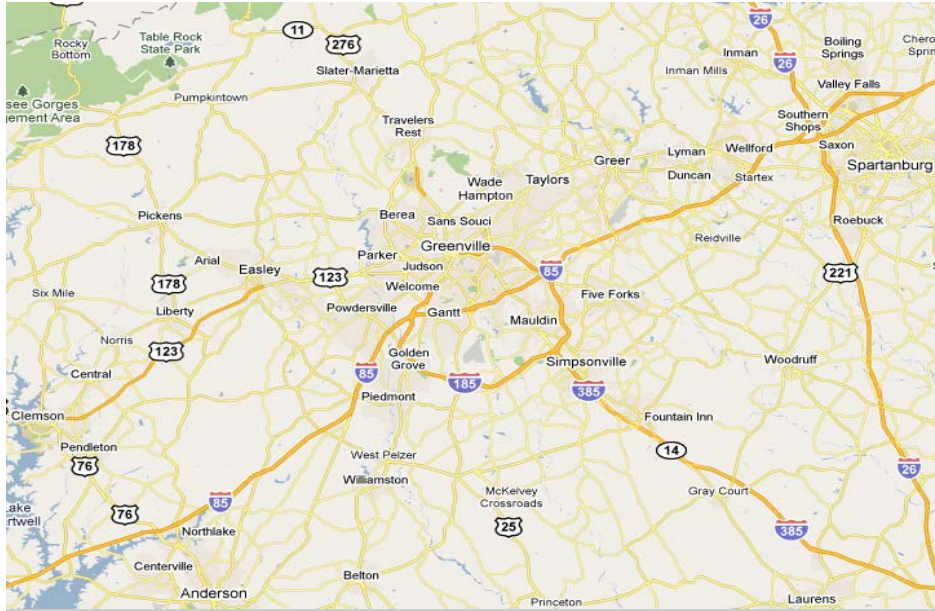


OUR MARKET DEFINED The Greenville/Spartanburg commercial real estate market is comprised of the following counties: Greenville, Spartanburg, Anderson, Laurens, Pickens, and Cherokee.



INDUSTRIAL

Our industrial market covers the entire Upstate and includes flex and warehouse spaces.

↓ **Vacancy**– At the end of 3rd quarter, vacancy was down to 9.8% from 10.4% at the end of Q2 2011. It has steadily declined since Q1 2010.

↑ **Net Absorption**– Our market absorbed a positive 1,133,590 square feet of space in 3rd quarter 2011. This was a large jump from 2nd quarter and especially 1st quarter when it ended with a negative 87,662 SF.

↓ **Rental Rates**– At the end of 3rd quarter, rental rates were down to \$2.95/SF, from \$3.01 at the end of 2nd quarter. They have been declining since the peak in 1st quarter 2009.

OFFICE

Our office market for this purpose covers just the greater Greenville area.

↓ **Vacancy**– At the end of 3rd quarter vacancy was 11.4%, down from 11.6% at the end of 2nd quarter. It has steadily declined since Q1 2010.

↑ **Net Absorption**– We ended 3rd quarter with a positive 94,449 SF of space absorbed. We have experienced a positive net absorption since 2nd quarter 2010, after the “hard hit” we took in 1st quarter 2010 with a negative absorption of 120,451 SF.

↓ **Rental Rates**– Rates are down to \$14.83/SF from \$15.08/SF at the end of 2nd quarter. They have been quite variable during this economic downturn, reaching as high as \$16.01 in 4th quarter 2010 and as low as \$13.24 in 2007, before the recession even impacted our market.

RETAIL

Our retail market includes the entire Upstate area.

↓ **Vacancy**– 3rd quarter brought vacancy down to 6.7% from 7.0% at the end of 2nd quarter. It has steadily dropped from 7.4% in 4th quarter 2010.

↑ **Net Absorption**– Net absorption was strong at the end of 3rd quarter, with a positive 302,256 square feet absorbed. It has been positive since 2nd quarter 2009.

↓ **Rental Rates**– Rates are down over previous quarters, ending 3rd quarter at \$9.60/SF, from \$9.68 at the end of 2nd quarter.



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Third quarter 2011 brought many exciting announcements for the Upstate. Many of these included industrial type businesses coming to the area or expanding operations in the area with millions of dollars to invest in our local economy and hundreds of jobs to bring. We also saw an uptick up of new retail to the area. There is no question that the auto industry is booming in our area, with four of the biggest announcements being made by auto suppliers. (Please see a few of the major announcements below.) The SC Dept. of Commerce has been involved in recruiting more than \$2 billion in investment and over 9,800 jobs in automotive since 2008.

ZF Group released the news of further expansion in Laurens County in September. Their original plan was for a \$350 million manufacturing facility that will bring 900 new jobs. This is currently under construction. The new expansion will add another \$80 million to the project and generate 300 more jobs for a total investment of \$430 million and 1200 jobs in the Upstate.

Bridgestone Americas Inc.—They announced at the end of September that they plan to build a 1.5 million square foot manufacturing plant and a 474,000 square foot expansion to the existing plant in Aiken County. This will be a \$1.2 billion investment in the Upstate— the largest capital investment in state history, and will create more than 850 full time jobs.

Fehrer Automotive— This world-class, international developer of automotive interior components announced in August that they are expanding their operations to include a new manufacturing facility in Duncan, SC. This 100,000 square foot building will be a \$14 million investment and bring 130 new jobs to the area.

YH America South Carolina, a manufacturer of automotive fluid components, announced in October that they will be expanding operations in Pickens County . They are currently located in Easley, on 19 acres in a 70,000 square foot building that employs 480 people. This expansion that is a response to demand for product will be an additional \$5.14 million investment and will create 93 new jobs.

JR Automation Technologies, an automation equipment manufacturer, announced in September that they plan to invest \$2 million and create more than 54 jobs in Pickens County. This will be their first facility in North America.

VCI-SC, a metal parts manufacturer and BMW supplier, announced in July that they will invest over \$2 million in a new facility in Pickens County, creating 50 new jobs.

TOP DEALS— 3RD QUARTER

LEASES

| TYPE | SIZE (SF) | TENANT | ADDRESS |
|------------|-----------|---------------------------|---------------------------------------|
| Industrial | 55,000 | Span America Medical Sys. | 17 Hyland Drive— Greenville |
| Industrial | 25,000 | S-L Distribution | 105 Ben Hamby— Greenville |
| Industrial | 20,000 | Smoke Oil Company | 130 Airport Rd.—Greenville |
| Retail | 4,556 | Wild Oats Brewery | 404 Harrison Bridge Rd.— Simpsonville |

SALES

| | | | |
|------------|---------|--------------------|----------------------------------|
| Industrial | 63,000 | Image Investments | 1290 Ridge Rd.—Greenville |
| Industrial | 70,000 | Triple M | 101 Valley View— Fountain Inn |
| Industrial | 133,626 | Beckham Properties | 844 SE Main Street— Simpsonville |