

# Bentley Commercial LLC/CORFAC INTERNATIONAL FLEX MARKET REPORT



GREENVILLE, SC

2009 YEAR-END REPORT

## MARKET OVERVIEW

By Tim Bright

For the purpose of this report, flex space is defined as a one story building / space within the building / space being divided as 50% being used for of-ice space and 50% being used as warehouse or distribution space. The building / space must also have either a drive-in door or dock high door.

We have seen the dreaded year of 2009 come to an end and lucky enough we are all still here. It is time to put the terrible thoughts behind us and move into 2010 with the mindset that things are going to be different and it's going to be a great year. Each broker in the Upstate should ask themselves "What am I going to do different this year?"

As we look at the Upstate Flex Market as a whole, the average asking rate at this time last year was \$7.41 PSF to \$7.00 PSF right now. This is one reason why things are looking positive for the coming year. Net absorption is a positive 50,458 at the end of 2009 compared to a positive 10,290 at the end of last year. The availability rate at the end of last year was 20.8% dropping to 19.2% at the end of 2009. At this time there are no buildings under construction.

As we take a look at each market individually we see that the average asking rate \$7.48 PSF at the end of 2008, and at the end of 2009 the average asking rate was at \$7.17 PSF. The Greenville Flex Market at the end of 2009 had a positive Net Absorption of 53,280 compared to a positive 6,785 at the end of 2008. The Greenville availability rate was 22.5% at the end of the year in 2008 and has dropped to 21.5% currently. Some of the factors have contributed to a slightly better end to the year than beginning.

In Spartanburg the average asking rate at the end of 2008 was \$6.36 PSF but dropped significantly to \$5.78 PSF at the end of 2009. This submarket had a negative Net Absorption of (12,688) compared to last year at this time when it was a positive 21,785. The availability rate last year was 11.2% has risen to the same time in 2009 to 12.6%. There are no buildings currently being constructed.

*Continued on Page 2*

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Source: CoStar Property Data and Bentley Commercial, LLC.

## FLEX INVENTORY AND VACANCY RATES

AS OF DECEMBER 31, 2009

|                               | GREENVILLE | SPARTANBURG | ANDERSON | Total Market |
|-------------------------------|------------|-------------|----------|--------------|
| <b>TOTAL INVENTORY SF</b>     | 7,217,444  | 997,834     | 391,545  | 8,606,823    |
| <b>DIRECT VACANT SF</b>       | 1,556,779  | 125,660     | 27,550   | 1,709,989    |
| <b>AVAILABILITY RATE</b>      | 21.5%      | 12.6%       | 7.0%     | 19.2%        |
| <b>YTD NET ABSORPTION</b>     | 53,208     | (12,688)    | 838      | 41,358       |
| <b>YTD NEW PRODUCT</b>        | 0          | 26,700      | 0        | 26,700       |
| <b>AVERAGE ASKING RATE/SF</b> | \$7.17     | \$5.78      | \$4.62   | \$7.00       |



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## MARKET OVERVIEW CONTINUED...

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Anderson County turned in a positive Net Absorption of 838 compared to the end of 2008 when it was (18,280). The average asking rate at the end of 2009 was \$4.62 which has dropped over \$2.00 since the 2008 when it was \$6.67. The availability rate at the end of 2008 was 9.2% and that has dropped to 7.0% at the end of 2009.

To close I ask the question again. "What am I going to do differently in 2010?" Are you going to sit back and wait for the deals to come to you, or are you going to go out and find the deals yourself? 2010 will be what you make of it. Everyone starts with a clean slate, what will yours look like at the end of the year?

## SELECT FLEX BUILDING SALES

| BUILDING              | ADDRESS              | LOCATION   | SIZE (SF) | SALE DATE  | SALE PRICE  | PRICE PSF |
|-----------------------|----------------------|------------|-----------|------------|-------------|-----------|
| 10 Eisenhower Drive   | 10 Eisenhower Drive  | Greenville | 7,720     | 10/11/2009 | \$ 95,000   | \$ 12.31  |
| 25 Airpark Court      | 25 Airpark Court     | Greenville | 15,375    | 7/24/2009  | \$1,500,000 | \$ 97.56  |
| North Park Industrial | 112 North Park Dr.   | Anderson   | 5,288     | 5/13/2009  | \$ 385,000  | \$ 72.81  |
| 209 Holly Ridge*      | 209 Holly Ridge      | Greenville | 27,000    | 4/21/2009  | \$ 600,000  | \$ 22.22  |
| 3317 Highway 24*      | 3317 Highway 24      | Anderson   | 5,000     | 3/5/2009   | \$ 20,000   | \$ 4.00   |
| Building A            | 138 Commerce Center  | Greenville | 10,070    | 2/27/2009  | \$ 635,000  | \$ 63.06  |
| 112 Metro Drive       | 112 Metro Drive      | Anderson   | 4,800     | 12/23/2008 | \$ 180,000  | \$ 37.50  |
| 7002-7004 Pelham Rd.  | 7002-7004 Pelham Rd. | Greenville | 10,000    | 12/10/2008 | \$ 575,000  | \$ 57.50  |
| 108 Old Dominion Rd.  | 108 Old Dominion Rd. | Duncan     | 4,600     | 10/16/2008 | \$ 365,000  | \$ 79.35  |
| 224 Westfield Ave.    | 224 Westfield Ave.   | Greenville | 6,412     | 9/30/2008  | \$ 750,000  | \$116.97  |

\*Foreclosures

## SELECT FLEX LEASE COMPS

| ADDRESS                | CITY        | SIZE (SF) | LEASE DATE | LEASE RATE (PSF) | TENANT                  |
|------------------------|-------------|-----------|------------|------------------|-------------------------|
| 48 Brookfield Oaks Dr. | Greenville  | 4,046     | 1/30/2009  | \$10.71          | Consumer Source         |
| 1200 Woodruff Road     | Greenville  | 6,300     | 5/2/2009   | \$ 9.00          | N/A                     |
| 61 Byrdland Drive      | Greenville  | 5,000     | 5/2/2009   | \$ 5.52          | Gallman Windows & Doors |
| 108 Park Place Ct.     | Greenville  | 8,000     | 6/1/2009   | \$ 5.75          | Merus Refreshment Group |
| 7092 Howard St.        | Spartanburg | 4,900     | 6/1/2009   | \$ 2.94          | CrossFit Spartanburg    |
| 48 Brookfield Oaks Dr. | Greenville  | 9,000     | 6/2/2009   | \$ 7.23          | Summit Church           |
| 627 Congaree Road      | Greenville  | 9,450     | 7/3/2009   | \$10.50          | Rainbow Play Systems    |
| 104 Construction Way   | Anderson    | 5,400     | 7/13/2009  | \$ 5.33          | N/A                     |
| 130 W. Johns Way       | Greer       | 6,000     | 7/15/2009  | \$ 5.50          | Majestic Lighting       |
| 1700 A Rutherford Road | Greenville  | 19,000    | 9/9/2009   | \$ 2.51          | N/A                     |