LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q1 2023
GSP INDUSTRIAL REPORT

230,907,084 SF ↑
Q1 Existing Inventory
Q4 225,617,414 SF

4,733,619 SF
Q1 Net Absorption ↑
Q4 2,858,959 SF

5.0%
Q1 Vacancy ↑
Q4 4.0%

8,347,446 SF
Q1 Under Construction ↓
Q4 13,696,449 SF

$4.57 PSF
Q1 Avg. Asking Rent (per yr.) ↓
Q4 $4.60 PSF

MARKET OVERVIEW

Much like the rest of the Nation, the Greenville/Spartanburg market has experienced a gradual slowdown in industrial market activity during Q1 2023. Although inflationary problems and banking issues impeded activity, we expect to see investors and developers adjust to the new norm and continue to invest in Upstate South Carolina. Industrial vacancy remained relatively stable at 5% as space delivered to the market in Q1 was absorbed. An additional 8 MSF is still under construction, providing more product for future growth. Greenville/Spartanburg continues to benefit from the nearby Inland Port of Greer, which extends the Port of Charleston's reach 212 miles inland and provides convenient connection via interstate and railway to the rest of the Nation.

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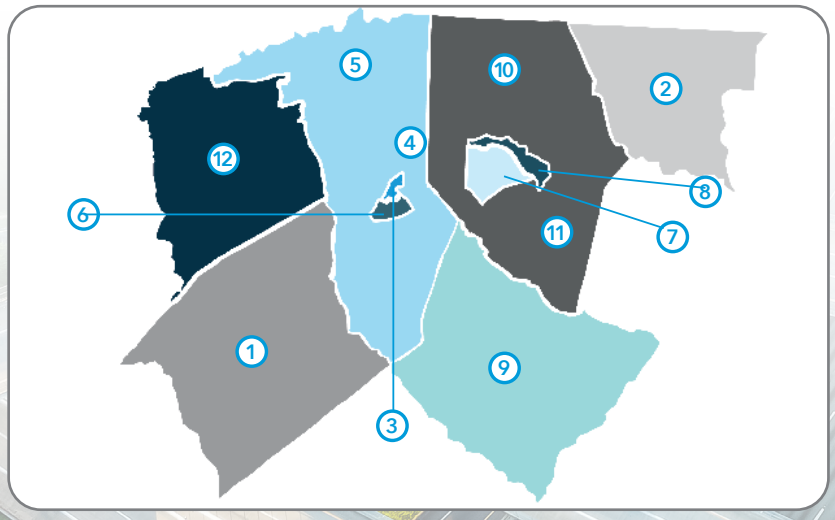
ABSORPTION
First quarter absorption in Greenville-Spartanburg totaled more than 4.7 MSF, bringing the rolling 12-month total to 12.5 MSF. The vast majority of demand occurred in the industrial warehouse sector, which claimed more than 4.2 MSF of the total absorption in Q1. The South Spartanburg submarket recorded more than 2.3 MSF of move-in activity, followed by the North Spartanburg submarket, which saw more than 1.7 MSF of net occupancy gained.

VACANCY
Overall vacancy increased in Q1 to 5.0% due to the delivery of more than 4.4 MSF of new space, some of which remained uncommitted. The new vacant space entering the market provides some relief to tenants in need of greater space options, but added upwards of 2.5 MSF to overall vacancy.

RENTAL RATES
Average asking rents decreased slightly in Q1 to $4.57 PSF. This is a decrease of $.03 PSF quarter-over-quarter and a 15% increase year-over-year. Warehouse asking rents averaged $4.34 PSF, while Flex rents averaged $10.75 PSF as of Q1. A lack of broad space availability continues to place upward pressure on asking rents.

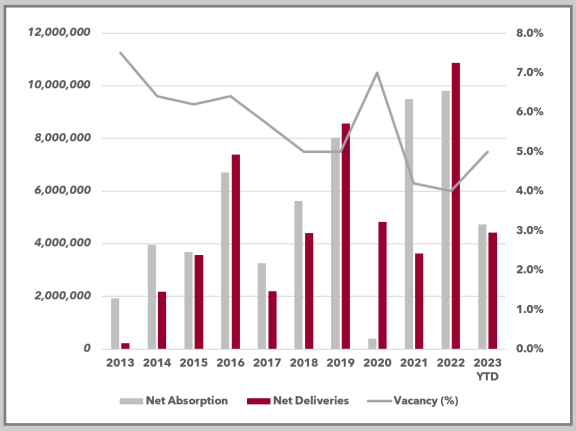
DEVELOPMENT
More than 8.3 MSF of space is under construction as of Q1. While this is a significant decline from Q4, it's due to the delivery of more than 4.4 MSF of new space to the market. North Spartanburg (2.0 MSF), Hwy 290 (1.95 MSF) and Greer/Hwy 101 (1.8 MSF) are the most active submarkets for new construction activity.

SUBMARKET MAP

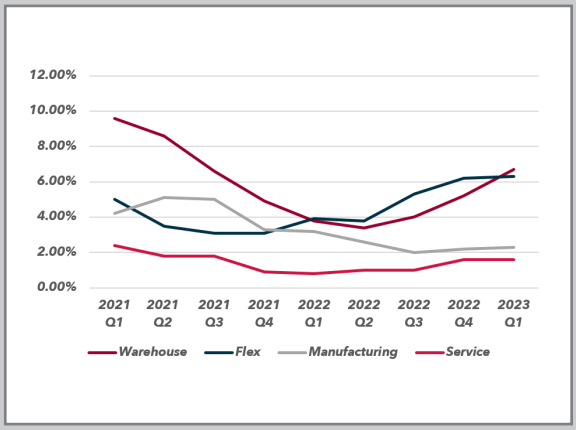


1. ANDERSON CO.
2. GREER | HWY 101 CORRIDOR
3. CHEROKEE CO.
4. E. GREENVILLE
5. N. GREENVILLE
6. S. GREENVILLE
7. LAURENS COUNTY
8. N. SPARTANBURG
9. S. SPARTANBURG
10. PICKENS CO.

