

GREENVILLE, SOUTH CAROLINA

LONG-TERM PROSPECTS FOR TECH & MANUFACTURING FUEL APARTMENT MARKET

A projected drop in rental demand in the Central Greenville submarket, in part due to the struggles of the metro's leisure and entertainment industry, will hold back metrowide apartment fundamentals over the next 12 months. The job sector is based primarily around hotel and retail activity in Downtown Greenville and was hard hit by travel restrictions and social distancing. While ongoing health concerns will temporarily soften the desirability of the metro's urban core, demand is expected to increase in adjacent submarkets. Overall, renters are anticipated to absorb 734 apartment units this year, trailing the 1,204 apartment units brought online. Occupancy will fall 60 basis points to 93.9% due to supply-side pressure. Simultaneously, apartment operators will raise effective rent 2.5% this year to \$1,009 per month as payrolls rise. An increasing number of attractive jobs in the technology and automotive industries are expected to help restore apartment demand in the urban core by 2022. Many of the fastest-growing companies in South Carolina are medical tech, logistics, and finance firms operating in or near Downtown Greenville. The metro has become a magnet for professionals displaced by COVID-19 and those committing long term to the remote-work lifestyle. Residents are expected to absorb 1,315 apartments metrowide in 2022 as developers bring 1,037 units online. Another promising development: Clemson University began moving forward on its 250-acre Technology Neighborhood campus, a 40,000-square-foot office space designed to accommodate the operational needs of major tech companies.



2021 MARKET AT A GLANCE



OCCUPANCY RATE

93.9%
Down 60 bps YOY



EFFECTIVE RENT

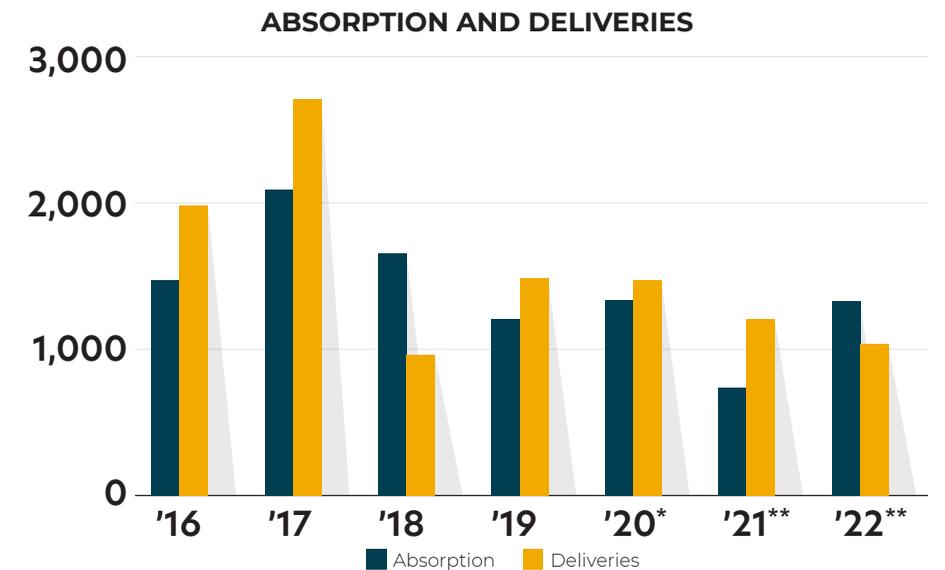
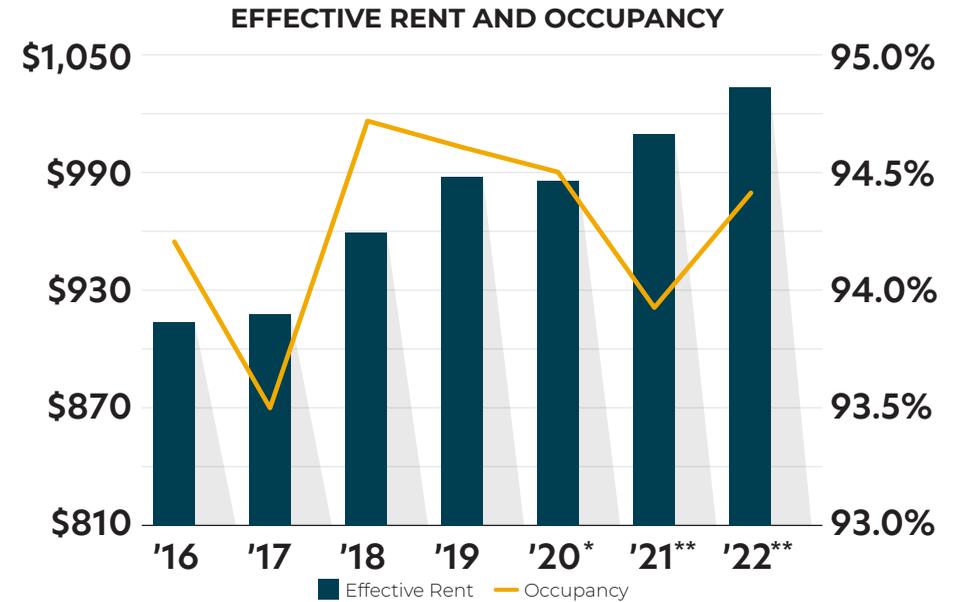
\$1,009
Up 2.5% YOY



