



Greenville -
Spartanburg

Office

23Q4

Key Takeaways

- Office performance remained stable
- Overall vacancy decreased and more activity is expected as interest rates stabilize
- Net absorption was positive despite the delivery of 50,000 square feet



Vacancy Rate
17.06%



Net Absorption
132.7K SF



Under Construction
0K SF



Overall Class A FSG Rent
\$26.97/SF



Vacancy decreases and activity is expected to increase

The lack of new construction is anticipated to lead to a decrease in vacancy rates for Class A and B spaces, with activity expected to increase during the next quarter following stabilizing interest rates. Overall, the market remained stable with 132,727 square feet of absorption, bringing vacancy down to 17.06%. Class A lease rates may increase in the first quarter, driven by the addition of 50,000 square feet of supply this quarter. However, the landscape of proposed projects underwent a shift, as several initiatives faded away due to the challenging lending environment and high construction costs.

Local Market Indicators



3.10%
Unemployment Rate



2.66%
GDP - Yr/Yr % Change

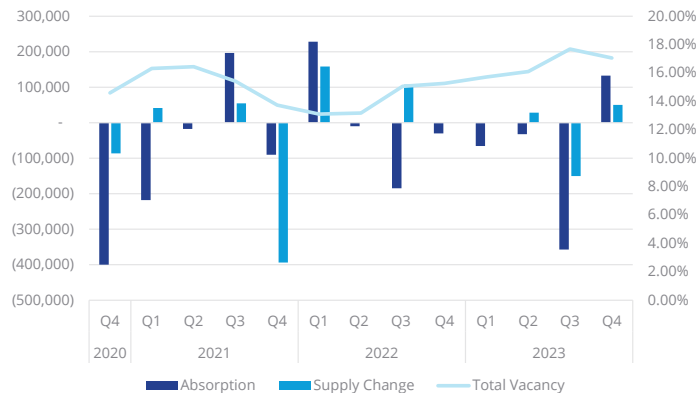


3.881%
U.S. 10 Year Treasury Note

Historic Comparison

	22Q4	23Q3	23Q4
Total Inventory (in Millions of SF)	14.7	14.6	14.6
Supply Change (in Thousands of SF)	0	-150.0	50.0
Net Absorption (in Thousands of SF)	-30.1	-357.1	132.7
Overall Vacancy	15.27%	17.69%	17.06%
Under Construction (in Thousands of SF)	0	0	0
Overall Class A FSG Lease Rates (in \$/SF)	\$27.41	\$28.51	\$28.60

Absorption, Supply Change & Vacancy Trends



Vacancy decreased to 17.06% with the absorption of 132,727 square feet and delivery of 50,000 square feet, increasing total inventory to 14,606,479 square feet. Overall Class A lease rates increased from the third quarter to \$28.60 per square foot.

Recent Transactions



Lease
55 Beattie Pl.
Greenville CBD
37.7K SF



Lease
201 W McBee Ave
Greenville CBD
12.3K SF



Lease
10 S Academy St.
Greenville CBD
5.2K SF



Sale
301 Roper Creek Dr.
I-385/I-85
5.5K SF | \$1.5M



Sale
712 Laurens Rd.
I-385/I-85
2.9K SF | \$740K



Sale
22-24 Parkway Commons Way
I-385/I-85
4.5K SF | \$625K

Vacancy decreases and activity is expected to increase

Despite the challenging lending environment and rising costs, the new United Community Bank headquarters, located at 200 E Camperdown Way, delivered 50,000 square feet in the fourth quarter which will house over 300 employees and company executives. An additional 228,000 square feet for the proposed County Square Redevelopment on University Ridge are projected to break ground in early 2024 and deliver in 2025.

Liberty Square - 55 Beattie Place



Source: Colliers

Greenville-Spartanburg Capital Investments

Q3 2023 - Q4 2023

Date	Company	Investment	Jobs	County	Industry
7/11/2023	Wenker Inc.	\$3,100,000	27	Greenville	Fabricated metal products
9/20/2023	Books For Less	\$3,900,000	20	Oconee	Wholesale book distributor
10/19/2023	Keurig Dr Pepper	\$100,000,000	250	Spartanburg	Beverage producer and distributor
10/25/2023	Mojave Energy Systems	\$4,000,000	200	Anderson	Commercial air conditioning systems
11/9/2023	Nissin Foods Company	\$228,000,000	300	Greenville	Instant ramen production
11/14/2023	ZF Transmissions Gray Court LLC	\$500,000,000	400	Laurens	OEM supplier for passenger cars, commercial vehicles and industrial technology
11/17/2023	Smurfit Kappa North America, LLC	\$68,000,000	200	Anderson	Paper-based packaging solutions
12/6/2023	APG Colors and Additives, LLC	\$6,200,000	24	Anderson	Color and additive concentrate manufacturer
12/7/2023	JTEKT Automotive South Carolina, Inc.	\$48,400,000	87	Greenville	Automotive system engineering and manufacturing
12/6/2023	APG Colors and Additives, LLC	\$6,200,000	24	Anderson	Color and additive concentrate manufacturer

