LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q2 2023
GSP INDUSTRIAL REPORT

236,553,266 SF ↑
Q2 Existing Inventory
Q1 230,907,084 SF

1,229,696 SF
Q2 Net Absorption ↓
Q1 4,733,619 SF

3,153,699 SF
Q2 Under Construction ↓
Q1 8,347,446 SF

7.3%
Q2 Vacancy ↑
Q1 5.0%

$4.67 PSF
Q2 Avg. Asking Rent (per yr.) ↑
Q1 $4.57 PSF

MARKET OVERVIEW

Much like the rest of the nation, the Greenville/Spartanburg market has experienced a gradual slowdown in industrial market activity during the first half of the year, but remains positive. The most notable change came in the form of new building deliveries, which totaled nearly 7 MSF in Q2 and placed upward pressure on overall vacancy. The increased vacancy stands to provide additional space options for tenants seeking more flexibility. Net absorption in Q2 topped 1.2 MSF, bringing the year-to-date total to 5.9 MSF. 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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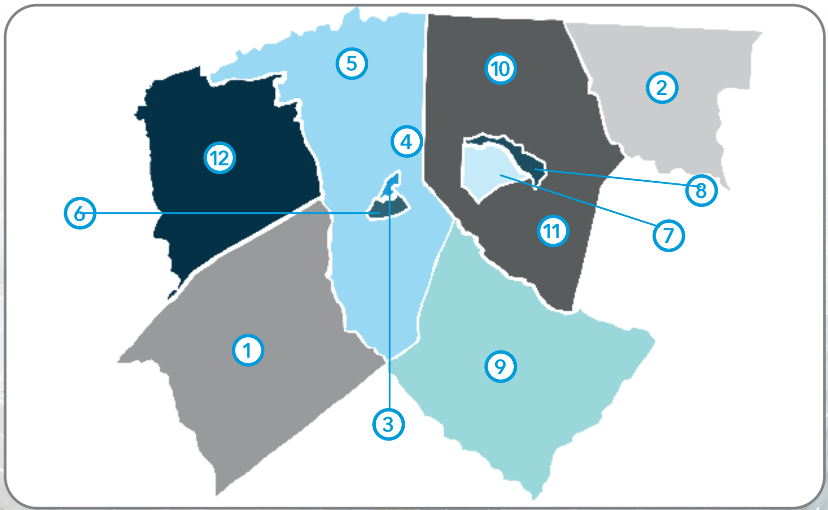
ABSORPTION
Second quarter absorption in Greenville-Spartanburg totaled more than 1.2 MSF, bringing the year-to-date total to nearly 6 MSF. The vast majority of demand occurred in the industrial warehouse sector, which claimed more than 4.9 MSF of the total absorption through mid-year. The South Spartanburg submarket recorded more than 2.5 MSF of move-in activity, followed by the South Greenville submarket, which saw more than 1.7 MSF of net occupancy gained.

VACANCY
Overall vacancy increased in Q2 to 7.3% due to the delivery of nearly 7 MSF of new space, the vast majority of which remained uncommitted. The new vacant space entering the market provides some relief to tenants in need of greater options, but added more than 5.5 MSF to overall vacancy.

RENTAL RATES
Increased vacancy levels did not negatively impact overall average asking rents, which increased to $4.67 PSF. This is an increase of $0.10 PSF quarter-over-quarter and 9.3% year-over-year. Warehouse asking rents averaged $4.81 PSF, while Flex rents averaged $11.22 PSF as of Q2. The Hwy 290 Corridor commands the highest average rents at $7.90 PSF.

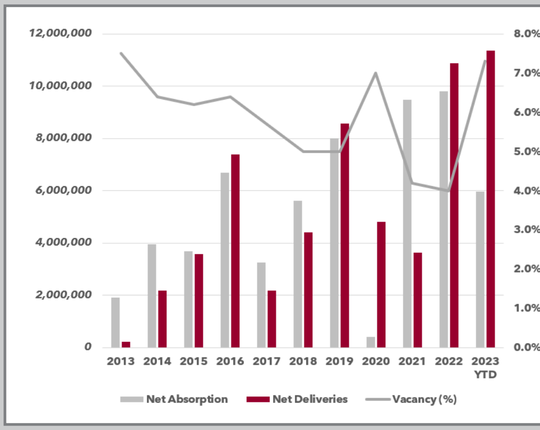
DEVELOPMENT
Second quarter deliveries reached 6.95 MSF, while 3.2 MSF remains under construction. A lack of committed (leased) space upon delivery contributed to a significant uptick in vacancy during the second quarter. The Highway 290 (2.0 MSF) and North Spartanburg (1.7 MSF) submarkets led the market with roughly 3.7 MSF of new product through mid-year.

SUBMARKET MAP

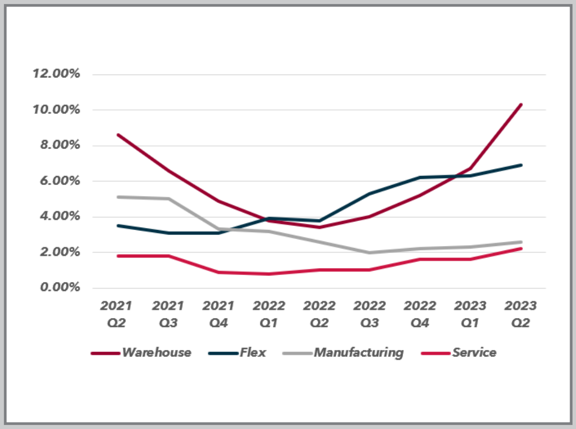


1. ANDERSON CO.
3. CHEROKEE CO.
4. E. GREENVILLE
5. N. GREENVILLE
6. S. GREENVILLE
7. GREER | HWY 101 CORRIDOR
9. LAURENS COUNTY
10. N. SPARTANBURG
11. S. SPARTANBURG
12. PICKENS CO.

