



COMMERCIAL REAL ESTATE SERVICES



FEATURED MARKET REPORTS

THE LEE ADVANTAGE

Every Lee & Associates office delivers world-class service to an array of regional, national, and international clients - from small businesses and local investors to major corporate users and institutional investors. Our professionals combine the latest technology, resources, and market intelligence with their experience, expertise, and commitment to superior service to optimize client results.

WHAT SETS US APART?

Since 1979, Lee & Associates has reimagined the way that commercial real estate companies should be structured. Each Lee & Associates office is owned and operated by its professionals. As shareholders of the company, this separates us from our competition and creates one common goal; to provide seamless, consistent execution and value-driven market-to-market services to our clients.

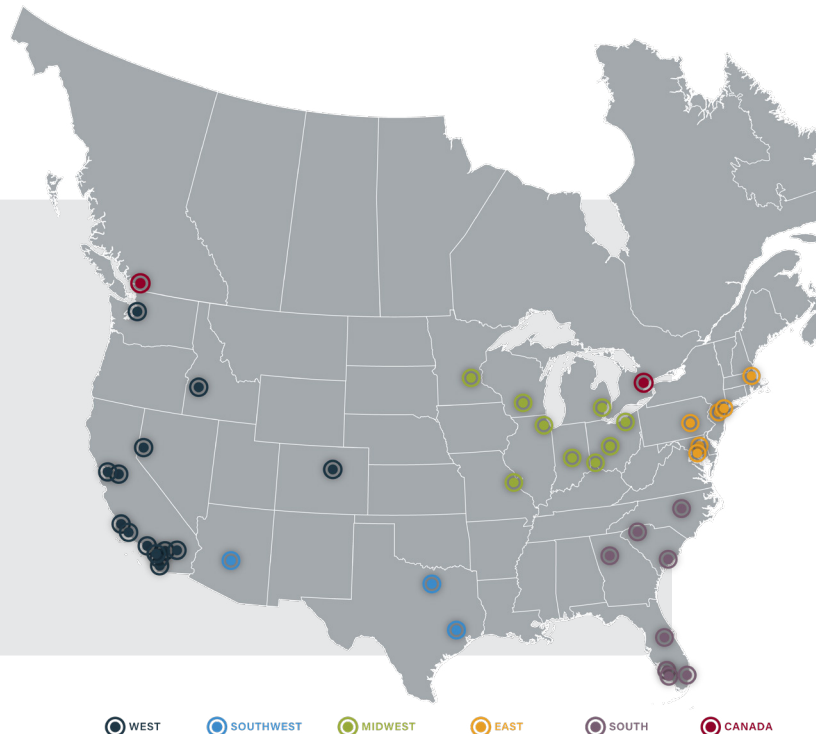
SERVICES TO MEET THE NEEDS OF OUR CLIENTS

Lee & Associates' offices offer a broad array of real estate services tailored to meet the needs of the company's clients in each of the markets it operates, including commercial real estate brokerage, integrated services, and construction services.

With specialty practice groups in each of these disciplines, our professionals regularly collaborate to make sure they are providing their clients with the most advanced, up-to-date market technology and information.

LOCAL EXPERTISE INTERNATIONAL REACH

With offices in 65+ markets across North America and a strategic international alliance with Gerald Eve, Lee & Associates has the ability to deliver first-class services to our clients both locally and internationally.



RETAIL OVERVIEW: RETAIL DEMAND STAGES A COMEBACK

Retail real estate is staging a notable comeback in 2021 bolstered by enormous government subsidies to consumers who largely are getting vaccinated. While there was a sharp increase in e-commerce in 2020, this year has been brick-and-mortar's turn. Merchants expanded their real estate footprints again in the third quarter by 28.6 million SF. This follows 20.2 million SF of positive net absorption in the second quarter and 4.5 million SF in Q1, and brings overall year-to-date growth to 53.3 million SF, 52% more than for all of 2019.

