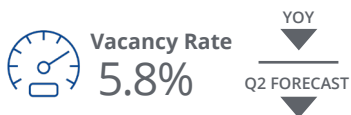


Greenville
SpartanburgIndustrial
21Q1

Key Takeaways

- Overall absorption was 3.2 million square feet during the first quarter of 2021
- Market rents must increase for new construction to be feasible
- Demand is outpacing supply



Increasing construction prices hinder pipeline

Demand is high in the Greenville-Spartanburg industrial market because of its ideal location for logistics firms, strong manufacturing presence and supply constraints caused by increased construction costs and delivery delays. Projects under construction are absorbed quickly and at pro-forma, resulting in upward pressure on rental rates and sale prices.

Local Market Indicators



4.5%
Unemployment Rate



4.7%
GDP - Quarterly % Change Yr/Yr



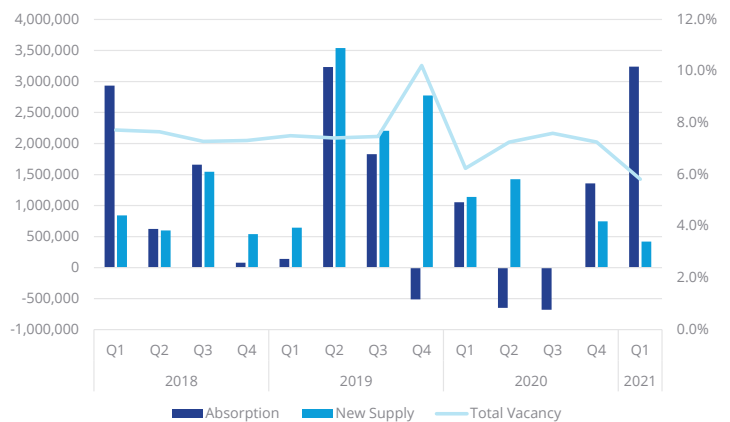
1.720%
U.S. 10 Year Treasury Note

Historic Comparison

	20Q1	20Q4	21Q1
Total Inventory* (in Millions of SF)	195.7	197.9	198.3
New Supply (in SF)	1.14M	744.8K	419.0K
Net Absorption (in SF)	1.05M	1.36M	3.24M
Overall Vacancy	6.2%	7.3%	5.8%
Under Construction (in Millions of SF)	4.3	2.8	3.7
Overall NNN Lease Rates (in \$/SF)	\$3.79	\$3.88	\$3.96

* Total inventory based on buildings 20K SF or larger

Absorption, New Supply & Vacancy Trends



Despite new construction deliveries and fluctuations in absorption over the past 13 quarters, the Greenville-Spartanburg vacancy rate remained historically low.

Recent Transactions

**Sale**

5024 Pelham
Pelham | 255.6K SF

**Lease**

2000 Nazareth Church Rd.
Hwy 29 | 109.2K SF

**Sale**

400 S. Nelson
Laurens | 68.5K SF

**Lease**

405 Apple Valley
Hwy 101 | 327.7K SF

**Lease**

1201 Woods Chapel
Hwy 101 | 350K SF

**Lease**

1121 Woods Chapel
Hwy 101 | 243.4K SF

Sources: Colliers, CoStar

Second generation space will be cheaper than new construction in spite of high upfit costs and property tax driven by reassessment upon sale. The Greenville-Spartanburg industrial market absorbed 3.2 million square feet this quarter but this will slow with an anticipated gap in new deliveries in early 2022.

