



**Q1**  
**2026**

# Retail Market Outlook

**THE UPSTATE**

# MESSAGE FROM THE CEO

Q1 2026 RETAIL MARKET REPORT



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

## Q1 2026 CRE Outlook - Stability Returns to a Growth Market

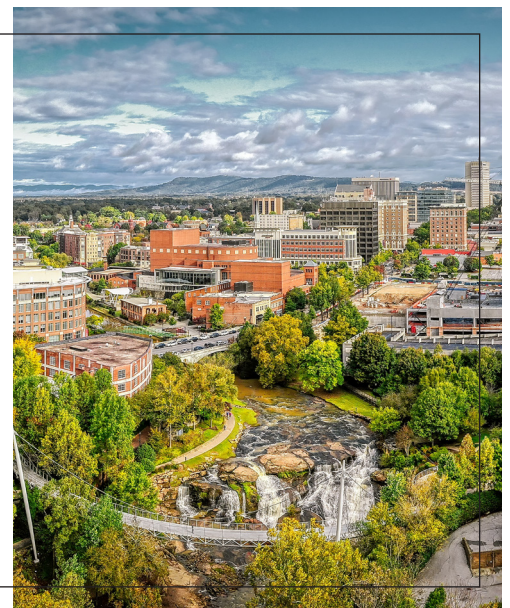
The commercial real estate market across the Southeastern United States is transitioning into a period of stabilization and measured growth. After a prolonged stretch of elevated interest rates and constrained deal flow, capital markets are beginning to reopen as borrowing costs ease, and buyer-seller 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](http://www.naief.com)



# BY THE NUMBERS

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## MARKET INDICATORS

Greenville MSA\*

	Inventory	Vacancy	Net Absorption	Market Rent	Availability	Under Construction	Delivered
Current Quarter 1Q26	92,495,361	3.3%	17,240	\$16.34	3,312,817	239,593	82,503
Previous Quarter 4Q25	92,416,726	3.3%	396,517	\$15.75	3,375,770	300,389	58,756
Previous Year 1Q25	92,305,651	3.6%	(187,016)	\$15.04	3,732,196	197,537	78,372

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

Source: CoStar

## SUBMARKET TRENDS

### GREENVILLE CBD | INVENTORY 835K SF

VACANCY Q1: 5.7%  
Q4: 4.8%

RENTAL RATE Q1: \$27.86  
Q4: \$27.82

ABSORPTION Q1: (8K) SF  
Q4: 7K SF

### SPARTANBURG CBD + WEST SIDE | INVENTORY 8M SF

VACANCY Q1: 5.5%  
Q4: 5.6%

RENTAL RATE Q1: \$17.36  
Q4: \$17.44

ABSORPTION Q1: 5K SF  
Q4: 108K SF

Source: CoStar

## KEY TAKEAWAYS



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The Upstate of South Carolina rolls into Q1 2026 as one of the hottest markets, across all sectors, in the State. In particular, the retail sector has seen an uptick in activity. The continued demand of residential is one of the biggest factors helping drive the retail growth. Greenville Metro now has over 1 Million people and Spartanburg County sees roughly 30 people per day moving in. Retail developers see the need, and the community benefits from developments with grocers, restaurants, and other retailers. These developments are receiving national attention and Landlords are seeing competing lease offers. Tenants, Landlords, and Investors should keep an eye on all the possibilities that 2026 will offer.

# MARKET MOMENTUM

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## SIGNIFICANT TRANSACTIONS



**SOLD**

10 SOUTH PIEDMONT HIGHWAY  
PIEDMONT, SC

8,320 SF  
Jimmy Wright and  
Jake Scott



**LEASED**

915 SOUTH STREET, SUITE N  
SIMPSONVILLE, SC

22,500 SF  
Geoff Beans and  
Jake Scott



**LEASED**

30 ORCHARD PARK DR - SUITE 17  
GREENVILLE, SC

5,492 SF  
Geoff Beans and  
Jake Scott

**DEAL HIGHLIGHT** A valued client acquired 10 S. Piedmont Highway, Piedmont, South Carolina, through a 1031 exchange. Part of their strategy is to purchase properties in emerging or re-emerging Upstate South Carolina markets which Piedmont does. This purchase continues to support the client's long-term strategy of preserving equity, enhancing income potential, and maintaining a diversified real estate portfolio. (Shareholder Jimmy Wright)

