

Industrial real estate going fast in Upstate

Experts expect one of best quarters for factory deals since recession

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Amy's Kitchen's move into the former Sara Lee plant in Greenville could help the Upstate see one of its strongest quarters of growth in the industrial market since the recession.

A California-based natural and organic food brand, Amy's Kitchen said earlier this month it plans to occupy the 120,000-square-foot facility off Interstate 85.

If that happens and some other current transactions under contract close, more than a million square feet of industrial space could be taken off the market, setting the year's second quarter up to be the strongest quarter since 2007, according to a CB Richard Ellis Industrial Marketview.

The first half of 2007 was one of the boom quarters in the Upstate, according to Brian Reed, vice-president client services at CB Richard Ellis | The Furman Co. It was a time when the region had more than million square feet of positive absorption in the industrial market, he said.

"My hunch is that it's

probably going to end up being little bit less than a million square feet of absorption, especially if one or two of those deals don't end up closing," Reed said.

"It's going to be a pretty modest quarter, but with that being said, we expect to see a substantial amount of activity, if not in the coming quarter then the one thereafter."

The report predicts a strong local industrial market for the remainder of 2011, given the current trend of declining availability and a spike in expected transactions.

Vacancy has been at around 10.1 percent during the past two quarters.

The report says first-quarter 2011 was the fourth consecutive quarter of declining availability. Availability - space that is available now - peaked in first quarter 2009 at 14.3 percent, the report said. It is now at 12.9 percent.

Rising availability is considered an indicator of future vacancy rates because marketing for spaces often begins before a building becomes physically vacant, the report said. So, declining availability is a positive trend.