Greenville-Spartanburg Capital Investments

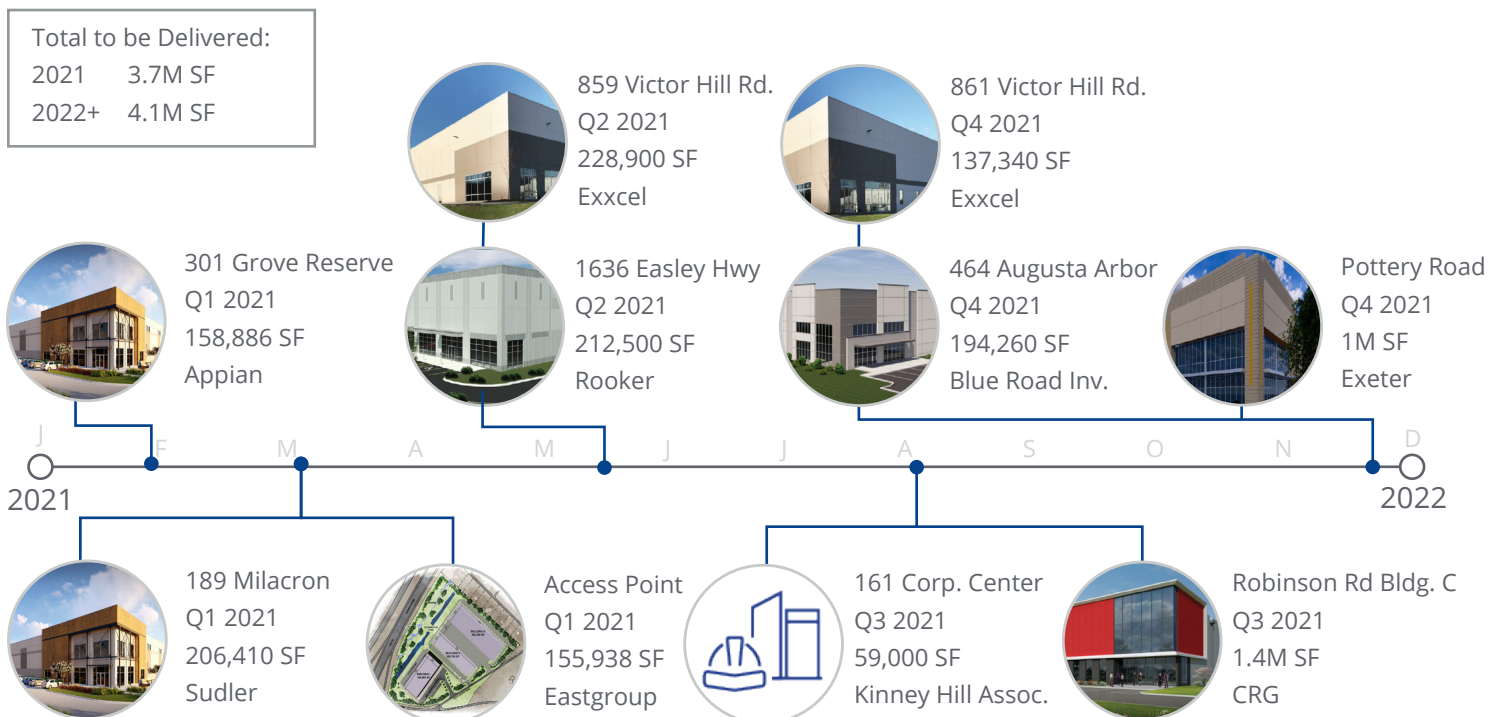
October 2020 - March 2021

Date	Company	Investment / Jobs	County	Industry
Nov-20	Setterstix	\$1.7M / 80	Laurens	Paper Manufacturing
Dec-20	Techtronic Industries	\$100M / 525	Anderson	Outdoor Products
Dec-20	Armada Analytics	\$1M / 33	Greenville	Service / Consulting
Dec-20	EuWe Eugen Wexler US Plastics	8.6M / 16	Anderson	Plastic Manufacturing
Dec-20	Peabody Engineering & Supply	\$5.6M / 35	Pickens	Telecom Manufacturing & Distribution
Dec-20	Fitesa Simpsonville	\$100M / 40	Greenville	Non-woven Fabric Manufacturing
Feb-21	Lonza	\$53.7M / 30	Greenville	Medical Manufacturing
Feb-21	United Community Bank	\$24.8M / 227	Greenville	Banking HQ
Feb-21	ZF	\$200M / -	Greenville	Auto Manufacturing
Feb-21	TTI Floorcare	\$93M / 134	Spartanburg	Floorcare Equipment Distribution
Mar-21	Pall Corp	\$30.2M / 425	Spartanburg	Medical Manufacturing

