

NAI Earle Furman

Q3 2026 Retail Market Outlook

THE UPSTATE

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NAI Columbia Market
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Q3 Commercial Real Estate Review: A Stable Carolinas Market

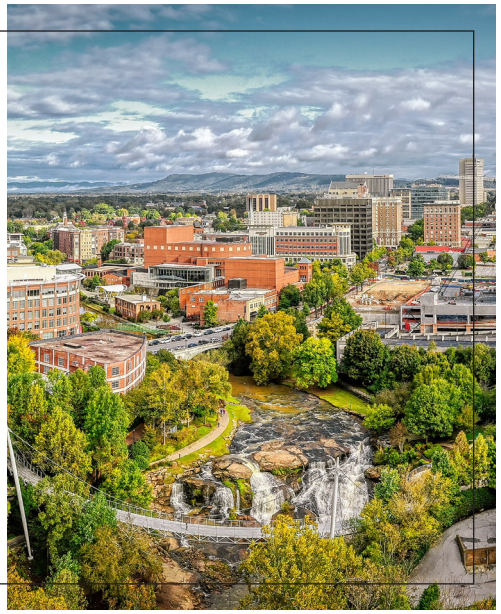
Commercial real estate conditions across the Carolinas remained stable through the third quarter, supported by continued population growth and steady tenant demand across core asset classes. Retail and industrial continue to lead. Retail availability remains low, as construction over the past several 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 RETAIL MARKET REPORT

MARKET INDICATORS
Greenville MSA*

	Inventory	Vacancy	Net Absorption	Market Rent	Availability	Under Construction	Delivered
Current Quarter 3Q26	92,939,405	3.5%	(65,762)	$16.08	3,434,723	368,283	37,953
Previous Quarter 2Q26	92,927,144	3.4%	(4,040)	$16.10	3,506,990	375,036	84,269
Previous Year 3Q25	92,722,144	3.6%	21,840	$15.74	3,537,486	290,291	97,123

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

Source: CoStar

SUBMARKET TRENDS

GREENVILLE CBD | INVENTORY 838K SF

VACANCY ▼ Q3: 3.0% Q2: 4.0%

RENTAL RATE ▲ Q3: $31.19 Q2: $30.11

ABSORPTION ▼ Q3: 8K SF Q2: 14K SF

SPARTANBURG CBD + WEST SIDE | INVENTORY 8M SF

VACANCY ▼ Q3: 4.4% Q2: 4.6%

RENTAL RATE = Q3: $17.33 Q2: $17.33

ABSORPTION ▼ Q3: 13K SF Q2: 80K SF

Source: CoStar



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KEY TAKEAWAYS

The Upstate of South Carolina retail market continues to demonstrate strong fundamentals heading into the latter half of 2026. Population and employment growth remain the primary drivers of retail demand, with Greenville-Spartanburg now supporting more than one million residents and continued residential expansion pushing retail activity into emerging suburban corridors. Available quality retail space remains limited, creating a competitive environment for tenants and continued pricing power for well-positioned landlords.

From a development standpoint, elevated construction costs, financing conditions and limited availability of development sites continue to constrain new supply. This dynamic is creating opportunities for developers who can secure well-located land and deliver projects that align with the needs of growing residential communities. Grocery-anchored centers, restaurants, service-oriented tenants and other necessity-based uses remain particularly well-positioned.

For owners and investors, the market continues to favor high-quality assets with strong locations, durable tenant mixes, and opportunities to enhance value through leasing or redevelopment. For retailers, early site selection and proactive planning remain increasingly important as competition for the best locations intensifies.

SIGNIFICANT TRANSACTIONS



30 ORCHARD PARK DR, STE 15
GREENVILLE, SC

31,065 SF
Geoff Beans and Jake Scott



10 CHROME DRIVE
GREENVILLE, SC

9,617 SF
Drew Stamm and Ben Duncan



1631-1641 WOODRUFF ROAD
GREENVILLE, SC

9,784 SF
Robert Schmidt, CCIM, Peter Couchell, CCIM, AJ Quartararo, and Lawrence Myers

