

NAI Earle Furman

Q3 2026 Office Market Outlook

THE UPSTATE

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



Patrick Chambers
NAI Columbia Market
Senior Broker | Shareholder

Q3 Commercial Real Estate Review: A Stable Carolinas Market

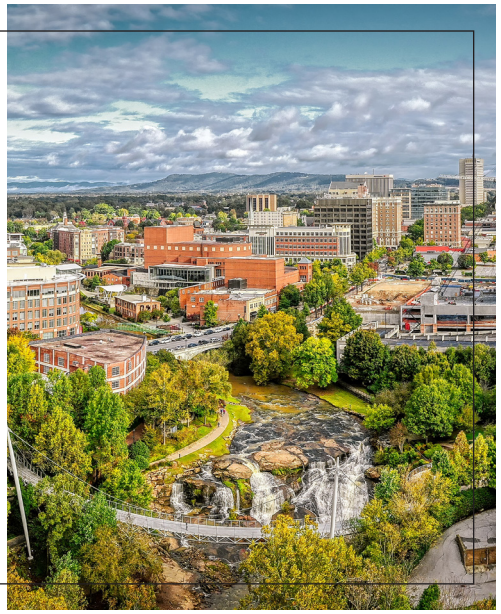
Commercial real estate conditions across the Carolinas remained stable through the third quarter, supported by continued population growth and steady tenant demand across core asset classes. Retail and industrial continue to lead. Retail availability remains low, as construction over the past several years has been modest and concentrated in suburban submarkets, anchored by national big-box and grocery tenants. Industrial leasing momentum remains steady, with demand focused on new, modern product along the interstate corridors and in port-served markets, as the region absorbs recent deliveries and speculative development slows. In the urban cores, multifamily continues to drive new development, and the momentum is building as more people choose urban living.

Population growth remains the driver of all CRE sectors, as the Carolinas continue to rank among the nation's leaders in in-migration. Housing demand is driving land sales in suburban markets, with employment and retail following close behind. Entitlement challenges continue to slow new single-family housing supply, and higher mortgage rates are constraining demand, thus the housing sector is searching for its equilibrium. Office remains selective, with quality, amenitized and well-located space outperforming older product, and new construction remains limited.

Overall, the market remains stable, but higher long-term rates are the main headwind, weighing on acquisitions, development feasibility and pricing across asset classes. We are hopeful that as energy prices ease, long-term base rates will follow, improving cash flow and project economics. In the meantime, we expect a disciplined but healthy regional market, with new supply following continued population growth. Opportunities are emerging in growing suburbs across the region's major metros, and renewed activity in urban cores positions the Carolinas for continued growth.

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
Q3 2026 OFFICE MARKET REPORT

MARKET INDICATORS Greenville MSA*	Inventory	Vacancy	Net Absorption	Market Rent	Availability	Under Construction	Delivered
Current Quarter 3Q26	44,069,057	5.8%	171,378	$23.47	2,879,713	272,450	53,056
Previous Quarter 2Q26	44,025,308	6.1%	132,878	$23.13	3,034,724	195,506	0
Previous Year 3Q25	43,944,458	6.6%	(18,586)	$22.85	3,187,550	122,321	5,000

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

Source: CoStar

SUBMARKET TRENDS

GREENVILLE CBD + WEST END | INVENTORY 6.2M SF

VACANCY ▲ Q3: 12.8% Q2: 12.7%

RENTAL RATE ▲ Q3: $31.60 Q2: $30.84

ABSORPTION ▼ Q3: (3K) SF Q2: 40K SF

SPARTANBURG CBD | INVENTORY 2.6M SF

VACANCY ▲ Q3: 2.6% Q2: 2.5%

RENTAL RATE ▼ Q3: $18.56 Q2: $19.03

ABSORPTION ▲ Q3: (3K) SF Q2: (17K) SF

Source: CoStar

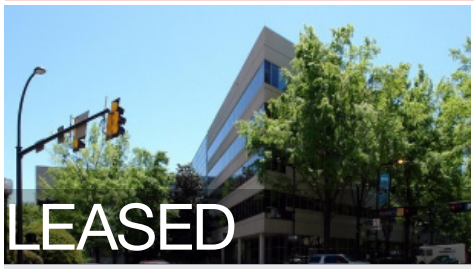


JOHN STATHAKIS, CCIM
Senior Associate
jstathakis@naiearlefurman.com
864.494.1319

KEY TAKEAWAYS

Greenville's office market tightened further in the third quarter. Vacancy fell to 6.5%, down a full point from a year ago and well below the 10-year average of 7.5%, supported by roughly 169,000 square feet of net absorption in Q3 alone. Asking rents now average about $27.40 per square foot, up 2.4% year over year, and landlords remain firmly in control of most negotiations. Outside of a handful of buildings marketing large blocks of space, tenants are finding limited options and modest concessions, particularly for small and mid-sized requirements. New supply won't change that anytime soon. Nearly all of the 272,000 square feet under construction is preleased healthcare or owner-user space, with nothing underway downtown or along Pelham Road. Investors have taken notice, as trailing 12-month sales volume reached $262 million, ahead of the five-year average, with fully leased buildings commanding a clear premium. Heading into 2027, we expect conditions to remain tight. Tenants facing lease expirations over the next 12 to 24 months should start the process early, because quality space and favorable terms are going to the users who move first.