RENT SHARE OF WALLET

19.8%
Up 70 bps YOY

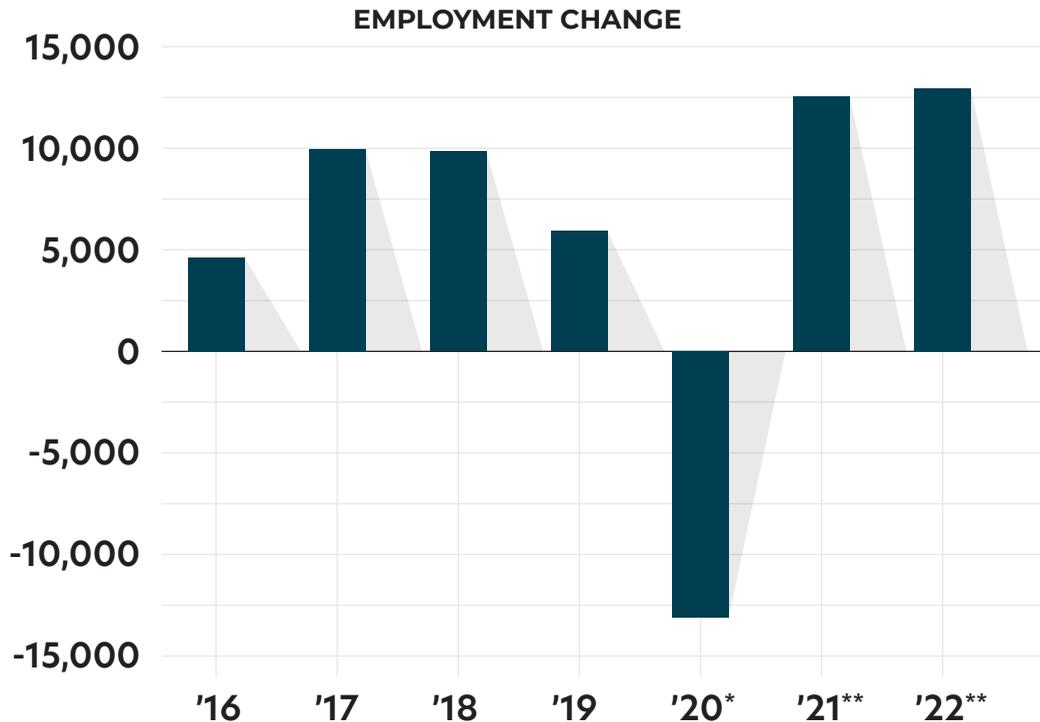
MARKET TRENDS



Data and images pertaining to employment, income, permits, population, rents, single-family housing, and occupancy are year-end figures. Absorption, construction, and apartment sales figures are full-year totals. *Numbers for 2020 are projected values; **2021/2022 figures are forecast projections. Apartment market data criteria and methodologies vary by market.

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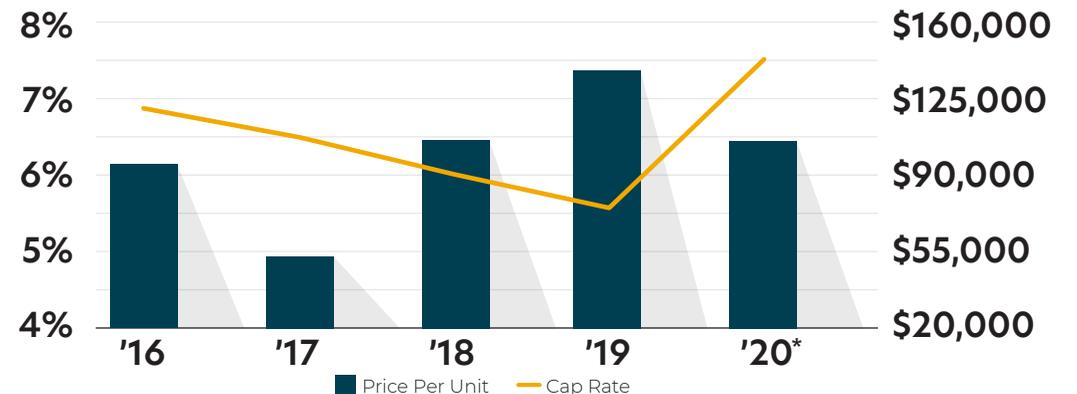
EMPLOYMENT TRENDS



Category	2019	YOY CHANGE	2020*	YOY CHANGE	2021**
EMPLOYMENT	437,700	-3.0%	424,700	2.9%	437,200
UNEMPLOYMENT RATE	1.3%	570 BPS	7.0%	-10 BPS	6.9%
POPULATION	927,400	0.9%	935,500	0.9%	944,000
HOUSEHOLDS	360,900	1.3%	365,700	1.8%	372,200
MEDIAN HOUSEHOLD INCOME	\$58,081	6.2%	\$61,705	-0.8%	\$61,202

SALES TRENDS

Category	2019	YOY CHANGE	2020*
PRICE PER UNIT	\$134,046	-22.6%	\$103,814
CAP RATE	5.6%	190 BPS	7.5%



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