Growth forecast for commercial real estate

By Angelia Davis
Staff writer
davisal@greenvilleonline.com

Growth is on the horizon for every commercial real estate sector in the Upstate this year, experts say.

"Poised for Growth" was the theme of the annual real estate forecast delivered by CBRE experts Tuesday during their 2014 symposium at the Peace Center for the Performing Arts.

The common thread among all the markets — office, industrial, retail and land — is increased outside market interest and a lot of growth going forward, said Brian Reed, CBRE research manager in Greenville.

The inland port in Greer will have a huge impact on the industrial market, experts said.

It's different from other every other inland port in the country in that it's in the middle of a manufacturing hub, Reed said.

That's important because it means manufacturers in the Upstate and places like Atlanta have the option to deliver here versus going to Charleston or Savannah, he said.

That will keep manufacturers here and attract new ones as well, Reed said.

Cabela's, a specialty retailer of hunting, fishing and outdoor gear, is expected to open in Magnolia Park in March and help drive growth in the retail market.

Experts said the big story in the office market is rent growth.

Space for rent in the One building on Main Street is on the market at $28.50 a square foot, and the next most expensive building is $22 a square foot, Reed said.

"There's a significant gap in between and that gap is an opportunity for existing landlords or other developers to kind of step in and potentially make capital investments to get their asking rates to that window," he said.

Like the Greenville market, nationwide there's a "flight to quality" in the office sector, said Jim Costello, CBRE's managing director of Americas Research in Boston.

Tenants who want good space to help drive their business are willing to pay for it, he said, "so the Class A space has been taking off."

Costello said a challenge going forward will be recruiting top talent and keeping young folks here.