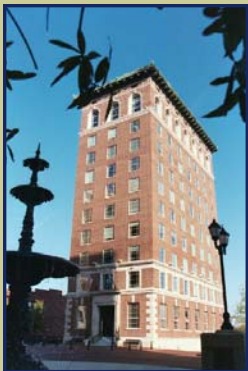




864-335-3030

#### MEET OUR AGENTS

- Jack Snedigar Pres.  
Broker-in-Charge  
864-335-3040
- Rob Brissie, Agent  
864-335-3033
- Brent Freeman,  
CCIM 864-335-  
3037
- Towers Rice, Broker  
864-335-3039



# UPSTATE INDUSTRIAL MARKET REPORT 1ST QUARTER 2011

January 28, 2011

## *AT A GLANCE*

### **BY: TOWERS RICE**

In short, the Upstate Industrial market is holding its own. While we are in a tough market with limited transactions our lows are not as low since our highs are not as high as compared to other segments of the market such as retail and office. The coming year should be an improvement over the previous two since there have been few deliveries of new facilities and there is pent up demand for people ready to go back to work. Already this year, there has been a flurry of activity with the exception of the snow week that put the skids on all activity. We are definitely starting an era when businesses have to reinvent themselves because our world has changed. Quite simply, business of the future is going to be done significantly different than the way it has always been. Our challenge is to read the market and adapt. The past two years has been a time of survival and now we are ready to step out, take stock, and move forward with a plan.

### **Absorption**

The Upstate Industrial market overall showed a negative absorption rate of nearly 147,000 s.f. meaning that there is now more space available than at the beginning of 2010. More specifically, Greenville had a positive absorption of over 150,000 s.f. and Spartanburg had a negative absorption of nearly 300,000 s.f. while Anderson remained static.

### **Vacancy**

As indicated by the Absorption, the vacancy rate rose slightly over the past 12 months. Currently, the Upstate Industrial market has a vacancy rate that hovers at 10%. Or put in more positive terms 90% of the rentable square footage is leased.

### **Rates**

The Average Rate for space in the Upstate market is \$2.90/sf/NNN. Greenville tends to be marginally higher (\$3.15) and Anderson (\$2.15) while Spartanburg is at (\$2.89).

### **Deliveries**

We have seen an almost non-existent number of new properties entering the market this year. While that has been a blow to those that depend on construction industry, it has allowed vacancy rates to remain level.

## **ECONOMIC INDICATORS**

2010 GDP + 2.9% (2009 was -2.6%)  
2010 CPI +1.4% (Increase from 12/09 to 11/10)  
Unemployment Down 1.7% to 10.7% in SC  
Employment (non-farm) 12 month Growth +0.7%  
(Source: US Bureau of Labor Statistics and BEA)

**SPECTRUM COMMERCIAL PROPERTIES** IS A FULL SERVICE COMMERCIAL REAL ESTATE BROKERAGE, PROPERTY MANAGEMENT, & LEASING FIRM. IT'S AGENTS HANDLE EVERYTHING FROM RETAIL AND INDUSTRIAL SITES TO MULTIMILLION DOLLAR INVESTMENT PROPERTIES. OUR MISSION IS TO PROVIDE THE HIGHEST LEVEL OF COMMERCIAL REAL ESTATE SERVICE IN THE CAROLINAS AND GEORGIA AND TO ACCOMPLISH THIS WITH THE UTMOST PROFESSIONALISM, INTEGRITY, AND PERSONAL SERVICE. PLEASE CALL US AT 864-335-3030 TO DISCUSS YOUR PERSONAL PORTFOLIO STRATEGIES.

**SPECTRUM  
COMMERCIAL  
PROPERTIES**

135 S. MAIN STREET  
SUITE 800  
GREENVILLE, SC  
29601

PHONE: 864-335-3030  
FAX: 864-335-3031  
E-MAIL:  
TOWERS@SPECTRUM  
CAROLINAS.COM

www.SpectrumCarolinas.com



**INDUSTRIAL MARKET HIGHLIGHTS**

*SIGNIFICANT (SELECT) 2010 NEW LEASE TRANSACTIONS*

<u>BUILDING</u>	<u>TENANT</u>	<u>SF</u>	<u>BUILDING CLASS</u>
Lebanon Road Anderson	Stacy's Greenhouse	392,040	Greenhouse
Old Stage Road Mauldin	Sunland Distribution	337,000	Warehouse
Old Piedmont Hwy. Gvl.	UTI Integrated Log.	200,000	Warehouse

*SIGNIFICANT (SELECT) 2010 SALE TRANSACTIONS*

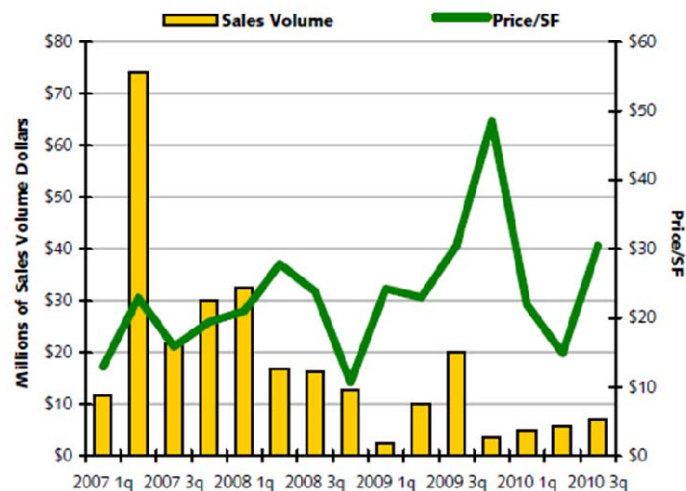
<u>BUILDING</u>	<u>BUYER</u>	<u>SF</u>	<u>PRICE</u>	<u>\$/SF</u>
Pack IQ-Anderson	T&R Real Est. LLC	58,803	\$2,750,000	\$46.77
Neely Ferry Rd.-Simp.	Jane Zhang	103,284	\$2,695,000	\$26.09
110 Southchase	Kolektor	30,400	\$2,100,000	\$69.08
Upstate Ind. Pk Piedmont	Unitex/USA	52,400	\$1,150,000	\$21.95

*SIGNIFICANT (SELECT) 2010 CONSTRUCTION COMPLETIONS*

<u>BUILDING</u>	<u>MAJOR TENANT</u>	<u>SF</u>	<u>COMPLETION DATE</u>
806 SE Main St. Simpsonville	Discover Church	23,728	Q2 2010

**SALES VOLUME & PRICE**

Based on Industrial Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

Source: CoStar Property Data