SIGNIFICANT TRANSACTIONS



220 N. MAIN ST, STES 600, 315, & 375
GREENVILLE, SC

29,500 SF
Keith Jones, CCIM, SIOR, McNeil Epps, CCIM, SIOR, and Will Williamson, CCIM



116 S. PLEASANTBURG DR
GREENVILLE, SC

5,651 SF
John Stathakis, CCIM, Scott Jones, SIOR, and Chrestman Rainey CCIM



300 EAST COFFEE STREET
GREENVILLE, SC

4,200 SF
Keith Jones, CCIM, SIOR, McNeil Epps, CCIM, SIOR, Will Williamson, CCIM, Hunter Garrett, CCIM, SIOR, John Staunton, SIOR, and Josh Kenyon

DEAL HIGHLIGHT *Our team represented a long-standing landlord client in securing three office leases in downtown Greenville this quarter. Downtown continues to attract businesses that value its walkability, amenities, and overall energy. With projects like The Daniel adding to the excitement and investment in the area, we continue to see strong interest from tenants looking to establish or expand their presence downtown. These three leases reflect the continued confidence businesses have in downtown Greenville. (McNeil Epps, CCIM, SIOR)*

RECENT PROJECTS SHAPING OUR MARKET



New Class A Office Tower Underway Downtown

Construction is underway on an eight-story office building in downtown Greenville's North of Broad District. Developed by Hughes Commercial Properties, the project will add 100,000 square feet of Class A office space, with 80% already pre-leased. The new tower is expected to be completed by the end of 2027, adding to Greenville's downtown office inventory.

Source: Upstate Business Journal (August 2026)



NP Strategy Opens Greenville Office

NP Strategy has expanded its Upstate presence with the opening of a new Greenville office, establishing a permanent local presence for the strategic communications firm. The Greenville expansion marks NP Strategy's sixth Southeast location as the region continues to attract new businesses and investment.

Source: upstatebizSC (September 2026)



GMC Expands Greenville Office

Goodwyn Mills Cawood (GMC) is expanding its Greenville office at The Commons by more than 3,800 square feet, growing the space from 10,000 to 13,800 square feet. The expansion will add 30 workstations, collaborative areas and upgraded meeting and project spaces. Construction is expected to begin this month, with GMC planning to occupy the expanded office by January 2027.

Source: Upstate Business Journal (August 2026)

OFFICE ACTIVITY SNAPSHOT

Q3 2026 OFFICE MARKET REPORT

KEY OFFICE DEMAND DRIVERS IMPACTING OUR REGION

Southeastern office occupiers worked through a tougher financing backdrop in the third quarter, and demand held up. The Federal Reserve raised rates in September for the first time in more than three years, and the increase is not expected to curtail commercial real estate transactions in the second half of 2026.[1] One week later, 10-year Treasury yields reached 5.1%, their highest level in 19 years.[1] Even so, Greenville continued to tighten. Office vacancy declined to 9.6%, down from a peak of 17% in Q2 2023, and average asking rents reached a record $29.71 per sq. ft., up 7.6% year-over-year.[2]

Supply remains constrained, which keeps leverage with owners of well-located assets. The 101 East Court development, Greenville's first multi-tenant office project in several years, is approximately 87% preleased.[2] Regional population growth continues to feed tenant demand. The Greenville-Anderson-Greer metro area has passed 1 million residents, and South Carolina remained the nation's fastest-growing state, with a 1.5% increase in 2025.[3]

Demand is concentrated among corporate users that prioritize in-person work, with financial services leading. Charlotte leasing has recovered above its 2015–2019 averages, helped by banks and financial institutions that have maintained higher in-office attendance, including expansions announced by Citigroup, JPMorgan Chase, and Sumitomo Mitsui Banking Corp.[4] Attendance data point the same way: August office visits were 32.5% below August 2019, the smallest August gap since the pandemic, and up 6.2% year-over-year.[5] As leases roll, occupiers with space needs face a limited set of quality options.

1. Commercial Observer 2. Greenville Business Magazine 3. The Post and Courier / South Carolina Public Radio (U.S. Census Bureau) 4. Bisnow 5. Placer.ai Office Index

PROPERTY SPOTLIGHTS: OFFICE OPPORTUNITIES



1212 Haywood Rd, Bldg 200
Greenville, SC
±6,542 SF

Classic brick colonial-style architecture office building
Sale Price / Lease Rate
$995,000 / Contact brokers



850 S. Pleasantburg Dr
Greenville, SC
±8,569 SF

Suite 300 | Major renovations recently completed
Lease Rate
$18.50/SF/NNN



1900 Whitehall Rd
Anderson, SC
±1,998 SF

2 units: ±1,000 and ±998 SF
Ample Parking
Sale Price
$325,000.00



201 Richard St
Easley, SC
±4,037 to ±8,074 SF

2 Levels: can be leased separately or combined
Sale Price / Lease Rate
$1,500,000 / $14.50/SF/NNN

PROPERTY MANAGEMENT SPOTLIGHT



44,846 SF

OFFICE & MIXED-USE PROPERTY

531 S. Main Street | Greenville, SC

ONGOING ASSIGNMENT

Under our management since 2017, the property has benefited from the landlord's proactive investment in capital improvements.

NOTES

We have successfully managed all capital projects on the landlord's behalf, enhancing the asset's long-term value.