

NAI Earle Furman

Upstate, SC 1Q15 Office Market Report

The Upstate office market is seeing positive activity across all areas and classes, especially with Greenville's CBD performing extremely well. The small tenant market continues to be a hot spot, as quality Class A space in the CBD does not exist, hence why vacancy is roughly 5% in that range (excluding Certus sublease space). The large blocks of sublease space continue to impact occupancy rate, and consequently impact the vacancy of Class A space in the CBD.

Construction in the CBD continues to progress with the new Erwin Penland building and *The Greenville News* site. It is worth noting that these projects are anticipated to be completed 4Q of 2016. Landlords are increasing asking rents as the need for quality space continues to rise. We suspect these rents will be able to hold as the market does not have a large amount of quality space.

The Suburban market continues its recent success in projects such as Bonaventure Office Park, Patewood and Independence Corporate Park. Still, there are large blocks of vacancy but we expect these spaces to slowly be absorbed in Q2 2015. There has been no new construction in the Suburban market, and we expect this to stay true unless a build to suit project is successfully completed.

Overall, the market is seeing great activity. We expect to continue the recent success through 2015 as the vacancy rate continues to fall.

Taylor Allen
NAIEF Office Division Broker



Upstate Economy in 1Q15*

Total Population ⁺	969,104
Total Households ⁺	355,795
Median Household Income ⁺	\$44,507
Total Labor Force [^]	459,799
Unemployed [^]	27,350
Unemployment Rate [^]	Greenville County: 5.6% Spartanburg County: 6.5% Anderson County: 6.1%

*Includes data for Greenville, Spartanburg and Anderson counties

+US Census Bureau, 2010 Census & 2014 estimates

[^]scworks.org: February 2015 data

Trends for 1Q15


NET ABSORPTION


VACANCY RATE


CONSTRUCTION


ASKING RATES

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Below is a sampling of office submarkets in the Upstate as of 4/13/15. Only multi-tenant buildings larger than 20,000 square feet which are non-owner occupied and non-medical are included in the data sets below. If all office spaces of all sizes were included, the sample of properties would total 36,000,000 square feet for the Upstate market (Greenville, Spartanburg and Anderson markets combined). For data on additional counties or submarkets, please send a request to marketing@naief.com. Data source: CoStar.

Office Submarket Overview:

Submarkets	# of Buildings	Total RBA (SF)	Vacant (%)	Total Net Absorption (SF)	Total Avg. Rate
Greenville CBD					
Class A	15	1,951,130	13.0%	60,170	\$23.56
Class B	25	1,549,555	13.0%	26,718	\$18.37
All Classes	42	3,549,385	13.0%	86,888	\$22.16
Greenville Suburban					
Class A	16	1,508,106	14.7%	22,374	\$18.81
Class B	55	2,519,803	20.9%	19,633	\$15.16
Class C	4	103,454	40.4%	0	\$14.25
All Classes	75	4,131,363	19.1%	42,007	\$16.26
Spartanburg					
Class A	5	480,893	9.5%	1,239	\$20.01
Class B	8	381,463	40.3%	3,350	\$13.96
Class C	2	75,000	46.7%	0	\$11.90
All Classes	15	937,356	25.0%	4,589	\$15.55



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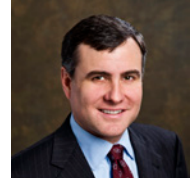
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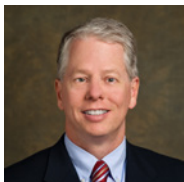
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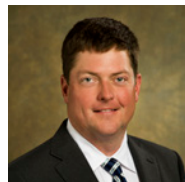
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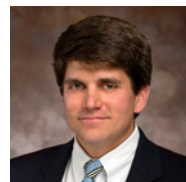
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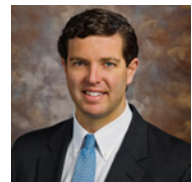
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About Us

Solid Foundation. Proven Results.

Founded by J. Earle Furman in 1986, NAI Earle Furman is a leading full-service commercial real estate brokerage firm in the Upstate of South Carolina specializing in the office, industrial, investment and retail sectors. NAI Earle Furman offers a wide range of services including sales, leasing, development, site selection, consulting and property management. A partnership with NAI Global allows NAI Earle Furman to access a network of worldwide real estate connections and offer international commercial real estate services to Upstate clients, while retaining local personality and knowledge.

The firm has 70 team members and completed over 625 transactions in 2014. The Property Management team manages over 5 million square feet of commercial space in North and South Carolina.

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Brokerage Services

- Tenant Representation
- Landlord Representation
- Market Analysis
- Financial Analysis
- Site Selection
- Lease Versus Own Analysis
- Due Diligence Consulting
- Lease Review and Renewal Services
- Tax Deferred Exchanges
- Development
- Land Acquisition and Disposition



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