Building spurs retail market

Office, industrial real estate also improving

By Angelia Davis
Staff writer
davisa@greenvilleonline.com

The Upstate, and Greenville in particular, is seeing something happen now in retail that hasn't occurred in a few years. That something is new construction, according to local retail commercial broker Ron Schmidt.

It's one of many improvements cited in NAI Earle Furman's Second Quarter 2013 market report out Tuesday. The report offers snapshots in the Upstate office and industrial sectors of commercial real estate, as well as retail.

The industrial sector, where vacancy dropped to 8.3 percent, is seeing a few more lease transactions said Grice Hunt, a broker in Furman's industrial division.

He said lease rental rates seen were at higher numbers than "we've seen in the past."

Inventory remains sparse but "we'll probably see more announcements with new construction in the third or fourth quarter of the year," Hunt said.

The office market also continues to improve, said Keith Jones, a broker in Furman's office division.

Vacancy in the office market fell to 8.2 percent in the second quarter and net absorption increased to 266,888 square feet.

"We're steadily seeing a little bit more activity each quarter," Jones said. "There's still an awful lot of vacancy out there but some of the spaces and some of the types of product are starting to absorb nicely."

The retail market saw its vacancy rates drop 30 basis points to 6.8 percent and experienced more than 250,000 square feet of positive net absorption, the report said.

Schmidt, a broker in Furman's retail division, said a bounce in the economy and consumer confidence are helping locations like Greenville's Central Business District add an assortment of new concepts, including Jack 'n' Diane's dueling piano bar and Tupelo Honey Cafe in the One building.

National chains have also increased their interest in Greenville, as seen especially in Magnolia Park, Schmidt said. Cabela's has been a big driver.