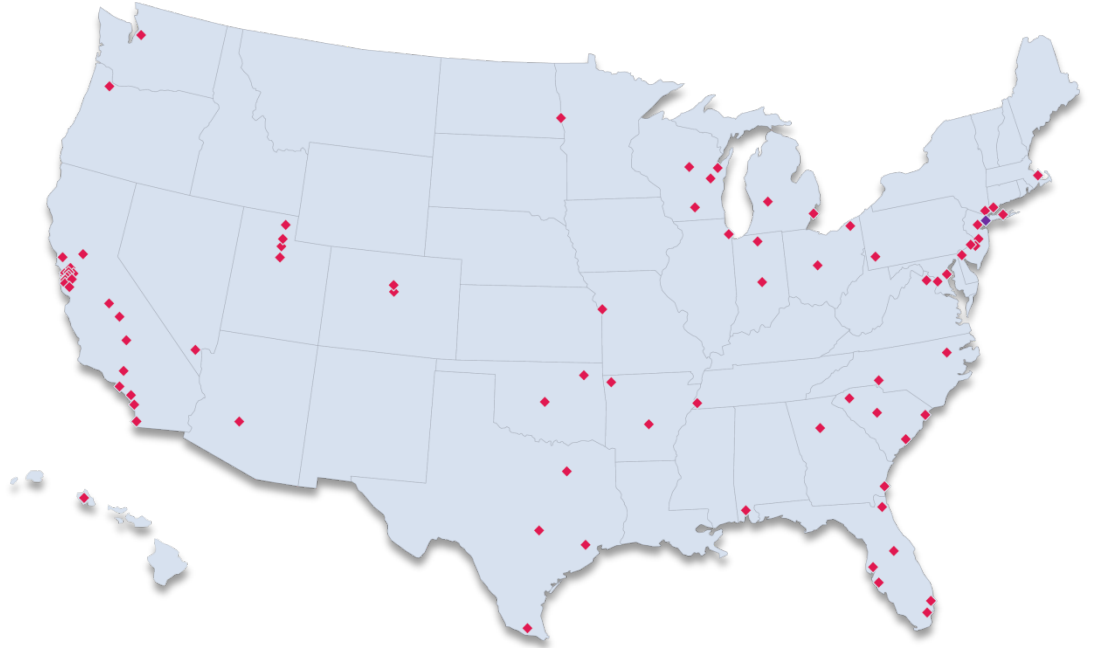
1111 Laurel Street  
Columbia, SC 29201  
803.779.8600  
www.wilsonkibler.com

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**Alyse Cousins**

Research Director  
Alyse.cousins@wilsonkibler.com

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