



Upstate, South Carolina | Q2 2024

INDUSTRIAL MARKET REPORT

Market Indicators	Current Q2 2024	Prior Q1 2024	Year Ago Q2 2023
Inventory	265,640,687 SF	263,542,430 SF	252,645,526 SF
Vacancy	9.5%	8.7%	6.3%
Net Absorption	(378,484) SF	1,947,064 SF	1,142,679 SF
Market Rent/SF	\$5.10	\$5.23	\$5.21
Availability	35.9M SF 13.1%	35.2M SF 12.9%	24.5M SF 9.2%
Under Construction Delivered	8,236,313 SF 9	10,244,570 SF 1	14,217,960 SF 22

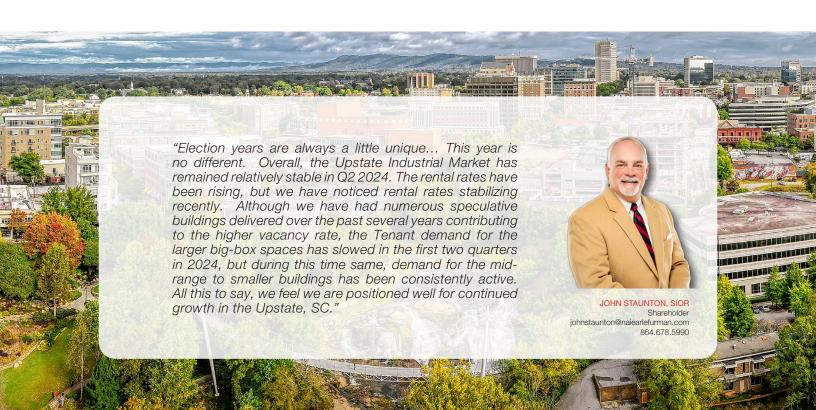
INDUSTRIAL OVERVIEW

South Carolina's Upstate, particularly the Greenville-Spartanburg area, has become a hotspot for auto parts manufacturers and other industries, thanks to its proximity to BMW's largest production facility in Spartanburg. The strategic location along the Interstate 85 corridor has fueled substantial population and job growth, attracting major retail distribution centers to the area.

Few markets have seen as dramatic a shift in the balance of industrial demand and supply than Spartanburg heading into the second half of 2024. Supply pressures led to a record level of deliveries in 2023 just as demand slowed, particularly for the largest boxes that comprise the bulk of new construction. Despite overall positive net absorption through the year, vacancy rates surged nearly 10 percentage points in 2023 thanks to the delivery of more than 15 million SF, which is nearly double the deliveries seen in any prior year.

Automotive manufacturers and suppliers have surrounded BMW's 3 million SF production facility in Greer, driving industrial demand over the past two decades. More recently, growth in imports and e-commerce operations attracted retail distributors such as Dollar General, Lowe's, and Adidas, to the Spartanburg area. While this initially led to demand for large-box space at the height of the coronavirus pandemic, a plateau in goods spending and a focus from retailers on downsizing inventories has led to less demand for the largest boxes and an increase in sublet availabilities. While demand for smaller spaces remains, large box demand largely collapsed. Leasing volume in buildings 250,000 SF and larger fell by around 60% over the past year.





Upstate, South Carolina | Q2 2024

INDUSTRIAL MARKET REPORT

	Inventory	Rental Rate	Vacancy	Availability	Net Absorption	Under Construction
Anderson	33.2M SF	\$5.06	6.2%	8.0%	28K SF	134K SF
Cherokee	13.7M SF	\$4.38	14.1%	23.2%	103K SF	1,4M SF
Greenville	82.9M SF	\$5.66	6.6%	8.4%	79K SF	1.3M SF
Laurens	14.7M SF	\$4.50	5.3%	9.1%	103K SF	621KISERSON
Pickens	7.1M SF	\$4.86	3.8%	3.3%	48K SF	10K SF
Spartanburg	113.9M SF	\$5.13	12.9%	17.7%	(739K) SF	4.8M SF

GREENVILLE COUNTY | INVENTORY 82.9M SF -

VACANCY Q2: 6.6% Q1: 6.0%

RENTAL RATE



Q2: \$5.66 Q1: \$5.27

ABSORPTION



Q2: 79K SF Q1: (549K) SF

SPARTANBURG COUNTY | INVENTORY 113.9M SF -

VACANCY

RENTAL RATE



Q2: \$5.13

ABSORPTION



Q2: (739K) SF Q1: 397K SF



NOTABLE TRANSACTIONS



260 Wilson Bridge Rd | Fountain Inn, SC 69,770 SF Jimmy Wright, Jake Scott, Hunter Garrett, CCIM. SIOR. & John Staunton, SIOR



209 Wingo Heights Rd | Spartanburg, SC 14.800 SF Grice Hunt, SIOR, Clay Williams, SIOR, & Will Coker



119 Ian Ct | Spartanburg, SC 27,000 SF Stuart Smith, Sam Macfie, Michael Short, & Michael Roth, CCIM

ABOUT NAI EARLE FURMAN

NAI Earle Furman (NAIEF) is the Upstate's largest commercial real estate brokerage and property management firm and has been providing superior results to its clients for over thirty years. With three Upstate offices, NAIEF delivers creative solutions to ensure client success while promoting a culture of collaboration, drive, and innovation. The company's unique shareholder-owned structure creates an engaging environment which thrives on mentorship and common goals. Invested in the community and its people, the NAIEF team is committed to being experts in the field of commercial real estate and improving the Upstate market through its wide range of quality client services. In 2017, NAI Earle Furman and North Carolina's NAI Piedmont Triad joined forces to form a creative commercial real estate collaboration across state lines. The teams expanded their market footprint in 2019 by partnering with the newly rebranded NAI Columbia (formerly Avant) group operating in the South Carolina Midlands, and later merged in January 2023. In 2024, NAI Piedmont Triad opened its third location in Winston-Salem, NC bringing the total number of combined offices to seven. This strategic alliance equally benefits all three firms with additional manpower, expanded resources, and everevolving cross-market projects fueled by combined expertise. Learn more at www.naief.com

