



Office Q3 2023

YoY Chg 12-Mo. Forecast

11.1%
Vacancy Rate ▲ ▲

152.1K
YTD Net Absorption, SF ▲ ▼

\$23.03
Asking Rent, PSF ▲ ▲

(Overall, All Property Classes)

ECONOMIC INDICATORS Q3 2023

YoY Chg 12-Mo. Forecast

630.8K
Greenville-Spartanburg Employment ▲ ▲

2.9%
Greenville-Spartanburg Unemployment Rate ▼ ▲

3.7%
U.S. Unemployment Rate ▲ ▲

Source: BLS

ECONOMY: Unemployment Rate Decreases with Jobs Added

The Greenville-Spartanburg economy continued to exhibit stability in Q3 with nonfarm employment reaching 630,800, representing a 1.5% increase year-over-year. Employment in traditional office-using sectors, such as Information and Financial Activities, increased by 5.5% and 3.2% year-to-date, respectively. This healthy growth was further supported by a 10-basis-point (bp) decrease in the Upstate's unemployment rate to 2.9% in Q3. Expectations of an unemployment rate increase within the next 12 months exist as global economic uncertainty continues to circulate; however, total employment is also forecasted to increase as net migration to the Upstate remains largely positive paired with multiple corporate expansions announced in recent quarters.

SUPPLY and DEMAND: Demand Lingers as Rightsizing Continues

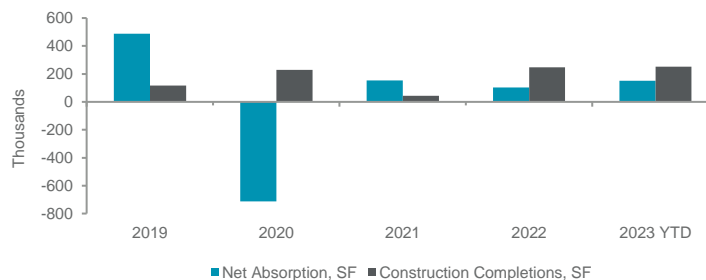
Office supply in the market decreased modestly during Q3 after five consecutive quarters of steadily climbing vacancy. The overall vacancy rate retracted by 20 bps in Q3 to 11.1% as 14,400 square feet (sf) of occupancy gains were recorded, not including the Greenville County Square 251,000-sf build-to-suit delivery. A large concentration of unoccupied space resided in the Southeast Greenville submarket, accounting for 46.8% of the total market's 2.5 million square feet of vacancy. General occupier preferences of locating on or near Main Street in Downtown Greenville remained evident as the central business district's (CBD) vacancy rate dropped to 13.6% during Q3, following a steady decline since Q1 of 2022. A majority of the other submarkets within the Upstate have trended in the opposite direction with consistent increases in vacancy over the previous 12 to 18 months, including the Southeast Greenville and Spartanburg CBD submarkets.

While many national and global corporations are making decisions to rightsize their office footprint within the market, smaller organizations and those local to the Upstate are viewing the shifting office dynamics as an opportunistic runway to expand operations and their presence. Jedson Engineering made a notable expansion, doubling its footprint at Park 37 along I-385.

PRICING: Market Rent Growth Persists

Asking rents continued their upward trajectory in Q3 with the overall average breaching the \$23.00-per-square-foot (psf) mark for the first time in market history. Class A direct availabilities within the CBDs and Suburban submarkets asked for a 17.3% and a 17.1% premium over Class B product on average, in their respective submarkets. The Greenville CBD remained the highest-priced submarket at \$26.19 psf on average for direct availabilities, followed by Southeast Greenville at \$23.43 psf and the Spartanburg CBD at \$22.53 psf. Rent growth is expected to persist in the coming 12 months as space upgrades are utilized to attract occupiers.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT





MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CONSTRUCTION (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Greenville CBD	5,765,225	694,994	90,035	13.6%	235,641	270,509	172,115	118,000	\$25.98	\$28.49
Southeast Greenville	8,660,633	908,068	262,716	13.5%	20,705	-100,847	216,165	0	\$22.20	\$25.03
Northeast Greenville	1,963,620	244,580	6,152	12.8%	2,258	1,380	36,430	0	\$19.54	-
Southwest Greenville	550,722	136,476	6,500	26.0%	0	5,004	5,359	0	\$15.63	-
Northwest Greenville	363,721	0	0	0.0%	0	0	5,620	0	-	-
Spartanburg CBD	1,630,186	51,589	0	3.2%	4,229	-12,708	48,591	0	\$22.53	\$25.00
Spartanburg Suburban	1,640,494	42,616	0	2.6%	2,677	-3,385	3,427	0	\$21.95	-
Anderson County	1,269,430	14,783	0	1.2%	1,750	-9,672	2,850	0	\$17.14	-
Cherokee County	102,730	0	0	0.0%	0	0	0	0	-	-
Laurens County	137,920	0	0	0.0%	0	0	0	0	-	-
Pickens County	502,863	42,891	0	8.5%	-2,000	1,855	17,480	0	\$16.59	-
MARKET TOTALS	22,587,544	2,135,997	365,403	11.1%	265,260	152,136	508,037	118,000	\$23.03	\$26.32

