Q2 2026 Industrial Market Outlook

THE UPSTATE

101 E Washington Street, Ste. 400 | Greenville, South Carolina 29601 | 864 232 9040 | naiearlefurman.com

Robbie Perkins, CCIM, SIOR
NAI Piedmont Triad Market President, Shareholder

Upstate South Carolina & Piedmont Triad, NC Commercial Real Estate Market

Regional Growth & In-Migration

The Upstate of South Carolina and North Carolina's Piedmont Triad continue to rank among the Southeast's fastest-growing metro corridors, sustained by a durable in-migration wave rather than a single-quarter spike. Households and businesses relocating from higher-cost, higher-tax markets in the Northeast and West cite a consistent set of drivers: a milder, four-season climate less exposed to coastal storm risk; a strong quality of life anchored by walkable downtowns, outdoor recreation in the nearby Blue Ridge foothills, and revitalized urban cores; South Carolina's and North Carolina's comparatively favorable individual and corporate tax positioning relative to peer states; and a cost of living that remains well below the national average even as home prices climb. Layered on top of these lifestyle drivers is deep and broadening job availability, which is doing as much to pull in new residents as any single tax or climate factor.

Major Job Announcements Driving Demand

Each of the region's three core markets posted headline-grabbing investment news this year. In the Piedmont Triad, the Carolina Core continues to benefit from sustained economic development momentum, most notably JetZero's roughly 14,500-job aviation manufacturing commitment, part of a broader package that pledged 16,000 jobs to the Triad and contributes to a statewide pipeline targeting 59,000 new positions in 2026 across aerospace, biotech, advanced manufacturing, and EVs. In Greenville-Spartanburg, Isuzu North America's $280 million assembly plant in Greenville County anchors a new wave of automotive investment, joined by ZF Chassis Systems' $55.4 million Spartanburg County expansion and Siemens' $165 million data-center and electrical-equipment build-out in Spartanburg — all reinforcing the supplier ecosystem built around BMW's Spartanburg plant. In Columbia, Scout Motors' build-out in Blythewood remains the region's marquee project: a $2 billion production center expected to deliver more than 4,000 permanent jobs, supplemented by a $300 million, roughly 1,000-job Supplier Park announced last fall, with the first assembly workers already training on-site ahead of 2027 vehicle production.

Industrial Absorption & Construction Pipeline

Industrial demand across the combined footprint remains robust, with net absorption continuing to outpace new deliveries as automotive OEMs, tier-one and tier-two suppliers, and logistics users backfill existing inventory. Speculative development, which slowed sharply over the past two years as developers worked through elevated vacancy and financing costs, is expected to resume in 2027, positioning well-located sites in Greenville-Spartanburg, the Piedmont Triad, and the Columbia/Blythewood corridor to capture the next wave of supplier and distribution demand once shovels are back in the ground.

Housing: Challenge and Opportunity

Population and job growth of this magnitude are straining housing supply across every sector — for-sale, market-rate multifamily, workforce, and senior housing all face inventory shortfalls that are pushing prices and rents upward faster than wage growth in some submarkets. For investors and developers, this same imbalance represents one of the region's clearest opportunities: build-to-rent, workforce housing near new manufacturing campuses, and multifamily near urban cores in Greenville, Winston-Salem, Greensboro, and Columbia are each positioned to absorb sustained demand. Bridging this gap will be a defining theme for the region's real estate market through the remainder of the year and into 2027.

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

Q2 2026 INDUSTRIAL MARKET REPORT

MARKET INDICATORS Greenville MSA*	Vacancy Rate	12 Mo. Absorption SF	Aborption 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 2Q26	5.3%	8.8 M	3.7 M	3.3 M	3.5%	$6.91	$73.00	$1.0 B	6.8%	7.9
	▼	▲	▼	▼	▼	▲	▲	▲	▼	▼
Previous Year 1Q26	9.9%	5.8 M	5.2 M	7.0 M	5.5%	$6.68	$70.00	$481 M	7.3%	8.8
5 Year Average	7.2%	7.5 M	9.2 M	8.8 M	7.8%	$6.08	$66.00	$888 M	8.2%	8.5

INVENTORY Greenville MSA*	Existing Buildings	Existing SF	Construction Starts SF	Under Construction SF
Current Quarter 2Q26	1,650	255.2 M	500,000	1.5 M
	▲	▲	▼	▼
Previous Year 1Q26	1,626	251.9 M	570,360	4.3 M
5 Year Average	1,587	236.0 M	2.2 M	10.5 M

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

Source: CoStar

SUBMARKET TRENDS

GREENVILLE COUNTY | INVENTORY 85.8M SF

VACANCY	▲	Q2: 5.8%	Q1: 5.7%
RENTAL RATE	▲	Q2: $6.66	Q1: $6.42
ABSORPTION	▼	Q2: 95K SF	Q1: 266K SF

SPARTANBURG COUNTY | INVENTORY 121M SF

VACANCY	▼	Q2: 8.8%	Q1: 8.9%
RENTAL RATE	▼	Q2: $5.27	Q1: $5.59
ABSORPTION	▼	Q2: 503K SF	Q1: 2.3M SF

Source: CoStar

KEY TAKEAWAYS

WILL COKER
Senior Associate
wcoker@naiearlefurman.com
864.680.0526

The Upstate industrial market posted another strong quarter, recording over 3.5 million SF of positive absorption in Q2. Notably, nearly 2 million SF of that total came from new construction deliveries — a clear signal that tenants continue to gravitate toward modern, functional product as it hits the market.

