

3Q 2023 | INDUSTRIAL MARKET REPORT



Inventory
253,735,697 SF



NNN Rent Overall
\$5.33 ↑



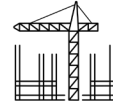
Vacancy
7.3% ↑



Availability
27.5M SF 10.5% ↑



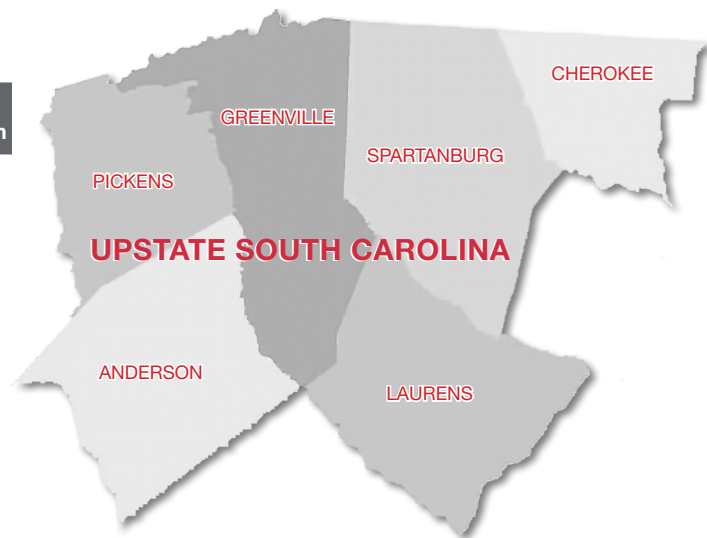
Net Absorption
2,544,964 SF ↓



Under Construction | Delivered
8,160,896 SF | 16

INDUSTRIAL MARKET OVERVIEW

County	Inventory	Market Rent	Vacancy	Availability	Net Absorption	Under Construction
Anderson	30.9M SF	\$4.92/SF	9.3%	10.6%	218K SF	605K SF
Cherokee	12.7M SF	\$4.31/SF	8.0%	6.9%	(548K) SF	301K SF
Greenville	81.7M SF	\$5.69/SF	4.6%	5.8%	423K SF	515K SF
Laurens	14.7M SF	\$4.50/SF	6.2%	6.4%	-	-
Pickens	7.3M SF	\$4.71/SF	4.3%	4.5%	(12K) SF	-
Spartanburg	106M SF	\$5.82/SF	9.0%	15.2%	2.4M SF	6.7M SF



INDUSTRIAL SUBMARKET HIGHLIGHTS

GREENVILLE COUNTY | INVENTORY 81.7M SF

VACANCY ↑ Q3: 4.6%
Q2: 3.4%

RENTAL RATE ↑ Q3: \$5.69
Q2: \$5.42

ABSORPTION ↓ Q3: 423K SF
Q2: 1.21M SF

SPARTANBURG COUNTY | INVENTORY 106M SF

VACANCY ↑ Q3: 9.0%
Q2: 8.3%

RENTAL RATE ↑ Q3: \$5.82
Q2: \$5.74

ABSORPTION ↑ Q3: 2.46M SF
Q2: 338K SF

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UPSTATE MARKET REVIEW

Compared to Spartanburg, which has seen one of the largest expansions of industrial inventory in the U.S. over the past three years, Greenville’s industrial market is more subdued. Greenville’s industrial market thrives on the automotive industry and an advantageous location with quick access to interstates, population centers, and ports. While growth in e-commerce and consumer spending boosted industrial real estate activity during the coronavirus pandemic, cooling consumer spending led to slowing absorption over the past few quarters heading into the second half of 2023. Longer-term, however, population growth along the Interstate 85 corridor as well as strength in the automotive sector, poise Greenville and neighboring Spartanburg to benefit from major federal investments in electrification of vehicles and other high-tech manufacturing.

With less developable land than Spartanburg, the Greenville market is less likely to see a surge in new development and will face increasing competition from its neighbor, even as net deliveries and under-construction stock continues to expand.

Annual rent growth in Spartanburg continues to outpace historical norms and the U.S. average, though it has declined since peaks of near 14% reached in 22Q3. Investors have taken note of Spartanburg’s status as an up-and-coming, affordable industrial node though sales volume has slowed considerably so far in 2023, thanks to rising interest rates and general economic uncertainty. While consumer spending shifts toward services and away from goods could limit new logistics leasing in the coming year, the growth of manufacturing employment in the market plays a key role in the industrial real estate market here.

Source:  CoStar

NOTABLE 3Q TRANSACTIONS



3303 N Industrial Dr | Simpsonville, SC
30,000 SF
 Hunter Garrett, CCIM, SIOR, and John Staunton, SIOR



1410 Old Stage Rd, Ste 100 | Simpsonville, SC
121,000 SF
 Grice Hunt, SIOR, Clay Williams, SIOR, and Will Coker



105 Southport Rd | Spartanburg, SC
38,111 SF
 John Bauknight and John Easterling

UPSTATE SC DEMOGRAPHICS



POPULATION	HOUSEHOLDS	MEDIAN HOUSEHOLD INCOME	MEDIAN AGE	UNEMPLOYMENT RATE
1,367,218	538,950	\$60,975	40.0	4.0%

ABOUT NAI EARLE FURMAN

NAI Earle Furman (NAIEF) is the Upstate’s largest commercial real estate brokerage and property management firm that 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 NAI Piedmont Triad (based in North Carolina) joined forces to form a creative commercial real estate collaboration across state lines. Together, they 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 merging in January 2023. This strategic alliance equally benefits all three firms with additional manpower, expanded resources, and ever-evolving cross-market projects fueled by combined expertise. Learn more at www.naief.com