Source: Upstate Alliance, Colliers

Development Pipeline

Greenville-Spartanburg



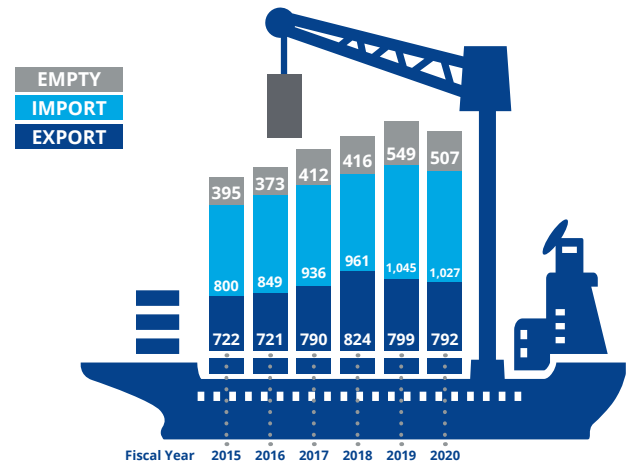
Sources: Colliers, CoStar

Coastal Port Tonnage

The South Carolina Ports Authority is a dominant economic driver for the economy; it creates one in ten jobs within the State and approximately \$63 billion in annual economic activity. The South Carolina Ports volume of 2.32 million twenty-foot equivalent container units (TEUs) was down 2.8% from the previous fiscal year. Container volume is likely to rebound in 2021 due to the recent opening of the Hugh K. Leatherman terminal in April, which will increase overall port capacity.

Port of Charleston

Annual Twenty-foot Equivalent Unit Volume
(in Thousands)



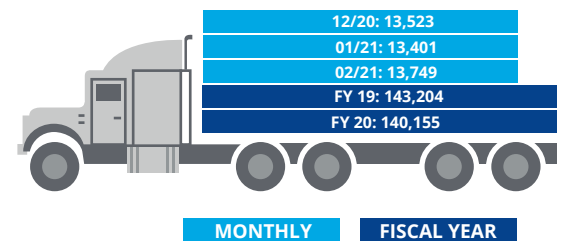
Source: South Carolina Ports Authority

Inland Port Tonnage

South Carolina Ports Authority reported its highest February in history for both rail moves and cargo volumes at the South Carolina inland ports. Inland Port Greer, located in the Upstate, reported 13,749 rail moves in February for a total of 99,920 rail moves in fiscal year 2021, a year-over-year increase of almost 18%. Rail moves are likely to increase during the fiscal year 2021 due as coastal port capacity increases.

Inland Port Greer

Annual Twenty-foot Equivalent Unit Volume
(in Thousands)



Source: South Carolina Ports Authority

Infrastructure Improvements

South Carolina

Project Name	Project Type	Description	Status	Estimated Completion Date
Hugh K. Leatherman	Port	Additional North Charleston container terminal	Open	Q1 2021
Charleston International Airport	Airport	Adding a third concourse	Construction to begin Q4 2021	Q4 2023
I-26 Widening	Road	I-26 widening from four to six lanes from mile marker 85 to 101	Under construction	2024
I-85 Widening	Road	I-85 expansion in Spartanburg and Cherokee Counties	Under construction	2021
I-20 Widening	Road	I-20 widening from four to six lanes from mile marker 49 to 60	Under construction	Q3 2021
Carolina Crossroads I-26/I-20/I-126	Road	I-26 from Exit 101 to Exit 107, I-20 from Exit 61 to Exit 65 & I-126 from Exit 107 to Colonial Life Boulevard	Right of way purchase	2030

