

3Q 2023 | OFFICE MARKET REPORT



Inventory
43,170,255 SF



Gross Rent Overall
\$23.28 ↑



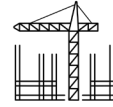
Vacancy
7.7% ↑



Availability
4M SF 9.1% ↑



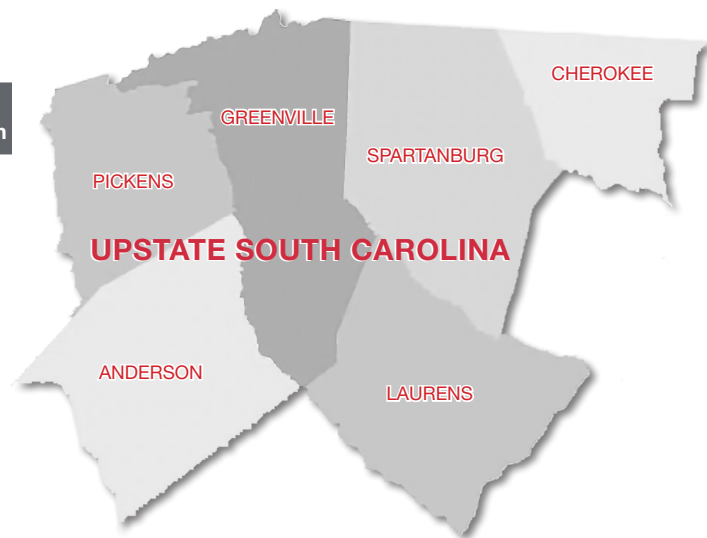
Net Absorption
(103,612) SF ↓



Under Construction | Delivered
481,000 SF | 1

OFFICE MARKET OVERVIEW

County	Inventory	Gross Rent	Vacancy	Availability	Net Absorption	Under Construction
Anderson	4.0M SF	\$19.07/SF	2.0%	2.3%	4.9K SF	13.5K SF
Cherokee	346K SF	-	-	-	-	-
Greenville	28.3M SF	\$23.42/SF	9.6%	11.9%	(174K) SF	464K SF
Laurens	904K SF	\$11.90/SF	1.0%	1.4%	4.1K SF	-
Pickens	1.9M SF	\$17.00/SF	2.6%	4.1%	(25K) SF	-
Spartanburg	7.7M SF	\$20.97/SF	3.8%	4.7%	35.9K SF	3.2K SF



OFFICE SUBMARKET HIGHLIGHTS

GREENVILLE CBD + WEST END | INVENTORY 6.6M SF

VACANCY ↑ Q3: 12.5% Q2: 12.0% RENTAL RATE ↑ Q3: \$26.32 Q2: \$26.07 ABSORPTION ↑ Q3: 57K SF Q2: (12K) SF

SPARTANBURG CBD | INVENTORY 2.5M SF

VACANCY ↓ Q3: 5.9% Q2: 6.3% RENTAL RATE ↑ Q3: \$24.72 Q2: \$23.77 ABSORPTION ↑ Q3: 12K SF Q2: (56K) SF

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UPSTATE MARKET REVIEW

Greenville's strong population and employment growth over the past decade has helped South Carolina's largest metro emerge as a notable tertiary office market. While the Greenville-Spartanburg area is known for its manufacturing and distribution prowess, Greenville's urban core has earned national attention as an example of successful downtown redevelopment, which has attracted financial services and professional firms. Vacancy rates remain below the national average, though elevated above pre-pandemic trends. While flat absorption has led to a bump in vacancy rates heading into the final months of 2023. Rent growth has also picked up, but remains below peaks seen in 2016.

Construction has been on the rise in Greenville, driven by a few large adaptive reuse and conversion projects. About 480,000

SF of office space is currently under construction, with most of that preleased.

Vacancy in the Spartanburg office market is 4.3%, which is essentially the same level it was a year ago. Vacancy has only risen 0.1% during this time. Meanwhile, the national average increased by 1.2%. During this period, 97,000 SF has delivered, and 88,000 SF has been absorbed. Total availability, which includes sublease space, is 4.7% of all inventory.

Rents are around \$21.00/SF, which is a 2.3% increase from where they were a year ago. In the past three years, rents have increased a cumulative 14.0%. Furthermore, this is a structurally inexpensive market, with average rents far below the national average of \$35.00/SF.

Source:  CoStar

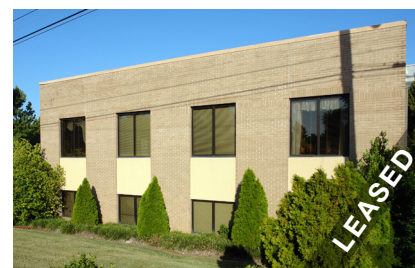
NOTABLE 3Q TRANSACTIONS



25 Woods Lake Rd. | Greenville, SC
102,110 SF
Keith Jones, SIOR, CCIM & McNeil Epps, CCIM



201 W St John St, 5th Floor | Spartanburg, SC
20,000 SF
Brian Hammond, Richard Heatly, & Dallas Wright



1809 - 1815 Wade Hampton Blvd., Ste 120 & 130 | Greenville, SC
10,344 SF
John Gray, Jr., CCIM

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 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 ever-evolving cross-market projects fueled by combined expertise. Learn more at www.naief.com