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q3 2023

PROPERTY	SUBMARKET	TENANT	SF	TYPE
16 Hyland Rd	Northeast Greenville	Concordance Healthcare Solutions	24,000	New Lease
Park 37 – Building 700	Southeast Greenville	Jedson Engineering	17,305	Expansion / Renewal
RiverPlace	Greenville CBD	Womble Bond Dickinson	12,928	Renewal
103 N Pine St	Spartanburg CBD	Young Office	12,000	New Lease
1 Independence Pt	Southeast Greenville	ModivCare Solutions	11,300	New Lease
325 W McBee Ave	Greenville CBD	Confidential	9,329	New Lease

KEY SALE TRANSACTIONS Q3 2023

PROPERTY	SUBMARKET	SELLER BUYER	SF	PRICE \$ PSF
Green Gate Office Park	Southeast Greenville	Green Gate Office Park, LLC Saddle Brook Properties, LLC	102,677	\$11.5 M \$112.00
6040 Ponders Ct	Southeast Greenville	ABB Inc. THF Holdco II, LLC	71,485	\$5.2 M \$72.74

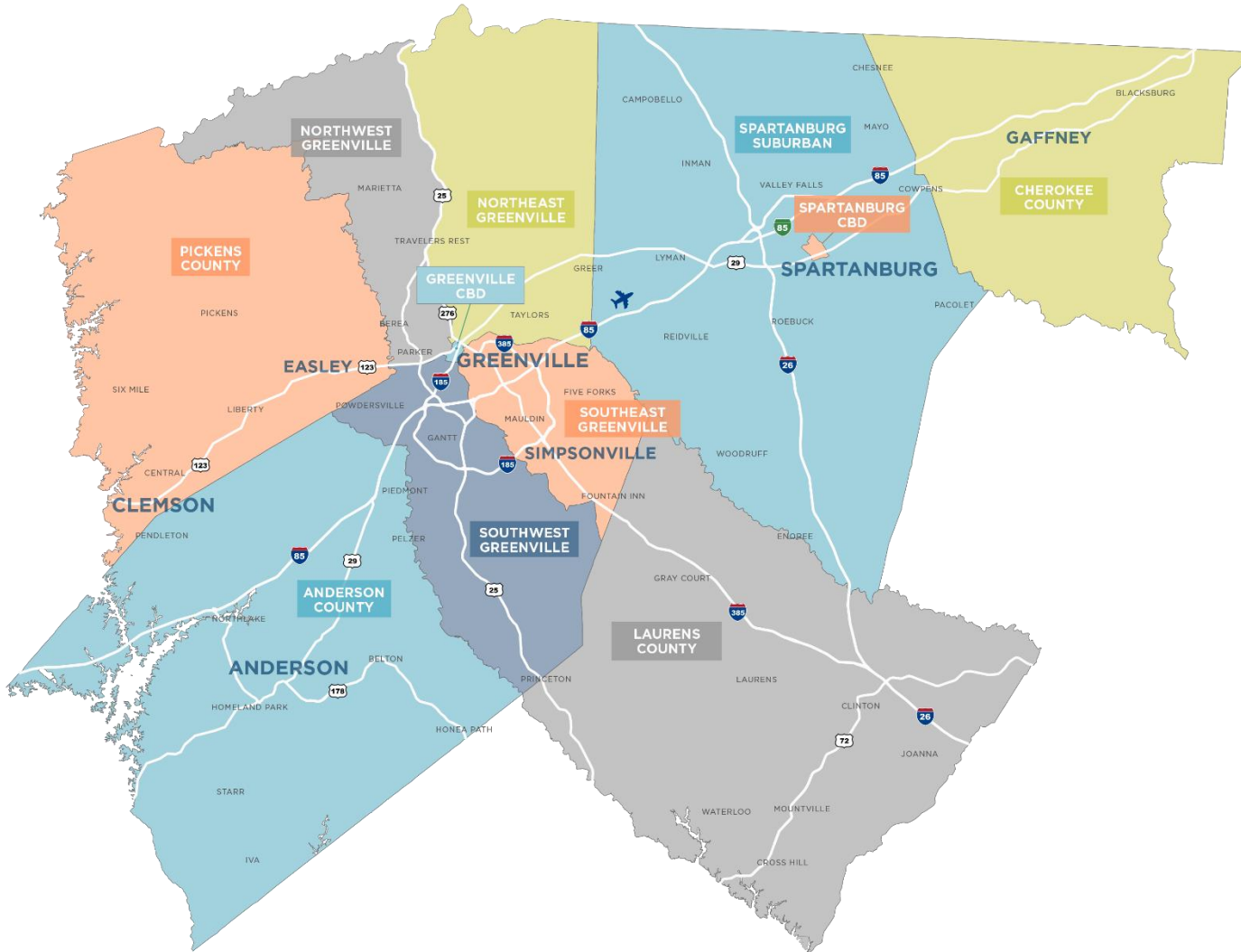
KEY PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	OWNER DEVELOPER	SF	TYPE
United Community Bank Headquarters	Greenville CBD	United Community Bank The Furman Co.	118,000	Build-To-Suit

GREENVILLE, SC

Office Q3 2023

OFFICE SUBMARKETS



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