

# The Upstate | Q2 2025 OFFICE MARKET REPORT



"The Upstate office market has continued to work through the market changes post Covid and remains far healthier than many of our neighbors. We have made progress absorbing some of the large suburban blocks of space freed up by some call center uses that did not return to the office as well as right sizing many CBD tenant's that ultimately needed less space in the new working world. With the strong growth of the population base in the upstate we have been able to absorb both challenges and still see rising rental rates particularly in the CBD, but also somewhat in the suburbs. This is indicative of a market with relatively low new supply of office space in the last 15 years. We are also seeing very strong demand for medical uses in 2025 from general medical to surgery centers and these users are taking some spaces that historically had been general office, (particularly 1st floors of office buildings) as well as in some cases retail and flex spaces. We anticipate this to continue with the revocation of the Certificate of Need in SC. We continue to struggle with the cost of tenant improvements and new construction and these factors only work to increase the pressure on rents and see no likely end in the near-term."

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## OFFICE OVERVIEW

The Upstate has experienced robust job and population growth since 2020, consistent with many Southeast tertiary markets, with total payroll jobs increasing by over 12% in the last five years. This growth has maintained the office availability rate at 8.8%, below the national average. Despite broader shifts in office utilization and a slowdown in office-using hiring, several large leases through Q1 2025 stabilized absorption.

New construction has been limited, primarily focused on build-to-suit projects for regional bank headquarters and offices, such as the Camperdown mixed-use development or United Community Bank's new 200,000-SF tower. This constrained supply has mitigated downward pressure on asking rents. Only about 63,000 SF of office space is currently under construction, with most of it preleased.

Persistently high costs of capital and caution over the future of office demand have kept office investment in Greenville heading into mid-2025. While office vacancies in Greenville are much lower than the national average and larger counterparts, some high-vacancy properties have been targeted for conversion. Medical office space, which remains in stronger demand than traditional office, has accounted for many deals in the metro.

## Office Trends

  
Vacancy

Q2

=

YOY

▼

  
Rent/SF

Q2

▲

YOY

▲

  
Absorption

Q2

▲

YOY

▲

  
Construction

Q2

▼

YOY

▼

Market Indicators	Current Q2 2025	Prior Q1 2025	Year Ago Q2 2024
Inventory	44,301,329 SF	44,267,495 SF	44,166,829 SF
Vacancy	7.0%	7.0%	7.7%
Net Absorption	25,750 SF	(1,419) SF	(37,939) SF
Market Rent/SF	\$23.22	\$22.71	\$21.98
Availability	3.5M SF   8.0%	3.6M SF   8.1%	3.8M SF   8.6%
Under Construction	63,260 SF	97,094 SF	159,966 SF
Delivered	33,834 SF	2,278 SF	41,416 SF

Source:  CoStar

# Office

## OFFICE OVERVIEW - COUNTY

	Inventory	Rental Rate	Vacancy	Availability	Net Absorption	Under Construction
Anderson	4.1M SF	\$14.52	2.5%	2.5%	(6K) SF	-
Cherokee	370K SF	-	0.5%	1.5%	20K SF	-
Greenville	28.2M SF	\$24.03	9.5%	10.6%	59K SF	63K SF
Laurens	954K SF	\$11.79	1.7%	2.0%	-	-
Pickens	2.1M SF	\$15.48	1.9%	2.9%	12K SF	-
Spartanburg	8.6M SF	\$18.98	3.3%	4.2%	(59K) SF	-

Source:  CoStar

## NOTABLE TRANSACTIONS



**210 Brendan Way | Greenville, SC**  
**6,688 SF**  
**John Stathakis, CCIM, Scott Jones, SIOR, and Chrestman Rainey**

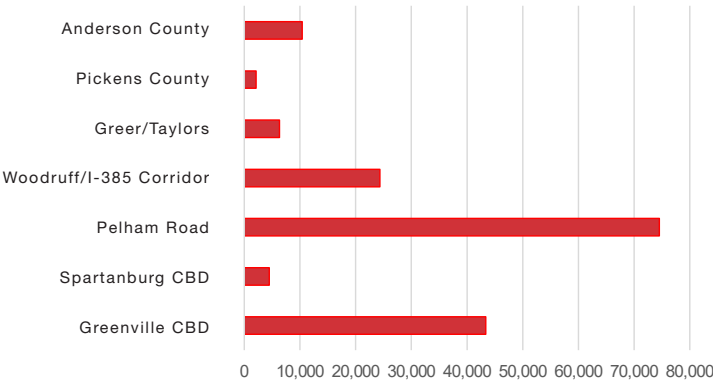


**735 E. Main Street | Spartanburg, SC**  
**7,222 SF**  
**Katherine Fulmer**

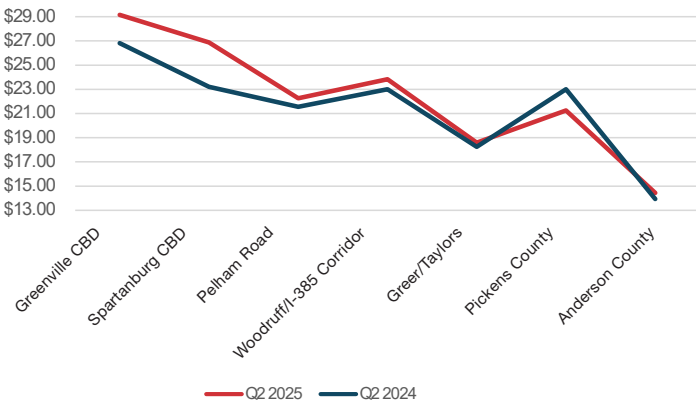


**348-A Blackstock Rd | Spartanburg, SC**  
**9,892 SF**  
**Keith Jones, CCIM, SIOR, McNeil Epps, CCIM, SIOR, and Will Williamson**

## FEATURED SUBMARKETS LEASING ACTIVITY



## FEATURED SUBMARKETS RENT



## ABOUT NAI EARLE FURMAN

NAI Earle Furman (NAIEF) is a leading commercial real estate brokerage and property management firm in the Upstate of South Carolina, delivering superior results for over 30 years. With three Upstate offices, NAIEF provides creative solutions, fostering a culture of collaboration, drive, and innovation through its unique shareholder-owned structure. Committed to the community, the NAIEF team are experts dedicated to improving the Upstate market. In 2017, NAIEF partnered with NAI Piedmont Triad (NC), further expanding in 2019 by joining NAI Columbia (SC Midlands), officially merging in January 2023. This strategic alliance enhances resources and expertise across all three firms. Learn more at [www.naief.com](http://www.naief.com)