Q2 2026 Office Market Outlook

THE UPSTATE

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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 OFFICE MARKET REPORT

MARKET INDICATORS

Greenville MSA*

	Inventory	Vacancy	Net Absorption	Market Rent	Availability	Under Construction	Delivered
Current Quarter 2Q26	44,110,477	6.1%	330,702	$23.12	3,038,246	154,906	0
Previous Quarter 1Q26	44,134,851	7.2%	55,517	$23.30	3,252,154	154,906	30,000
Previous Year 2Q25	44,036,027	7.1%	23,875	$23.12	3,542,993	123,121	31,200

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

Source: CoStar

SUBMARKET TRENDS

GREENVILLE CBD + WEST END | INVENTORY 6.3M SF

VACANCY Q2: 13.1% Q1: 15.4%

RENTAL RATE Q2: $30.84 Q1: $30.19

ABSORPTION Q2: 40K SF Q1: 56K SF

SPARTANBURG CBD | INVENTORY 2.6M SF

VACANCY Q2: 2.5% Q1: 2.7%

RENTAL RATE Q2: $19.03 Q1: $24.15

ABSORPTION Q2: (17K) SF Q1: (20K) SF

Source: CoStar

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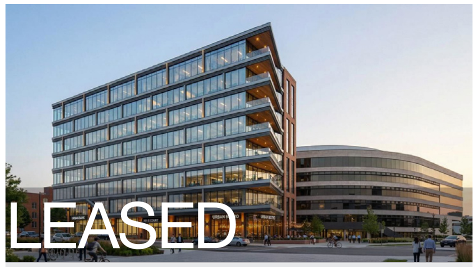
KEY TAKEAWAYS

The Greenville office market has continued to show solid momentum throughout the second quarter. Market-wide asking lease rates are now averaging around $27.00 per square foot, while the CBD continues to lead the way with average asking rates sitting south of $35.00 per square foot. Companies continue to place a premium on being downtown, and with very little new office product being delivered, quality space remains in short supply. We're also seeing activity from a healthy mix of local businesses, regional firms, and companies expanding into the Upstate, which speaks to the strength of Greenville's business community. While the national office conversation is still mixed, Greenville continues to outperform many comparable and nearby markets thanks to strong fundamentals, steady tenant demand, and a growing business community. As we head into the second half of the year, we're encouraged by the momentum we've seen and are excited to see how the market continues to perform as demand remains strong and new supply stays limited.

SIGNIFICANT TRANSACTIONS

86 VILLA ROAD
GREENVILLE, SC

8,921 SF
John Stathakis, CCIM, Scott Jones, SIOR, and Chrestman Rainey



101 E. COURT ST
GREENVILLE, SC

29,821 SF
Keith Jones, CCIM, SIOR, McNeil Epps, CCIM, SIOR, and Will Williamson

50 INTERNATIONAL DR, STE 306
GREENVILLE, SC

7,752 SF
Keith Jones, CCIM, SIOR, McNeil Epps, CCIM, SIOR, and Will Williamson

DEAL HIGHLIGHT *The property located at 86 Villa is an 8,917 SF fully leased medical office property. Our team represented a long-standing client on the Seller side. 86 Villa Rd. closed within months of listing the property. The transaction was seamless from start to finish and marked another successful acquisition/disposition with our long time client. (Shareholder Scott Jones, SIOR)*

RECENT PROJECTS SHAPING OUR MARKET

Greenville County Automation Industry Expands with Idealworks Establishing US Headquarters

German automation company idealworks selected Greenville County to establish its US headquarters. The decision reflects growing international recognition of the Upstate as a hub for advanced manufacturing and automation. It also adds to a broader trend of foreign investment strengthening the region global business appeal.

Source: Upstate Alliance (June 2026)

Novant Health Purchases 58-Acre Office Campus Along I-85

Novant Health acquired a 58-acre office campus along the I-85 corridor, continuing its expansion into the Upstate market. The acquisition underscores the growing role healthcare systems play in absorbing large-scale office and campus space outside the traditional downtown footprint. This move reinforces I-85's position as a key growth corridor for corporate and institutional office users in the region.

Source: Upstate Business Journal (June 2026)

Airsys opens global headquarters in Woodruff

Airsys has opened its new $60 million, 60-acre global headquarters campus in Woodruff, S.C., a project expected to create 215 jobs. The site will serve as the company's global hub for high-efficiency, zero-water cooling technologies for AI and data center infrastructure. Corporate teams are now on-site, with full manufacturing set to begin in early 2027.

Source: SCBIZ (May 2026)

KEY OFFICE DEMAND DRIVERS IMPACTING OUR REGION

The U.S. office sector continues its multi-year stabilization, with high-growth Southeastern markets like the Greenville MSA standing out as clear relative outperformers. Nationally, a historic contraction in new construction deliveries alongside sustained quarterly absorption is helping rebalance supply and demand, with the Sunbelt leading regional rent growth and occupancy gains.[1]

Locally, the core catalyst remains a pronounced shortage of prime Class A inventory. Overall office vacancy across the Greenville-Spartanburg market has dropped below 10%, with prime Downtown Greenville space remaining exceptionally tight and driving asking rents to new record highs.[2] Constrained development pipelines—compounded by elevated construction costs and strict underwriting—are limiting competitive new deliveries, keeping power firmly in the hands of landlords for premier assets while neighboring submarkets like Spartanburg maintain similarly constrained conditions.[3]

Underlying demand is being reinforced by evolving workplace strategies. While hybrid flexibility remains standard practice, structured return-to-office mandates from major regional employers are tightening space utilization and driving higher workplace attendance.[4] At the same time, companies continue to prioritize in-person collaboration, mentorship, and team cohesion.[5] As major multi-year lease expiration waves approach, occupiers face a clear flight-to-quality dynamic, forcing timely leasing decisions in a supply-constrained market where top-tier space Commands a distinct premium.[6]

1. PwC / Urban Land Institute 2. Greenville Business Magazine 3. Upstate Business Journal 4. Wall Street Journal 5. Business Insider 6. The Post and Courier

PROPERTY SPOTLIGHTS: OFFICE OPPORTUNITIES

1350A Cleveland St
Greenville, SC
±8,464 SF

Main Floor | Ste A: ±5,599 SF
Lower Level | Ste B: ±2,865 SF
Lease Rate
$16.00/SF NNN

9 Halton Green Way
Greenville, SC
±6,136 SF

Freestanding Class A Office Building
Sale Price
$2,500,000

260 S. Pleasantburg Rd
Greenville, SC
±10,000 SF

Free Standing Single Tenant

Lease Rate
$10/ SF NNN

124 Allawood Court
Simpsonville, SC
±2,890 SF - ±15,353 SF

Ste 110: ±2,890 SF
Ste 124: ±12,463 SF
Lease Rate
$22.50/SF NNN

PROPERTY MANAGEMENT SPOTLIGHT

8,200 SF

OFFICE & MIXED-USE PROPERTY

1613 E. North Street | Greenville, SC

NEW ASSIGNMENT

Trusted broker referral led to proactive management, transforming previously self-managed property

NOTES

Within two weeks, we implemented signage standards and master key system improvements