

Q1
2026

Office Market Outlook

THE UPSTATE

MESSAGE FROM THE CEO

Q1 2026 OFFICE MARKET REPORT



Jon A. Good, SIOR
*Chief Executive Officer &
Shareholder*

Q1 2026 CRE Outlook - Stability Returns to a Growth Market

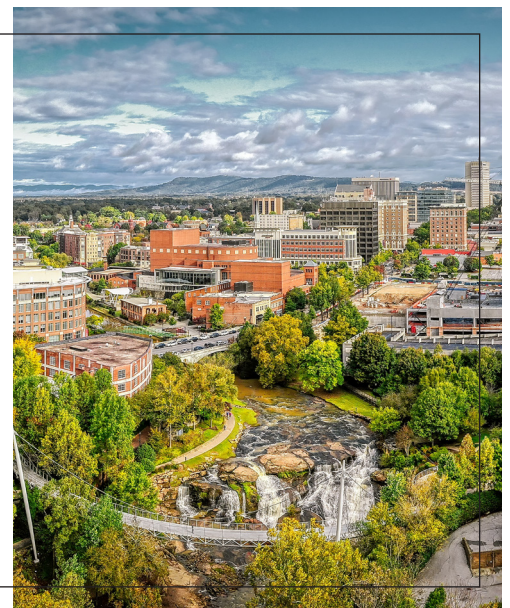
The commercial real estate market across the Southeastern United States is transitioning into a period of stabilization and measured growth. After a prolonged stretch of elevated interest rates and constrained deal flow, capital markets are beginning to reopen as borrowing costs ease, and buyer-seller 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 OFFICE MARKET REPORT

MARKET INDICATORS

Greenville MSA*

	Inventory	Vacancy	Net Absorption	Market Rent	Availability	Under Construction	Delivered
Current Quarter 1Q26	44,096,864	7.1%	75,316	\$26.78	3,248,032	160,866	130,392
Previous Quarter 4Q25	44,067,656	7.0%	119,384	\$25.22	3,303,888	180,866	61,300
Previous Year 1Q25	43,985,605	7.1%	(1,938)	\$25.19	3,601,021	137,860	5,456

* Anderson, Cherokee, Greenville, Laurens, Pickens, and Spartanburg Counties

Source: CoStar

SUBMARKET TRENDS

GREENVILLE CBD + WEST END | INVENTORY 6.3M SF

VACANCY Q1: 15.4% Q4: 14.7% RENTAL RATE Q1: \$33.23 Q4: \$30.51 ABSORPTION Q1: 56K SF Q4: (13K) SF

SPARTANBURG CBD | INVENTORY 2.5M SF

VACANCY Q1: 1.9% Q4: 2.1% RENTAL RATE Q1: \$25.45 Q4: \$25.87 ABSORPTION Q1: 4K SF Q4: (86) SF

Source: CoStar

KEY TAKEAWAYS



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Greenville's office market continues to demonstrate strong fundamentals as we close out Q1 2026. Vacancy remains relatively tight at just over 7%, signaling sustained tenant demand despite the broader negative outlook for the office asset class in larger markets nationwide. With inventory growth still limited and new construction deliveries delayed, limited availability will not ease pressure on the market. As a result, we are continuing to see upward movement in rental rates, with landlords maintaining pricing power across well-located, quality assets. Unless there is a meaningful shift in supply, this dynamic should support further rent growth through the remainder of the year.

MARKET MOMENTUM

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SIGNIFICANT TRANSACTIONS



LEASED

50 INTERNATIONAL DR, STE 200
GREENVILLE, SC

14,500 SF
Keith Jones, CCIM, SIOR, McNeil Epps,
CCIM, SIOR, and Will Williamson



LEASED

575 INGLES DR
INMAN, SC

13,115 SF
Jimmy Wright, Jake Scott, Keith Jones,
CCIM, SIOR, McNeil Epps, CCIM, SIOR, and
Will Williamson



LEASED

230 N GROVE MEDICAL PARK DR
SPARTANBRUG, SC

2,000 SF
Katherine Fulmer

DEAL HIGHLIGHT Our team represented the tenant, Palmetto Technology Group, LLC (PTG), in leasing 14,500 SF of office space. The deal reflects continued demand from growing tech and service firms in the Upstate, particularly for well-located office space. For PTG, the space checked the right boxes—location, functionality, and room to scale. In a market where tenants are looking for space that stands out, this transaction shows how quality product and strong alignment between landlord and tenant can create the right environment for growth. (Shareholder McNeil Epps, CCIM, SIOR)