ABSORPTION & DELIVERIES



VACANCY RATES



GREENVILLE RENTAL RATES COMPARISON

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SUBMARKET BREAKDOWN

SUBMARKET	EXISTING INVENTORY	VACANCY		YTD NET ABSORPTION	UNDER CONSTRUCTION SF
	Total RBA	Total SF	Vac %		
Anderson Co.	28,053,165	1,613,107	5.8%	95,329	0
Cherokee Co.	12,882,556	506,200	3.9%	136,668	0
Downtown Greenville	2,753,517	46,022	1.7%	9,645	0
E. Greenville	13,057,791	629,210	4.8%	377,241	305,500
N. Greenville	19,240,705	226,942	1.2%	51,602	0
S. Greenville	38,813,036	3,181,033	8.2%	1,794,360	251,100
Greer | Hwy 101 Corridor	22,682,565	2,067,633	9.1%	669,108	368,280
Hwy 290 Corridor	12,892,562	2,830,232	22.0%	-204,905	573,420
Laurens Co	14,167,256	911,601	6.4%	-886,601	0
N. Spartanburg	44,813,448	3,813,422	8.5%	1,597,786	1,334,595
S. Spartanburg	20,933,898	1,214,989	5.8%	2,535,393	320,804
Pickens Co.	6,262,767	286,002	4.6%	-212,311	0
TOTAL	236,553,266	17,326,393	7.3%	5,963,315	3,153,699

WAREHOUSE

PERIOD	EXISTING INVENTORY	VACANCY		YTD NET ABSORPTION	UNDER CONSTRUCTION SF
	Total RBA	Total SF	Vac %		
2023 Q2	141,662,249	14,609,028	10.3%	4,918,176	3,153,699
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

FLEX

PERIOD	EXISTING INVENTORY	VACANCY		YTD NET ABSORPTION	UNDER CONSTRUCTION SF
	Total RBA	Total SF	Vac %		
2023 Q2	6,116,697	422,913	6.9%	-15,277	0
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

SERVICE

PERIOD	EXISTING INVENTORY	VACANCY		YTD NET ABSORPTION	UNDER CONSTRUCTION SF
	Total RBA	Total SF	Vac %		
2023 Q2	3,472,087	74,896	2.2%	-18,593	0
2023 Q1	3,472,287	56,303	1.6%	0	0
2022 Q4	3,472,287	56,303	1.6%	-20,303	0

MANUFACTURING

PERIOD	EXISTING INVENTORY	VACANCY		YTD NET ABSORPTION	UNDER CONSTRUCTION SF
	Total RBA	Total SF	Vac %		
2023 Q2	85,302,233	2,219,556	2.6%	1,079,009	1,505,840
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

NOTABLE TRANSACTIONS

LEASED

100 EXCHANGE LOGISTICS PARK DR
SOUTH GREENVILLE

TOTAL SF 346,283
TENANT CARDINAL HEALTH
TYPE DIRECT

LEASED

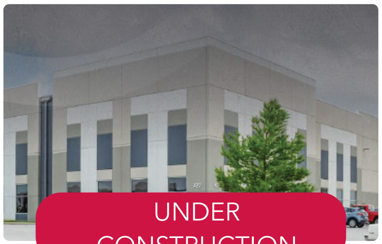
310 JOHN MARTIN RD
NORTH SPARTANBURG

TOTAL SF 190,606
TENANT SALLY BEAUTY
TYPE DIRECT

LEASED

117 LITTLEJOHN STREET
NORTH SPARTANBURG

TOTAL SF 116,413
TENANT CAPITAL RECOVERY SERVICES LLC
TYPE DIRECT



UNDER CONSTRUCTION

SPARTAN ENTERPRISE PARK I
NORTH SPARTANBURG

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

UNDER CONSTRUCTION

DUNCAN LOGISTICS CENTER
GREER / HWY 101 CORRIDOR

TOTAL SF 431,460
DEVELOPER ROCKEFELLER GROUP
DELIVERY DATE Q3 2023

UNDER CONSTRUCTION

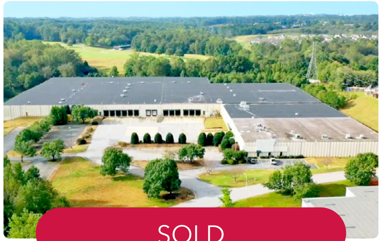
TYGER RIDGE LOGISTICS IV
GREER / HWY 101 CORRIDOR

TOTAL SF 368,280
DEVELOPER PANATTONI
DELIVERY DATE Q3 2023

SOLD

300 S MAIN ST
SOUTH GREENVILLE

TOTAL SF 344,000
SALE PRICE $9,600,000
RATE PER SF $27.91
BUYER JERSEY HOLDINGS LLC
SELLER JDI REALTY



SOLD

130 COMMERCE CENTER
EAST GREENVILLE

TOTAL SF 320,904
SALE PRICE $22,750,000
RATE PER SF $70.89
BUYER CERTA REALTY
SELLER REALOP INVESTMENTS

SOLD

1298 NEW CUT ROAD
NORTH SPARTANBURG

TOTAL SF 201,718
SALE PRICE $8,725,000
RATE PER SF $43.25
BUYER BLUE VISTA
SELLER INA BEARING COMPANY, INC.

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