## RECENT PROJECTS SHAPING OUR MARKET



### Backyard at Pelham Retail Development

Backyard at Pelham is a 30,000-square-foot redevelopment project at 10 Beacon Drive, Greenville, SC, transforming a former movie theater site into a retail and dining destination. Planned tenants include Biscuit Belly, Handel's Homemade Ice Cream, and Indigo Kitchen, among others. Site work is complete, and vertical construction is expected to begin this year as the project moves into its next phase.

Source: Upstate Business Journal (February 2026)



### Falls Park Conference District Retail

The City of Greenville has unveiled plans for the Falls Park Conference District, a \$500 million mixed-use development that will introduce new retail space to the downtown core. Spanning roughly six acres along Falls Street and East Camperdown Way, the project will integrate retail with a hotel, conference center, office, and residential uses. Construction is expected to begin in 2027, with full completion targeted for 2029.

Source: Greenville Journal (March 2026)



### Rural King Redevelopment | Anderson Mall

Plans are underway to redevelop the former Sears anchor at Anderson Mall into a new Rural King retail store. The approximately 91,000–95,000-SF space will be repositioned following its designation as an abandoned building, enabling redevelopment incentives. The project is expected to bring renewed retail activity to the site, with an anticipated opening timeline by the end of 2026.

Source: The Anderson Observer (February 2026)

# RETAIL ACTIVITY SNAPSHOT

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## KEY RETAIL DEMAND DRIVERS IMPACTING OUR REGION

The Southeastern U.S. retail commercial real estate sector is being reshaped by a convergence of demographic, economic, and structural forces, creating one of the most favorable demand environments in the country.

At the core is sustained in-migration from higher-cost coastal markets, with Southern metros seeing strong housing activity driven by population inflows.<sup>1</sup> This growth is increasingly affluent, with higher-income households fueling discretionary spending and expanding demand beyond necessity-based retail into experiential and lifestyle concepts.

Corporate relocations and business expansion across the Sunbelt further reinforce this trend, as companies seek lower costs and pro-business environments. The result is steady job creation and a growing consumer base, particularly in suburban submarkets where residential growth and employment centers converge.

At the same time, new retail supply remains constrained. Elevated construction costs, financing challenges, and disciplined development pipelines have limited new projects, keeping vacancy rates near 4%–5% and supporting rent growth.<sup>2</sup>

Tenant demand continues to evolve, with experiential uses—especially food-and-beverage, fitness, and entertainment—driving traffic, alongside strong leasing from grocery and dining concepts.<sup>3</sup>

1. New York Post 2. Wall Street Journal 3. Shopping Center Business

## FIRST LOOK: NEW RETAIL OPPORTUNITIES



**123 Spartanburg Hwy**  
Lyman, SC  
±1,500 - 9,000 SF

Retail Center | Pre-Leasing  
Now

**Lease Rate**  
Call for pricing



**765 Haywood Rd**  
Greenville, SC  
±2,000 SF

Traffic count: 19,400 VPD

**Lease Rate**  
\$23.00/SF NNN



**780 N Church St**  
Spartanburg, SC  
±4,800 SF

Automotive Shop for Sale or  
Lease

**Sale Price / Lease Rate**  
\$745,000 / \$16/SF NNN



**1407 W Wade Hampton Blvd**  
Greer, SC  
±1,899 SF

In the heart of the Greer retail  
corridor

**Lease Rate**  
\$24.00 /SF/YR

## PROPERTY MANAGEMENT SPOTLIGHT



**210,976 SF**  
**MARKET SQUARE RETAIL CENTER**

1450 W.O. Ezell Blvd | Spartanburg, SC

### EXISTING PROJECT

Acquired in 2023;  
Anchored by several  
national tenants

### NOTES

Within 60 days, we  
reduced operating  
expenses by nearly \$1/SF