The strongest growth has come in the last two quarters as vaccines became widely available, allowing workers to return to offices and benefiting bars, restaurants and apparel stores. Earning reports show rebounding same-store sales.

In addition to the injection of more than a trillion dollars into consumers' wallets, reopening of the economy and easing restrictions on operations also helped slow the pace of store closure announcements and bankruptcies, which are on pace to impact the least amount of space since 2016.

Many retailers are expanding into new locations with grocery, discount, home décor and beauty sectors as the most active. At the same time, the average-sized footprint continues to lessen as several merchants, such as Target, Macy's and Burlington, are focusing on operating leaner, smaller formatted stores. Retailers' expansion plans continue to focus on faster-growing metros in the South and West, where absorption and leasing activity is greatest.

It's no surprise that the demand is driving up lease rates. The higher population growth markets such as Nashville, Atlanta, Tampa, Las Vegas, Charlotte, Phoenix and Orlando have seen rents increase by 2.5% or more in the past year while rents are abating in markets such as New York, Boston, Northern New Jersey and Los Angeles.

Demand for space in neighborhood centers and stand-alone single-tenant properties has accounted for more than 90% of the net absorption total this year. Tenants in the general retail space, the largest retail category with a 6.2-billion-SF base, expanded by 13.9 million SF in the third quarter bringing the year-to-date total to 32.3 million SF. Neighborhood retail with a 2.97-billion-SF inventory reported 10.9 million SF in third-quarter net absorption, bringing the total growth for the year to 17.3 million SF.

Absorption this year in the 907-million-SF mall category see-sawed. There was 3.6 million SF of negative net absorption in Q1, 425,234 SF of growth in Q2 and negative 229,641 SF in Q3. After posting negative 1.5 million SF of negative absorption in Q1, demand turnaround in the nation's 804 million SF in power centers, which reported 784,189 SF of Q2 growth and 789,914 SF in Q3. Retail investment activity reached its highest level since early 2018, totaling more than \$25 billion. Grocery-anchored properties are favored for their overall lower sensitivity to e-commerce disruption and focus on essential retail categories.

LOWEST VACANCY RATE		HIGHEST MARKET RENT / SF ANNUAL		HIGHEST MARKET SALE PRICE / SF	
VC, Vancouver	1.1%	NY, New York *	\$44.53	BC, Vancouver	\$510
ON, Toronto	1.7%	FL, Miami	\$39.04	NY, New York *	\$412
WA, Seattle	2.7%	CA, Orange County	\$33.75	CA, Orange County	\$394
MA, Boston	2.8%	CA, Los Angeles	\$33.19	CA, Los Angeles	\$390
NC, Durham	3.2%	NY, Long Island	\$31.90	FL, Miami	\$384
U.S. Index	4.8%	U.S. Index	\$22.26 PSF	U.S. Index	\$220 PSF
Canada Index	2.2%	Canada Index	\$21.98 PSF	Canada Index	\$325 PSF

MOST SF UNDER CONSTRUCTION		LARGEST INVENTORY BY SF		LOWEST MARKET CAP RATE	
FL, Miami	3,814,062	NY, New York *	615,252,201	BC, Vancouver	4.3%
TX, Houston	3,455,121	IL, Chicago	576,344,153	ON, Toronto	4.9%
ON, Toronto	3,453,424	TX, Dallas-Fort Worth	447,623,104	CA, Orange County	5.2%
NY, New York *	3,114,742	CA, Los Angeles	447,442,644	CA, Los Angeles	5.4%
TX, Dallas-Fort Worth	3,110,365	TX, Houston	415,850,022	CA, East Bay	5.4%
U.S. Index	48,834,167 SF	U.S. Index	11,722,590,309 SF	U.S. Index	7.0%
Canada Index	6,880,750 SF	Canada Index	742,906,202 SF	Canada Index	5.3%

* Please note that the statistics represented in these tables are based on CoStar defined market territories and may not all represent the geographic area the label depicts.