Source: SCDOT, South Carolina Ports Authority

Greenville-Spartanburg | Q1 2021 Industrial Market Summary



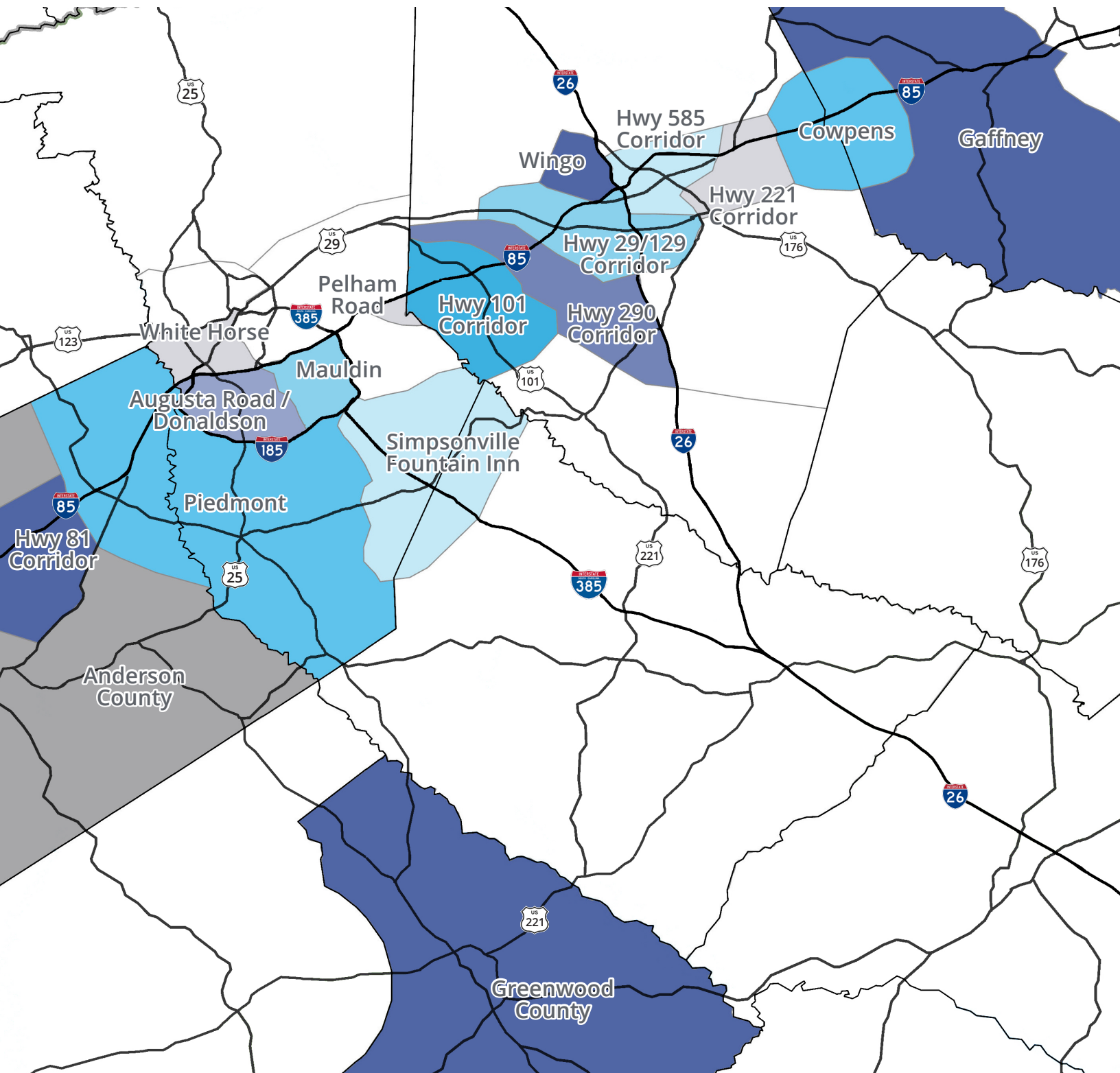
Market	Buildings	Inventory (SF)	Direct Vacant (SF)	Sublease Vacant (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Net Absorption (SF)	Average Weighted Rental Rate (SF/YR)
Anderson County								
Flex/R&D	1	38,000	-	-	-	0.00%	-	-
Manufacturing	12	3,870,844	57,329	-	57,329	1.48%	-	\$5.55
Warehouse/Distribution	108	11,051,093	266,804	-	266,804	2.41%	271,596	\$3.38
Anderson Co. Total	121	14,959,939	324,133	-	324,133	2.17%	271,596	\$3.61
Augusta Road Donaldson								
Flex/R&D	2	41,887	-	-	-	0.00%	-	-
Manufacturing	19	767,954	31,500	-	31,500	4.10%	-	\$6.00
Warehouse/Distribution	103	9,457,611	523,373	50,197	573,570	6.06%	5,603	\$4.04
Augusta Road Total	124	10,267,452	554,873	50,197	605,070	5.89%	5,603	\$4.16
Cowpens								
Flex/R&D	-	-	-	-	-	-	-	-
Manufacturing	5	163,456	29,000	-	29,000	17.74%	-	-
Warehouse/Distribution	14	2,825,165	216,738	-	216,738	7.67%	-	-
Cowpens Total	19	2,988,621	245,738	-	245,738	8.22%	-	-
Gaffney								
Flex/R&D	-	-	-	-	-	-	-	-
Manufacturing	4	166,889	-	-	-	0.00%	-	-
Warehouse/Distribution	35	4,660,187	-	-	-	0.00%	-	-
Gaffney Total	39	4,827,076	-	-	-	0.00%	-	-
Greenwood County								
Flex/R&D	1	22,528	3,000	-	3,000	13.32%	-	\$3.20
Manufacturing	20	2,942,023	-	-	-	0.00%	-	-
Warehouse/Distribution	17	1,032,636	-	-	-	0.00%	-	-
