### Upstate, South Carolina | Q3 2024 INDUSTRIAL MARKET REPORT



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## Upstate, South Carolina | Q3 2024

Market Indicators	Current Q3 2024	Prior Q2 2024	Year Ago Q3 2023	
Inventory	273,344,229 SF	271,688,104 SF	261,784,123 SF	
Vacancy	9.6%	9.2%	7.2%	
Net Absorption	483,994 SF	1,119,348 SF	1,778,305 SF	
Market Rent/SF	\$5.20	\$5.23	\$5.46	
Availability	37.5M SF   13.4%	35.9M SF   12.8%	30.6M SF   11.1%	
Under Construction   Delivered	6,705,458 SF   7	7,917,583 SF   10	13,151,807 SF   17	

#### INDUSTRIAL OVERVIEW

The Greenville-Spartanburg area, often called South Carolina's Upstate, has emerged as a vital hub for industrial activity along the Interstate 85 corridor, which has experienced significant population and job growth over the past decade. The area's strategic location has attracted major retailers and distributors, including automotive parts manufacturers seeking proximity to BMW's largest global production facility in Spartanburg. BMW's 3 million SF production facility in Greer has spurred industrial demand for two decades, drawing in automotive manufacturers and suppliers. More recently, the rise of e-commerce and imports has brought retail distributors such as Dollar General, Lowe's, and Adidas to the region.

As 2024 approaches its end, Spartanburg's industrial market is undergoing a notable transformation. The region is absorbing a substantial wave of new supply, pushing vacancies up by more than 10 percentage points in the past two years. A record level of new industrial space-over 18 million SF-has been delivered, mostly speculative, while demand, particularly for larger spaces, has slowed. This new supply has led vacancies to reach record highs, with 15 million SF delivered in 2023 alone, nearly double the previous annual record set in 2019.

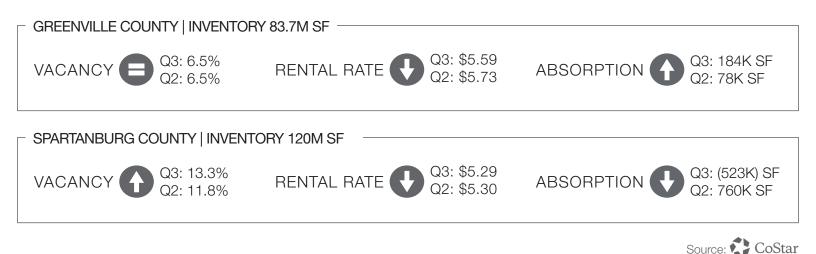
Meanwhile, Greenville has seen developers add over 12 million SF of large-box logistics space since 2020. However, supply has outpaced demand in six of the past eight quarters, causing vacancy rates to rise by roughly 300 basis points from their 2022 lows. While leasing for large industrial spaces has slowed as retailers limit inventory growth, demand for smaller spaces, where local businesses tend to operate, has remained more stable.

"The recent interest rate reduction has had a significant positive impact on the Upstate industrial market. Activity remains strong, both from tenant demand and investor demand. The market has seen healthy absorption, with rental rates stabilizing and speculative development slowing. We feel that once the uncertainty of the election is behind us, activity will pick up substantially."

HUNTER GARRETT, CCIM, SIOR Shareholder & Sr. VP Industrial Division hgarrett@naiearlefurman.com 864.678.5934

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	Inventory	Rental Rate	Vacancy	Availability	Net Absorption	Under Construction		
Anderson	33.3M SF	\$5.15	5.8%	7.1%	133K SF	170K SF		
Cherokee	13.7M SF	\$4.62	14.0%	24.6%	(3.7K) SF	1,4M SF		
Greenville	83.7M SF	\$5.59	6.5%	8.5%	184K SF	966K SF		
Laurens	15.2M SF	\$4.50	4.9%	15.8%	567K SF	896KISERSON		
Pickens	7.1M SF	\$4.34	2.0%	5.8%	126K SF	278K SF		
Spartanburg	120M SF	\$5.29	13.3%	17.2%	(523K) SF	3M SF		



#### NOTABLE TRANSACTIONS



161 International Park Drive, Unit A | Spartanburg, SC 56,160 SF Grice Hunt, SIOR, Clay Williams, SIOR, & Will Coker





45 South Woods Drive | Fountain Inn, SC 104,400 SF Hunter Garrett, CCIM, SIOR, John Staunton, SIOR, & Josh Kenyon



3092 S. Hwy 14 | Greer, SC 30,000 SF Grice Hunt, SIOR, Clay Williams, SIOR, Will Coker, Hunter Garrett CCIM, SIOR, John Staunton, SIOR, & Josh Kenyon

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