ABSORPTION & DELIVERIES



VACANCY RATES



GREENVILLE RENTAL RATES COMPARISON

SUBMARKET BREAKDOWN

SUBMARKET	EXISTING INVENTORY	VACANCY		YTD NET ABSORPTION	UNDER CONSTRUCTION SF
	Total RBA	Total SF	Vac %		
Anderson Co.	27,508,570	1,767,586	6.4%	(123,650)	0
Cherokee Co.	12,560,198	706,768	5.6%	(211,400)	0
Downtown Greenville	2,753,517	57,581	2.1%	(1,914)	0
E. Greenville	13,039,715	710,643	5.4%	(13,179)	305,500
N. Greenville	19,663,412	229,401	1.2%	50,143	0
S. Greenville	37,289,745	2,383,159	6.4%	820,129	1,624,820
Greer | Hwy 101 Corridor	21,802,361	757,233	3.5%	404,231	1,809,763
Hwy 290 Corridor	10,301,049	283,226	2.7%	(119,105)	1,953,720
Laurens Co	13,629,404	25,000	0.2%	0	0
N. Spartanburg	46,742,437	3,876,857	8.3%	1,727,421	2,027,955
S. Spartanburg	19,038,261	475,143	2.5%	2,392,689	625,688
Pickens Co.	6,578,415	237,437	3.6%	(191,746)	0
TOTAL	230,907,084	11,510,034	5.0%	4,733,619	8,347,446

WAREHOUSE

PERIOD	EXISTING INVENTORY	VACANCY		YTD NET ABSORPTION	UNDER CONSTRUCTION SF
	Total RBA	Total SF	Vac %		
2023 Q1	135,723,826	9,076,034	6.7%	4,720,227	6,841,606
2022 Q4	128,338,478	6,642,523	5.2%	6,095,660	10,689,109
2022 Q3	126,698,249	5,009,454	3.1%	5,660,293	12,943,026

FLEX

PERIOD	EXISTING INVENTORY	VACANCY		YTD NET ABSORPTION	UNDER CONSTRUCTION SF
	Total RBA	Total SF	Vac %		
2023 Q1	6,792,662	427,273	1.6%	(7,015)	0
2022 Q4	6,816,216	425,986	6.2%	(102,174)	1,501,500
2022 Q3	6,847,576	365,940	5.3%	(99,128)	1,501,500

SERVICE

PERIOD	EXISTING INVENTORY	VACANCY		YTD NET ABSORPTION	UNDER CONSTRUCTION SF
	Total RBA	Total SF	Vac %		
2023 Q1	3,472,287	56,303	1.6%	0	0
2022 Q4	3,472,287	56,303	1.6%	(20,303)	0
2022 Q3	3,472,287	34,000	1.0%	2,000	0

MANUFACTURING

PERIOD	EXISTING INVENTORY	VACANCY		YTD NET ABSORPTION	UNDER CONSTRUCTION SF
	Total RBA	Total SF	Vac %		
2023 Q1	84,918,309	1,950,424	2.3%	470,407	1,505,840
2022 Q4	86,990,433	1,878,255	2.2%	3,826,338	1,505,840
2022 Q3	84,347,308	1,723,405	2.0%	1,377,397	4,109,631

NOTABLE TRANSACTIONS

LEASED

1201 WOODS CHAPEL ROAD
GREER / HWY 101 CORRIDOR

TOTAL SF 157,581
TENANT MAGNA SEATING OF AMERICA
TYPE DIRECT

LEASED

2071 FRYML DRIVE
N. SPARTANBURG

TOTAL SF 110,284
TENANT COOPER STANDARD
TYPE DIRECT

LEASED

2701 HIGHWAY 56
S. SPARTANBURG

TOTAL SF 72,705
TENANT LANCASTER SCHUERMANN DISTRIBUTION
TYPE DIRECT

UNDER CONSTRUCTION

SPARTAN ENTERPRISE PARK I
N. SPARTANBURG

TOTAL SF 1,009,962
DEVELOPER NORTHPOINT DEVELOPMENT
DELIVERY DATE Q4 2023

UNDER CONSTRUCTION

ENTERPRISE 85 INDUSTRIAL PARK
S. GREENVILLE

TOTAL SF 1,006,880
DEVELOPER SUNCAP PROPERTY GROUP
DELIVERY DATE Q2 2023

UNDER CONSTRUCTION

TYGER RIDGE LOGISTICS I
GREER / HWY 101 CORRIDOR

TOTAL SF 498,960
DEVELOPER PANATTONI DEVELOPMENT GROUP
DELIVERY DATE Q2 2023

SOLD

915 VICTOR HILL ROAD
GREER / HWY 101 CORRIDOR

TOTAL SF 297,607
SALE PRICE $29,000,000
RATE PER SF $97.44
BUYER STREAM REALTY PARTNERS
SELLER CHILDRESS KLEIN

SOLD

1172 BRACKEN ROAD
S. GREENVILLE

TOTAL SF 266,777
SALE PRICE $23,209,599
RATE PER SF $87.00
BUYER DALFEN INDUSTRIAL
SELLER THE KEITH CORPORATION

SOLD

2501 S HIGHWAY 101
GREER / HWY 101 CORRIDOR

TOTAL SF 222,710
SALE PRICE $22,462,500
RATE PER SF $100.86
BUYER BENORE LOGISTICS SYSTEMS
SELLER STAG INDUSTRIAL

LEE & ASSOCIATES

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