Greenwood Co. Total	38	3,997,187	3,000	-	3,000	0.08%	-	\$3.20
Hwy 101 Corridor								
Flex/R&D	9	525,484	3,000	-	3,000	0.57%	2,400	\$7.50
Manufacturing	10	2,345,455	201,600	-	201,600	8.60%	703,115	-
Warehouse/Distribution	116	13,762,900	1,159,883	12,500	1,172,383	8.52%	777,563	\$4.69
Hwy 101 Total	135	16,633,839	1,364,483	12,500	1,376,983	8.28%	1,483,078	\$4.71
Hwy 221 Corridor								
Flex/R&D	1	73,404	-	-	-	0.00%	-	-
Manufacturing	15	490,663	-	-	-	0.00%	-	-
Warehouse/Distribution	28	3,533,817	16,000	-	16,000	0.45%	-16,000	\$2.95
Hwy 221 Total	44	4,097,884	16,000	-	16,000	0.39%	-16,000	\$2.95
Hwy 29/129 Corridor								
Flex/R&D	2	749,880	-	-	-	0.00%	1,500	-
Manufacturing	10	341,454	-	-	-	0.00%	-	-
Warehouse/Distribution	94	12,748,512	1,310,426	24,000	1,334,426	10.47%	150,600	\$4.28
Hwy 29/129 Total	106	13,839,846	1,310,426	24,000	1,334,426	9.64%	152,100	\$4.28
Hwy 290 Corridor								
Flex/R&D	1	49,490	-	-	-	0.00%	-	-
Manufacturing	15	2,093,005	-	-	-	0.00%	-	-
Warehouse/Distribution	71	8,719,802	622,014	35,721	657,735	7.54%	-8,678	\$4.02
Hwy 290 Total	87	10,862,297	622,014	35,721	657,735	6.06%	-8,678	\$4.02
Hwy 585 Corridor								
Flex/R&D	12	513,933	73,800	-	73,800	14.36%	-	-
Manufacturing	22	682,383	19,500	-	19,500	2.86%	-19,500	\$6.00
Warehouse/Distribution	68	8,727,556	140,284	42,679	182,963	2.10%	112,440	\$3.49
Hwy 585 Total	102	9,923,872	233,584	42,679	276,263	2.78%	92,940	\$3.61