DEAL HIGHLIGHT *Persistence pays off. The story of 10 Chrome Drive was one centered around staying focused on the client's needs and putting together a timely strategy to bring solutions to the table. After multiple deals that dissolved on the one-yard line (for one reason or another), a continued head down approach and renewed focus/game plan was what eventually made this transaction a win for my client. Don't be afraid to think outside of the box when dealing with unique CRE opportunities. In an ever changing market with a limited supply for second gen F&B space, being creative is often the key to success. (Shareholder Drew Stamm)*

RECENT PROJECTS SHAPING OUR MARKET



Mixed-Use Development Planned for Downtown Spartanburg

A $71 million mixed-use development is planned for downtown Spartanburg, bringing approximately 14,806 square feet of new retail, restaurant and office space to the area. Wheelhouse at Wall Street will also include 220 market-rate apartments and wrap around the new public parking garage planned for the Spartanburg Joint Government Center.

Source: Upstate Business Journal (August 2026)



Shake Shack Opens Second South Carolina Location

Shake Shack has officially opened its new location on Woodruff Road in Greenville, marking the fast-casual chain's second restaurant in South Carolina. The New York-born brand is known for its burgers, crinkle-cut fries and hand-spun milkshakes. The new location adds another national restaurant brand to Greenville's growing retail and dining landscape.

Source: Greenville Chamber (September 2026)



Bolden Street District Moves Toward First Phase

Planning is underway for the first phase of the future Bolden Street District along Laurens Road. The 90-acre mixed-use development is planned to include approximately 750,000 square feet of retail, along with restaurants, offices, residences and entertainment. The first 30-acre neighborhood will center around Bolden Square, with site work expected to begin this fall.

Source: Upstate Business Journal (September 2026)

RETAIL ACTIVITY SNAPSHOT

Q3 2026 RETAIL MARKET REPORT

KEY RETAIL DEMAND DRIVERS IMPACTING OUR REGION

Southeastern retail held up in the third quarter, supported by resilient consumer spending and strong population growth, with shoppers staying value-focused. Retail sales rose in August for the 11th consecutive month.[1] The National Retail Federation described households as budget-conscious, using back-to-school promotions to stretch their spending, while low unemployment and steady wage gains supported spending.[1] After adjusting for 3.4% inflation, August retail sales rose 2.6% year-over-year, even as energy prices stayed elevated.[2]

The region's demographics remain a core advantage. The South's population grew faster than any other region in every age group from 2020 to 2025, driven mainly by outlying counties in metro areas.[3] Greenville's metro area added more than 85,000 people over that period.[4] This keeps expanding trade areas in suburban corridors, where daily-needs retailers are following new rooftops. census postandcourier

Grocery and discount operators continued to lead tenant activity. Aldi has reopened close to 90 former Winn-Dixie and Harveys locations across the Southeast and plans to open dozens more through the rest of 2026 and into 2027.[5] Publix also continued adding stores, with a North Carolina opening scheduled in August.[6] Rate pressure adds to the financing hurdles for new development. After the Fed's September hike, Treasury yields climbed and lenders and investors pulled back.[7] That should keep speculative retail construction limited and support well-located centers.

1. National Retail Federation (CNBC/NRF Retail Monitor) 2. Greenleaf Trust (U.S. Census Bureau advance estimate) 3. U.S. Census Bureau 4. The Post and Courier 5. Shopping Center Business 6. Yahoo Finance 7. Commercial Observer

PROPERTY SPOTLIGHTS: RETAIL OPPORTUNITIES



410 Mauldin Road
Greenville, SC
±2,288 SF

High-Visibility Corner Commercial Opportunity

Sale Price
$450,000



174 E. Main Street
Spartanburg, SC
±1,650 SF

Street Level Retail Space Available on Main Street

Lease Rate
$22.00 PSF FSG



1791 E. Blackstock Road
Moore, SC
±2,500 SF

Retail/Office Available in Spartanburg's Westside

Lease Rate
$13.50 / SF NNN



435 E. Main Steet
Spartanburg, SC
±4,150 SF

Trophy location in the heart of Main St & Pine St

Lease Rate
$22.50/SF NNN

PROPERTY MANAGEMENT SPOTLIGHT



9,800 SF

RETAIL CENTER

1631 Woodruff Road | Greenville, SC

NEW ASSIGNMENT

Long-standing client acquired the well-position retail center engaging our management services.

NOTES

Grateful for the new assingment from a valued Landlord!