RECENT PROJECTS SHAPING OUR MARKET



Project Core Office Development

Located at the former Spartanburg Herald-Journal site, Project Core will transform the property and adjacent parking lot into a mixed-use development led by The Johnson Group. Plans include a four-story office building at the corner of Main Street and Daniel Morgan Avenue, alongside a six-story hotel. Positioned within a five-mile radius of Fifth Third Park, the project anchors continued investment and office demand in Spartanburg's west downtown.

Source: Fox Carolina, WSPA, & Post and Courier Spartanburg (January 2026)



East Court Street Office Building

Hughes Commercial Properties is planning an 8-story Class A office building at 101 E. Court Street in Greenville's North of Broad District. Designed by Gensler, the project includes ground-floor retail or restaurant space with office use above. The development will replace a current parking lot next to 300 E. McBee Avenue, expanding the firm's downtown footprint following its recent renovation of the adjacent property.

Source: Upstate Business Journal (February 2026)



VisitGreenvilleSC Office Relocation | Downtown Greenville

VisitGreenvilleSC has leased 7,812 square feet at Poinsett Plaza, located at 104 S. Main Street in downtown Greenville. The organization will relocate its offices from the Innovate Building to a fifth-floor suite, expanding its presence in the city's core. The move reflects continued growth and a strategic focus on being more directly connected to downtown's business community, visitors, and tourism activity.

Source: Upstate Business Journal (March 2026)

OFFICE ACTIVITY SNAPSHOT

Q1 2026 OFFICE MARKET REPORT

KEY OFFICE DEMAND DRIVERS IMPACTING OUR REGION

After years of post-pandemic uncertainty, the U.S. office sector is stabilizing, with Greenville's MSA emerging in a position of strength. Nationally, a reduced construction pipeline and improving leasing activity are creating a more favorable environment for office owners, with the South leading rent growth heading into 2026.¹ This supply-demand rebalance is especially evident in high-growth secondary markets like Greenville.

The defining trend locally is a shortage of Class A space. Downtown vacancy sat below 4% in early 2025, compared to more than 14% market-wide, with rents approaching the high-\$30 per square foot range.² With no significant new construction expected following the cancellation of the County Square project, supply constraints are likely to persist, putting continued upward pressure on rents.³ Spartanburg is even tighter, reinforcing a landlord's market for well-located, high-quality assets, while Class B and C properties face elevated vacancy and increased competition.

Demand fundamentals are also improving. Hybrid work remains prevalent, but return-to-office mandates from major employers are influencing broader tenant behavior and space utilization.⁴ Younger workers are also placing greater value on in-person collaboration and mentorship.⁵ With a large wave of lease expirations approaching, tenants will soon be making critical space decisions in a supply-constrained environment where quality commands a premium.⁶

1. PwC / Urban Land Institute 2. The Post and Courier 3. Upstate Business Journal 4. Business Insider 5. Federal Reserve Bank of New York / Harvard / UVA 6. Greenville Business Magazine

FIRST LOOK: NEW OFFICE OPPORTUNITIES



3441 Pelham Rd
Greenville, SC
±2,150 SF

First-floor office suite with premium visibility

Lease Rate
\$14.50 /SF/YR



138 Milestone Way
Greenville, SC
±3,500 SF

Medical Office Building for Sale or Lease

Sale Price / Lease Rate
\$995,000 / \$24.00/SF NNN



1070 Asheville Hwy
Spartanburg, SC
±3,000 SF

Open Floor Layout

Sale Price
\$375,000



1 Caledon Ct
Greenville, SC
±1,900 SF

5 Offices, Kitchenet, & 2 Restrooms

Lease Rate
\$19.50 /SF/YR

PROPERTY MANAGEMENT SPOTLIGHT



160,600 SF

CLASS A OFFICE BUILDINGS

100 & 124 Verdae Blvd | Greenville, SC

EXISTING PROJECT

Partnership with this client began over 12 years ago

NOTES

Property has maintained an average occupancy of 90% since 2014