

Upstate, South Carolina | Q1 2024 **OFFICE MARKET REPORT**



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Market Indicators	Current Q1 2024		Prior Q4 2023	Year Ago Q1 2023
Inventory	43,265,333 SF	▲	43,213,333 SF	43,010,556 SF
Vacancy	7.7%	▼	7.8%	6.8%
Net Absorption	60,459 SF	▲	(164,259) SF	128,151 SF
Market Rent/SF	\$21.78	▲	\$20.99	\$20.83
Availability	4.1M SF 9.4%	◀▶	4.1M SF 9.3%	3.6M SF 8.2%
Under Construction Delivered	177,642 SF 2	▼	229,642 SF 1	442,338 SF 6

OFFICE OVERVIEW

Greenville is a manufacturing and distribution powerhouse, and the industrial sector here gets more national attention than the office sector. However, the professional services and financial sectors, as well as administrative office needs for logistics and manufacturing companies, drive demand for office space in the region.

Like many tertiary markets in the Southeast, Greenville has seen strong job and population growth since 2020. Total payroll jobs have increased by 12% over the past four years. While this job growth has kept office vacancies here below the national average, the area has not been immune from broader shifts in office use and a slowdown in office-using hiring. Office absorption turned negative in the second half of 2023 after a few large move-outs, and while leasing activity remained on par with 2022 levels, it was still about 80% of the market's pre-pandemic average.

Construction has been relatively limited here and has largely concentrated on build-to-suit properties. This has limited supply pressure and kept asking rents from falling. About 170,000 SF of office space is currently under construction, with most of that preleased.

The Spartanburg office market has a vacancy rate of 3.6%. This vacancy rate is 0.9% lower than it was this time last year. This decrease of vacancy occurred because there was 89,000 SF of positive absorption and 23,000 SF of net deliveries. Rents have increased 3.2% in the past 12 months and are currently around \$21.00/SF. Roughly 6,500 SF is under construction in the Spartanburg office market.

Source:  CoStar

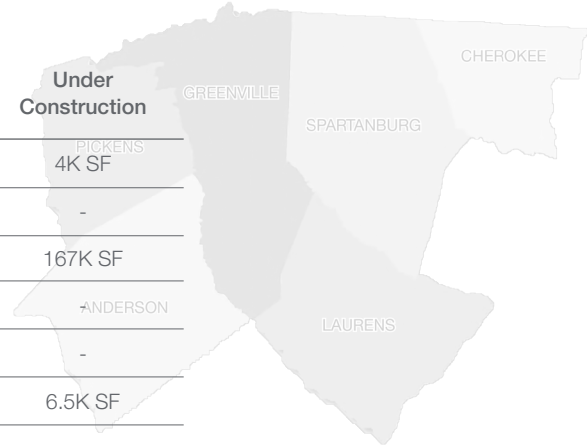
“Contrary to what many see in the national news about the office leasing market, we are seeing continued rent growth in the Upstate of South Carolina. With little office construction and positive net absorption, we feel like the Upstate will have continued rent growth in office leasing.”



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	Inventory	Rental Rate	Vacancy	Availability	Net Absorption	Under Construction
Anderson	4M SF	\$14.86	2.5%	2.8%	3.5K SF	4K SF
Cherokee	349K SF	-	1.0%	1.6%	(3.5K) SF	-
Greenville	28.3M SF	\$22.70	10.2%	12.4%	(211) SF	167K SF
Laurens	921K SF	\$10.62	0.9%	1.2%	577 SF	-
Pickens	1.9M SF	\$13.21	2.4%	3.4%	13K SF	-
Spartanburg	7.8M SF	\$16.48	3.8%	4.9%	47K SF	6.5K SF



GREENVILLE CBD + WEST END | INVENTORY 6.6M SF

VACANCY Q1: 13.2%
Q4: 12.6%

RENTAL RATE Q1: \$26.91
Q4: \$26.40

ABSORPTION Q1: (392) SF
Q4: 4K SF

SPARTANBURG CBD | INVENTORY 2.5M SF

VACANCY Q1: 3.6%
Q4: 5.5%

RENTAL RATE Q1: \$22.60
Q4: \$22.80

ABSORPTION Q1: 45K SF
Q4: 9K SF

Source: CoStar

NOTABLE TRANSACTIONS



355 Woodruff Rd. | Greenville, SC
4,426 SF
Keith Jones, SIOR, CCIM, McNeil Epps,
CCIM, SIOR, & Will Williamson



104 N. Daniel Morgan Ave., Ste 320 |
Spartanburg, SC
1,781 SF
Katherine Fulmer



116 S. Pleasantburg Dr. | Greenville, SC
2,902 SF
Scott Jones, SIOR, John Stathakis, II, CCIM,
& Chrestman Rainey

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. 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