More jobs seen by midyear

Commercial real estate experts expect slow recovery, peak in vacancies

By Rudolph Bell
STAFF WRITER
dbell@greenvillenews.com

Massive intervention by the federal government and "maybe just a little bit of luck" kept the financial system from collapsing last year, and the economy is now poised for a slow recovery, according to a high-level real estate executive who visited Greenville on Tuesday.

James A. Reid, Eastern Division president for CB Richard Ellis Inc., a global real estate company based in Los Angeles, was in town to announce his company's new alliance with Greenville-based The Furman Co. and to take part in the local firm's annual real estate forecast.

During an interview before the breakfast event at the International Center for Automotive Research, Reid said he was mostly happy with the federal government's decision in late 2008 to make $700 billion available to prop up the U.S. financial system.

"I would say in the aggregate I'm pleased with the effect of the TARP (Troubled Asset Relief Program) and the fact that our economy seems to have come back from the brink," he said.

Reid said business was now "sound" at his own company. CB Richard Ellis lost nearly $79 million during the first nine months of 2009.

"We're optimistic and forward looking, but we also know it's not going to be easy," he said.

The publicly traded CB Richard Ellis has about 30,000 employees and more than 300 offices around the world, not counting affiliates.

In order to affiliate with the real estate giant, The Furman Co. ended its 12-year affiliation with Grubb & Ellis Co., another big real estate company.

Grubb & Ellis, meanwhile, announced that it would cover the Greenville market through Wilson Kibler, its affiliate in Columbia.

Brian Reed, The Furman Co.'s research manager, gave a forecast during a presentation to local businessmen at ICAR's graduate engineering center.

Citing projections from Moody's Economy.com, Reed said the Upstate should stop shedding jobs and start adding them again in the middle of this year.

He said office vacancy in the Upstate should peak in 2010 at more than 20 percent, while the vacancy rate among retail properties should climb above 12 percent.

He predicted good news in the industrial property market, with the vacancy rate peaking at 11 percent early this year.