One of the more interesting shifts this quarter has been at the smaller end of the size spectrum. Leasing activity in the sub-50,000 SF bucket has heated up considerably, and developers have taken notice. We're seeing more capital and attention turn toward multi-tenant light industrial product — a segment that has historically been underbuilt in the Greenville/Spartanburg market relative to demand.

As vacancy numbers begin to tighten, we expect the next wave of development to follow. Look for developers to put shovels in the ground on more traditional rear-load product — buildings in the 260'–300' depth range — that can serve the broad middle of the market.

The fundamentals here remain sound: steady absorption, disciplined new supply, and tenant demand that continues to reward well-located, well-designed product.

SIGNIFICANT TRANSACTIONS

**1200 COMMERCE BLVD
HUNTER INDUSTRIAL PARK**
LAURENS, SC

621,468 SF
Hunter Garrett, CCIM, SIOR, John Staunton, SIOR, Tom Daniel, James Malm, CCIM, and Josh Kenyon

50 PEACHVIEW BLVD
GAFFNEY, SC

226,968 SF
Hunter Garrett, CCIM, SIOR, John Staunton, SIOR, and Josh Kenyon

315 TANNER PRICE WAY, SUITE B
GREENVILLE, SC

45,375 SF
Grice Hunt, SIOR, Clay Williams, SIOR, and Will Coker

DEAL HIGHLIGHT *Representing the Landlord on this transaction, our team helped secure Suniva's commitment to a brand-new, 621,468 SF facility in Hunter Industrial Park, Laurens, SC — a testament to the Upstate's growing draw for large-scale advanced manufacturing users. This transaction underscores the strength of our region's industrial fundamentals and the value of positioning best-in-class new construction to meet the needs of a marquee, American-owned manufacturer investing in long-term domestic capacity. (Shareholder Hunter Garrett, CCIM, SIOR)*

RECENT PROJECTS SHAPING OUR MARKET

BMW Completes $1.7B Woodruff EV Battery Plant

BMW officially completed its $1.7 billion EV battery plant in Woodruff marking one of the region's most significant industrial investments in recent years. The facility strengthens the Upstate's growing role in electric vehicle and battery manufacturing. This milestone is likely to have ripple effects for suppliers and related industries throughout the region.

Source: Yahoo Finance (June 2026)

Signature Foods USA Invests $11.5M in Easley Plant

Signature Foods USA announced an $11.5 million investment in its Easley plant in April 2026, creating 202 new jobs. The investment reflects continued growth in the region's food manufacturing sector. It also builds on the company's earlier selection of Anderson County for its first South Carolina operation

Source: Upstate Biz SC (April 2026)

Mosdorfer selects Oconee County for First US Operation

German Mosdorfer, an Austrian manufacturer of high-voltage transmission line hardware, has selected Oconee County for its first U.S. operation, a $44.55 million investment expected to create 107 jobs. The new facility in Westminster will serve as the company's North American production hub.

Source: Upstate Alliance (June 2026)

KEY INDUSTRIAL DEMAND DRIVERS IMPACTING OUR REGION

Industrial demand across the Southeastern United States is driven by four key structural forces. First, robust population expansion continues to fuel the region. According to data from the U.S. Census Bureau, the South outpaces all other regions in regional population growth, accelerating consumer spending, e-commerce adoption, and localized goods distribution.[1]

Second, major clean energy and automotive supply chain investments have established the Southeast as a dominant manufacturing corridor. A benchmark report by Atlas Public Policy shows that the Southeast has captured over $78 billion in private-sector electric vehicle and battery production commitments—representing roughly 37% to 38% of all U.S. EV-related investments.[2]

Third, extensive port and logistics infrastructure accelerates third-party logistics (3PL) demand. Strategic investments by public port authorities, such as the Georgia Ports Authority and South Carolina Ports Authority, paired with expanding inland rail networks, position the region as a primary trade gateway.[3]

Finally, ongoing supply chain nearshoring and reshoring prompt global manufacturers to localize production facilities, securing lower operating costs and direct access to Southeastern transportation networks.[4]

1. U.S. Census Bureau 2. Atlas Public Policy & Southern Alliance for Clean Energy 3. U.S. Department of Transportation & State Port Authorities 4. U.S. Department of Commerce & Federal Reserve Bank Economic Research

PROPERTY SPOTLIGHTS: INDUSTRIAL OPPORTUNITIES

Shamrock Commerce Park
Five Chop Rd | Orangeburg, SC
±141 Acres

±10,800 - 1,481,740 SF of potential Industrial Space

Sale Price
Contact brokers

500 Matrix Pky
Piedmont, SC
±7,500 - 28,103 SF

2 Flex Suites | ±7,500 SF & ±20,603 SF | Near SCTAC

Lease Rate
Contact brokers

00 Hunter Industrial Park Rd
Laurens, SC
±21.95 Acres

Industrial Land | ±1,680 Feet of Road Frontage

Sale Price
$875,000

105 Wood Street
Greenville, SC
±5,000 and ±10,000 SF

Warehouse Spaces | Two (2) roll-up doors for each unit

Lease Rate
$6,250 per month (Gross)

PROPERTY MANAGEMENT SPOTLIGHT

141,000 SF

SINGLE-TENANT INDUSTRIAL FACILITY

815 Namesake Road | Duncan, SC

NEW ASSIGNMENT

STAG Industrial acquired the facility, engaging us for immediate management services

NOTES

We are grateful for STAG Industrial's continued trust and look forward to growing our partnership