

Upstate, South Carolina | Q1 2024
RETAIL MARKET REPORT



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Market Indicators	Current Q1 2024		Prior Q4 2023	Year Ago Q1 2023
Inventory	92,650,179 SF	▲	92,583,058 SF	92,319,692 SF
Vacancy	3.3%	◀▶	3.3%	3.8%
Net Absorption	68,857 SF	▼	222,309 SF	229,587 SF
Market Rent/SF	\$14.44	▲	\$13.67	\$14.61
Availability	3.5M SF 3.8%	▼	3.7M SF 4.0%	4.1M SF 4.4%
Under Construction Delivered	76,752 SF 11	▼	127,045 SF 12	263,489 SF 18

RETAIL OVERVIEW

Demand for retail space in Greenville has remained consistently strong heading into the second quarter of 2024. Despite some higher-profile closures in traditional mall space, outperformance from grocery brands, discount outlets, and other service-oriented retailers, led the market to its strongest year for retail leasing year since 2016 as retailers leased more than 1.5 million square feet in 2023. That demand carried through the first quarter of 2024 with nearly 400,000 square feet of new leases signed.

At the same time, a cautious approach to retail construction has reduced the under-construction pipeline to record lows. In turn, that has led to all-time low vacancy and availability rates. Tighter availabilities have bolstered retail rent growth, and annual increases remain well above the national average at 4.0%. Greenville's continued population growth and downtown revitalization have

led to some strip center development in the suburbs and mixed-use, adaptive reuse development near downtown and along key transportation corridors. Still, new construction starts are down by more than 55%, and the bulk of all under-construction retail space is built-to-suit or fully pre-leased.

The Spartanburg retail market has a vacancy rate of 3.1%. This vacancy rate is 1.1% lower than it was this time last year. There has been 310,000 SF of positive absorption and 33,000 SF of net deliveries. Rents have increased 4.0% in the past 12 months and are currently around \$14.30/SF. Roughly 24,000 SF is under construction in the Spartanburg retail market. In the past year, there have been 105 sales, which traded for approximately \$122 million in volume.

Source:  CoStar

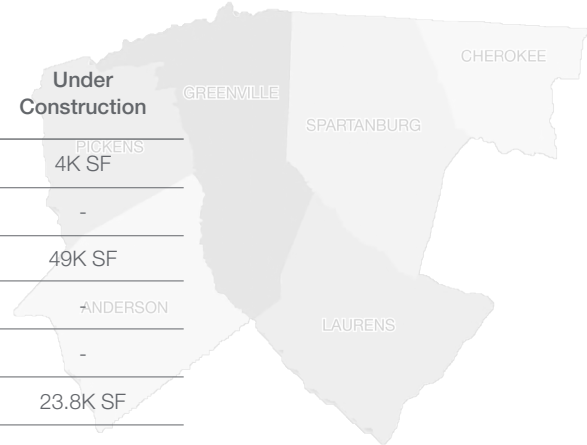
“Despite the current challenges in new construction retail projects given future cap rate uncertainty, national retailers continue to target the Carolinas as an area of major opportunity for their corporate expansion. Given all the residential growth, new jobs, and continued rent growth, demand remains very strong in our market.”



GEOFF BEANS
Senior Associate
gbeans@naearlefurman.com
864.678.5989

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	Inventory	Rental Rate	Vacancy	Availability	Net Absorption	Under Construction
Anderson	14.6M SF	\$9.34	3.3%	3.8%	10.5K SF	4K SF
Cherokee	3.7M SF	\$10.52	6.2%	3.1%	(23K) SF	-
Greenville	39.4M SF	\$17.26	3.1%	3.8%	23K SF	49K SF
Laurens	3.2 SF	\$10.91	3.1%	3.4%	7.5K SF	-
Pickens	7.2M SF	\$13.53	3.1%	3.8%	32K SF	-
Spartanburg	24.6M SF	\$13.89	3.0%	3.9%	18K SF	23.8K SF



GREENVILLE CBD | INVENTORY 1M SF

VACANCY Q1: 7.5%
Q4: 5.3%

RENTAL RATE Q1: \$24.97
Q4: \$24.19

ABSORPTION Q1: (23K) SF
Q4: 12K SF

SPARTANBURG CBD + WEST SIDE | INVENTORY 8.4M SF

VACANCY Q1: 2.9%
Q4: 3.4%

RENTAL RATE Q1: \$14.07
Q4: \$13.87

ABSORPTION Q1: 39K SF
Q4: 40K SF

Source: CoStar

NOTABLE TRANSACTIONS



2290 Liberty Highway | Six Mile, SC
10,500 SF
Bill Sims, Will Freeman, & Gabe Blevins



1425 Woodruff Rd | Greenville, SC
9,743 SF
John Gray, CCIM



2105 Augusta St | Greenville, SC
2,790 SF
Ted Lyerly, 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. 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