



Q1
2026

Industrial Market Outlook

THE UPSTATE

MESSAGE FROM THE CEO

Q1 2026 INDUSTRIAL MARKET REPORT



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*Chief Executive Officer &
Shareholder*

Q1 2026 CRE Outlook - Stability Returns to a Growth Market

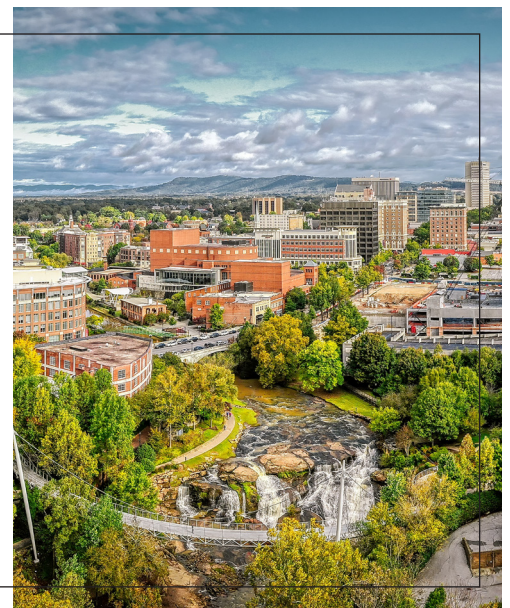
The commercial real estate market across the Southeastern United States is transitioning into a period of stabilization and measured growth. After a prolonged stretch of elevated interest rates and constrained deal flow, capital markets are beginning to reopen as borrowing costs ease, and buyer-seller expectations realign. This shift is driving a meaningful uptick in transaction activity throughout 2026. The Southeast remains particularly well-positioned, supported by sustained population growth, corporate migration, and a relative cost advantage that continues to attract both investors and occupiers.

At the asset level, industrial remains a foundational sector, though it has shifted from rapid expansion to a more balanced phase. Vacancy is stabilizing, new development is moderating, and demand is being driven by longer-term structural trends such as reshoring, logistics optimization, and data center growth. Retail has proven more resilient than anticipated, especially in high-growth Sun Belt markets, where well-located, experience-oriented centers are outperforming. Office demand continues to evolve, with a clear flight to quality favoring newer, highly amenitized spaces, while older inventory faces ongoing pressure.

From an economic standpoint, the outlook for the Southeast remains constructive, albeit more disciplined. Moderate GDP growth, steady consumer spending, and continued business investment are providing a stable foundation, even as inflation and labor dynamics introduce some uncertainty. What differentiates this region is its underlying momentum, including favorable demographics, pro-business environments, and infrastructure investment, which continues to outpace much of the country. As a result, we see a market that is no longer defined by volatility, but by selective opportunity, where success will hinge on asset quality, strategic positioning, and long-term vision.

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



BY THE NUMBERS

Q1 2026 INDUSTRIAL MARKET REPORT

MARKET INDICATORS Greenville MSA*	Vacancy Rate	12 Mo. Absorption SF	Absorption SF (Qtr)	12 Mo. Delivered SF	Mkt Asking Rent Growth (YOY)	Market Asking Rent/SF	Market Sale Price/SF	12 Mo. Sales Volume	Market Cap Rate	Months on Market
Current Quarter 1Q26	6.3%	10.8 M	3.2 M	3.0 M	3.3%	\$6.85	\$71.00	\$932.4 M	8.6%	7.5
Previous Year 1Q25	9.3%	8.2 M	4.4 M	9.3 M	6.2%	\$6.63	\$69.00	\$542.5 M	8.6%	9.9
5 Year Average	7.1%	7.7 M	3.1 M	8.7 M	8.1%	\$5.98	\$64.00	\$912.5 M	8.2%	8.7

INVENTORY

Greenville MSA*	Existing Buildings	Existing SF	Construction Starts SF	Under Construction SF
Current Quarter 1Q26	1,640	256.4 M	1.2 M	3.8 M
Previous Year 1Q25	1,619	253.4 M	0.3 M	3.8 M
5 Year Average	1,575	235.8 M	2.3 M	10.3 M

* Anderson, Cherokee, Greenville, Laurens, Pickens, and Spartanburg Counties (Data for 30,000+ SF Industrial Properties)

Source: CoStar

SUBMARKET TRENDS

GREENVILLE COUNTY | INVENTORY 85.1M SF

VACANCY	Q1: 5.7% Q4: 5.6%	RENTAL RATE	Q1: \$6.42 Q4: \$6.29	ABSORPTION	Q1: 191K SF Q4: 928K SF
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SPARTANBURG COUNTY | INVENTORY 121.8M SF

VACANCY	Q1: 7.7% Q4: 10.1%	RENTAL RATE	Q1: \$5.59 Q4: \$5.41	ABSORPTION	Q1: 2.6M SF Q4: 1.5M SF
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Source: CoStar



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KEY TAKEAWAYS

Q1 2026 was a great quarter for the Greenville-Spartanburg industrial market, and honestly, it's hard not to be excited about where things are headed. Vacancy dropped to 6.3% and we absorbed over 3.2 million square feet, which reflects real, meaningful demand from manufacturers, distributors, and logistics users who continue to choose the Upstate. What stood out most this quarter was Spartanburg. A year ago we were talking about oversupply there, and now vacancy has fallen from over 10% to under 8% in just a few months. The market corrected faster than most people expected. Rents are climbing, availability is shrinking, and the new construction pipeline isn't keeping pace with demand. That's a landlord's market developing in real time. The Upstate has always had strong fundamentals: the interstate access, the inland port, the workforce, the BMW effect. Right now the market data is catching up to what we've known about this region for a long time.