Greenville-Spartanburg | Q1 2021 Industrial Market Summary



Market	Buildings	Inventory (SF)	Direct Vacant (SF)	Sublease Vacant (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Net Absorption (SF)	Average Asking Rental Rate (\$/YR)
Hwy 81 Corridor								
Flex/R&D	-	-	-	-	-	-	-	-
Manufacturing	4	141,700	-	-	-	0.00%	-	-
Warehouse/Distribution	21	4,184,180	-	-	-	0.00%	-	-
Hwy 81 Total	25	4,325,880	-	-	-	0.00%	-	-
Mauldin								
Flex/R&D	6	175,904	9,500	-	9,500	5.40%	680	\$7.56
Manufacturing	9	529,005	200,000	-	200,000	37.81%	-	\$7.00
Warehouse/Distribution	76	8,234,243	262,839	-	262,839	3.19%	244,718	\$3.92
Mauldin Total	91	8,939,152	472,339	-	472,339	5.28%	245,398	\$5.34
Pelham Road								
Flex/R&D	8	310,201	12,699	14,524	27,223	8.78%	14,644	\$8.04
Manufacturing	5	170,875	-	-	-	0.00%	26,000	-
Warehouse/Distribution	67	4,337,711	374,367	-	374,367	8.63%	-18,978	\$3.68
Pelham Road Total	80	4,818,787	387,066	14,524	401,590	8.33%	21,666	\$3.83
Piedmont								
Flex/R&D	3	86,100	4,000	-	4,000	4.65%	-	\$12.00
Manufacturing	5	147,253	-	-	-	0.00%	-	-
Warehouse/Distribution	43	3,536,516	45,250	-	45,250	1.28%	-21,250	\$4.38
Piedmont Total	51	3,769,869	49,250	-	49,250	1.31%	-21,250	\$5.00
Simpsonville Fountain Inn								
Flex/R&D	1	33,900	-	-	-	0.00%	8,546	-
Manufacturing	7	218,528	-	-	-	0.00%	-	-
Warehouse/Distribution	101	13,024,589	805,041	-	805,041	6.18%	359,310	\$3.58
Simpsonville Fountain Inn Total	109	13,277,017	805,041	-	805,041	6.06%	367,856	\$3.58
White Horse								
Flex/R&D	-	-	-	-	-	-	-	-
Manufacturing	1	23,665	-	-	-	0.00%	-	-
Warehouse/Distribution	39	4,665,777	227,000	-	227,000	4.87%	-	\$3.25
White Horse Total	40	4,689,442	227,000	-	227,000	4.84%	-	\$3.25
Wingo								
Flex/R&D	1	30,605	-	-	-	0.00%	-	-
Manufacturing	13	450,801	-	-	-	0.00%	40,000	-
Warehouse/Distribution	56	8,510,716	706,665	120,000	826,665	9.71%	-	\$3.61
Wingo Total	70	8,992,122	706,665	120,000	826,665	9.19%	40,000	\$3.61
Other Submarkets								
Flex/R&D	39	1,761,044	209,986	-	209,986	11.92%	52,100	\$7.08
Manufacturing	108	7,277,487	1,183,170	-	1,183,170	16.26%	30,000	\$2.73
Warehouse/Distribution	538	48,040,347	2,525,467	-	2,525,467	5.26%	522,657	\$3.53
Other Submarkets Total	685	57,078,878	3,918,623	-	3,918,623	6.87%	604,757	\$3.68
Greenville-Spartanburg Overall Market								
Flex/R&D	87	4,412,360	315,985	14,524	330,509	7.49%	79,870	\$7.23
Manufacturing	284	22,823,440	1,722,099	-	1,722,099	7.55%	779,615	\$5.03
Warehouse/Distribution	1,595	171,053,358	9,202,151	285,097	9,487,248	5.55%	2,379,581	\$3.80
Market Total	1,966	198,289,158	11,240,235	299,621	11,539,856	5.82%	3,239,066	\$3.96

Submarket Map



396 offices in 68 countries on 6 continents

United States: 153

Canada: 29

Latin America: 24

Asia Pacific: 79

EMEA: 111



\$3.3B
in revenue



2B
square feet under management



17,000 +
professionals and staff

In January 2021, Colliers International benchmarked its industrial data set statewide. The new standard for collection is all industrial buildings 20,000 square feet or larger that can be readily adapted to an alternative industrial use. All properties were placed into a revised set of markets and submarkets and divided into three categories. Warehouse/Distribution, a facility primarily used for the storage or distribution or both of materials, goods and merchandise. Manufacturing, a facility used for the conversion, fabrication or assembly of raw or partly wrought materials into products or goods. Flex/R&D, a building designed to be used in a variety of ways with at least 30% of the rentable building area used as office. It is usually located in an industrial park setting. Specialized flex buildings can include service centers, showrooms, offices, warehouses and more. Due to the adjustments of the building inventory, comparison of data included in previously published market reports should be avoided.

About Colliers South Carolina

Colliers | South Carolina has over 150 staff members, including 62 licensed real estate professionals, covering the entire state with locations in Charleston, Columbia, Greenville and Spartanburg. Total 2020 brokerage volume exceeded \$533 million, which included over 456 sales and leasing transactions. In addition to traditional commercial real estate representation services for our clients, the company is actively engaged in Corporate Solutions and Healthcare Services. Colliers is an Accredited Management Organization (AMO) through the Institute of Real Estate Management (IREM) and is the largest manager of commercial real estate properties in South Carolina, with a portfolio of over 16 million square feet of office, industrial, retail and healthcare properties. Colliers International's staff hold 49 professional designations, the most of any firm in South Carolina. Colliers | South Carolina's partner, LCK, provides project management services for new facilities and renovations across South Carolina.

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