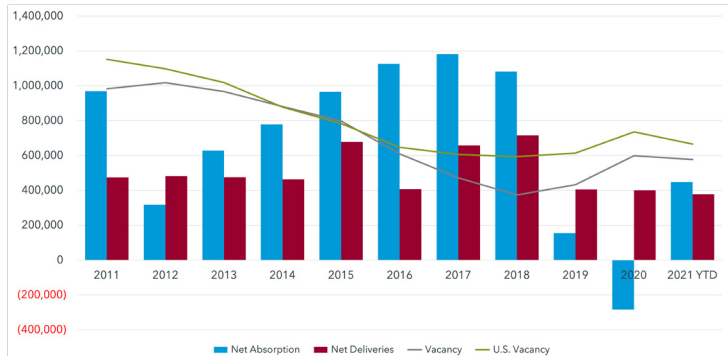
RETAIL MARKET OVERVIEW

ANDREW HARRILL, Broker Associate

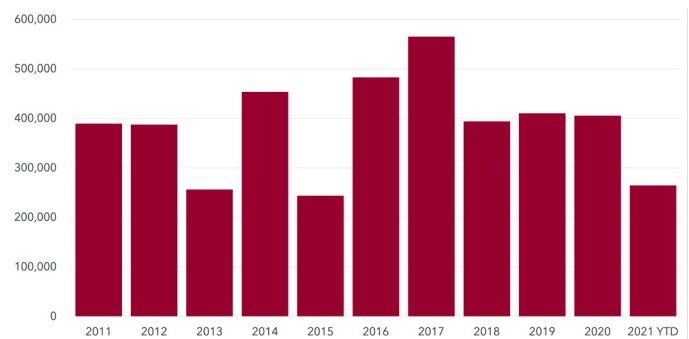
The Greenville/Spartanburg retail market was heavily impacted by the pandemic during the year of 2020 with the area posting negative absorption during that year. Recently, the area has posted three consecutive periods of positive absorption during Q1 2021, Q2 2021, and Q3 2021. The average NNN asking rental rate PSF has increased from \$12.36/SF in Q2 2021 to \$12.67/SF in Q3 2021. The vacancy rate has dropped to 4.30% in Q3 2021 from 4.50% in Q2 2021, showing an improvement in retail demand and stabilizing vacancy rates. The area has shown strong performance with grocers, discount retailers, and other retail services along with population increases leading to increased retail activity.

MARKET INDICATORS	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
▲ 12 Mo. Net Absorption SF	222,098	111,751	132,813	(49,196)	(3,893)
▼ Vacancy Rate	4.30%	4.50%	4.50%	4.40%	4.30%
▲ Avg NNN Asking Rate PSF	\$12.67	\$12.36	\$12.09	\$12.10	\$12.04
▼ SF Under Construction	264,735	292,911	245,614	405,626	382,297
▲ Inventory SF	90,890,714	90,848,038	90,726,885	90,512,812	90,436,880

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	TENANCY TYPE
3793-3803 Clemson Boulevard Anderson, SC	117,100 SF	Undisclosed	Agree Limited Partnership HRP Anderson LLC	Multi-Tenant
1021-1023 S Pendleton Street Easley, SC	113,000 SF	\$5,750,000 \$50.89 PSF	Undisclosed Undisclosed	Multi-Tenant
30 Orchard Park Drive Greenville, SC	93,357 SF	\$10,450,000 \$111.94 PSF	Undisclosed Big V Properties, LLC	Multi-Tenant

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1125 Woodruff Road Greenville, SC	28,978 SF	Four Rivers Capital	Burlington	Family Clothing Store
828-850 Woods Crossing Road Greenville, SC	20,921 SF	RealtyLink	810 Billiards and Bowling	Arts, Entertainment, and Recreation
701-723 Sulphur Springs Road Greenville, SC	12,700 SF	Four Way Management	Undisclosed	Undisclosed

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