MARKET MOMENTUM

Q1 2026 INDUSTRIAL MARKET REPORT

SIGNIFICANT TRANSACTIONS



LEASED

570 GILLIAM ROAD
GREER, SC

100,500 SF
Hunter Garrett, CCIM, SIOR, John
Stanton, SIOR, and Josh Kenyon



SOLD

310 MAXWELL AVE
GREENWOOD, SC

75,014 SF
Hunter Garrett, CCIM, SIOR, John
Stanton, SIOR, and Josh Kenyon



LEASED

2355 HIGHWAY 101 SOUTH
GREER, SC

12,000 SF
Hunter Garrett, CCIM, SIOR, John
Stanton, SIOR, and Josh Kenyon

DEAL HIGHLIGHT Representing a long-standing client on the landlord side, our team secured a two-year lease renewal with an established logistics tenant at 570 Gilliam Road in Greer — a market that continues to attract distribution demand thanks to its proximity to the Inland Port Greer. At 100,500 SF, the deal reflects the sustained appetite for well-located industrial space in the Upstate South Carolina corridor, and the importance of strong landlord-tenant relationships in keeping quality occupiers in place. (Associate Josh Kenyon)

RECENT PROJECTS SHAPING OUR MARKET



Huwell US Inc. Selects Cherokee County For First U.S. Operation

Huwell US Inc. is establishing its first U.S. operation with a 120,000 SF manufacturing facility in Gaffney, SC. The \$11.6 million investment will bring 25 jobs and support production of hair care lighteners for a range of cosmetic brands. Expected to be operational in mid-2026, the project reflects continued industrial demand driven by manufacturing growth and expanding access to U.S. markets.

Source: Greenville Business Magazine (February 2026)



R.E. Michel Company Expands its Southeast Logistics Network

R.E. Michel Company has opened a 600,000 SF distribution center in Clinton, SC, creating 38 jobs and expanding its Southeast logistics network. Located at 1702 Springdale Dr, the facility will serve 100+ regional locations and will improve inventory management and delivery efficiency, reinforcing continued demand for large-scale industrial and distribution space in the region.

Source: Upstate SC Alliance (March 2026)



Rudolph Logistics North America Expansion

Rudolph Logistics North America has expanded its operations to approximately 179,000 SF at Duncan 85 Business Center in Duncan, SC. The company added roughly 84,000 SF to its initial 95,000 SF footprint established in June of last year, scaling capacity to support its growing base of automotive and advanced manufacturing clients.

Source: CoStar (March 2026)

INDUSTRIAL ACTIVITY SNAPSHOT

Q1 2026 INDUSTRIAL MARKET REPORT

KEY INDUSTRIAL DEMAND DRIVERS IMPACTING OUR REGION

The Upstate region of South Carolina has solidified its position as one of the Southeast's most dynamic industrial markets, driven by capital investment, logistics infrastructure, and strong manufacturing demand.

Corporate commitment remains a key catalyst. In 2025, the Greenville Area Development Corporation secured \$725 million in investment and 1,293 jobs, while Spartanburg County recorded \$3.5 billion across 20 projects.¹ A major driver is BMW's \$1.7 billion investment to expand electric vehicle production, including a new battery facility in Woodruff, supporting a growing supplier network.²

This momentum has translated into strong leasing activity. Through three quarters of 2025, the Greenville-Spartanburg market recorded 11.7 million square feet of net absorption, while vacancy tightened significantly from 2024 levels.³

Infrastructure improvements further enhance the region's appeal. The \$55 million expansion of Inland Port Greer increased capacity by 50%, strengthening connections along the I-85 corridor and supporting long-term growth.⁴

As speculative supply is absorbed, development is shifting toward build-to-suit projects, with limited large-block availability emerging as a key trend.

1. Roth Capital 2. Manufacturing Dive 3. Greenville Business Magazine 4. SC Ports Authority

FIRST LOOK: NEW INDUSTRIAL OPPORTUNITIES



101 Milledge Rd, Bldg 2
Greenville, SC
±80,000 SF

Fully Conditioned Warehouse

Lease Rate
\$6.95/SF/NNN



2425 Rutherford Rd
Greenville, SC
±46,200 SF

Includes ±1,300 SF Office

Lease Rate
\$4.00/SF/NNN



1300 Old Stage Rd
Simpsonville, SC
±41,500 SF

±39,100 SF Warehouse with two-story office

Lease Rate
\$6.00 /SF/YR



410 Gossett Rd
Spartanburg, SC
±81,120 SF

Industrial Manufacturing Facility on ±15.67 Acres

Sale Price
\$4,500,000

PROPERTY MANAGEMENT SPOTLIGHT



560,000 SF

CLASS A INDUSTRIAL FACILITY

134 Long Road | Williamston, SC

NEW ASSIGNMENT

A long-standing industrial landlord client has acquired the 560,000-SF Class A cross-dock industrial facility.

NOTES

This represents another significant addition to our client's growing Upstate industrial portfolio.