Source: South Carolina Department of Commerce

Greenville-Spartanburg | Q4 2023 Office Market Summary

Colliers

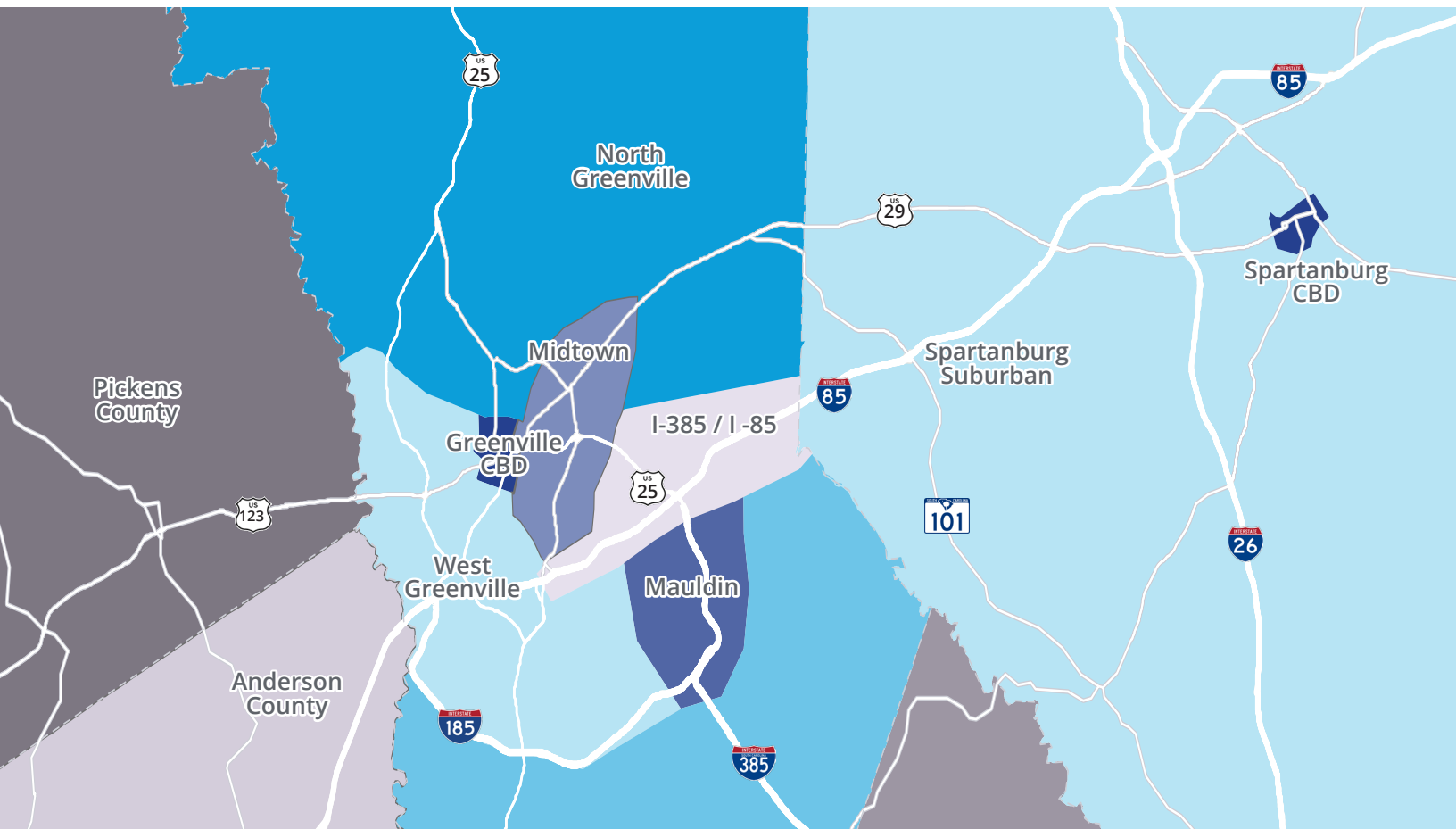
Market	Buildings	Inventory (SF)	Direct Vacant (SF)	Sublease Vacant (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Net Absorption (SF)	Average Asking Rental Rate (SF/YR)
Greenville CBD								
Class A	18	1,654,214	63,321	53,363	116,684	7.05%	37,184	\$37.95
Class B	22	1,614,949	228,865	87,674	316,539	19.60%	59,710	\$29.79
Class C	7	538,451	189,844	0	189,844	35.26%	0	\$21.03
Greenville CBD Total	47	3,807,614	482,030	141,037	623,067	16.36%	96,894	\$28.86
Spartanburg CBD								
Class A	6	462,399	38,500	-	38,500	8.33%	1,500	\$27.00
Class B	7	517,765	46,033	-	46,033	8.89%	14,397	\$25.49
Class C	5	261,056	8,769	-	8,769	3.36%	-	\$19.17
Spartanburg CBD Total	18	1,241,220	93,302	-	93,302	7.52%	15,897	\$25.52
Suburban								
Class A	43	3,677,483	698,970	47,935	746,905	20.31%	9,743	\$26.59
Class B	70	3,924,457	394,960	292,442	687,402	17.52%	31,980	\$21.37
Class C	33	1,955,705	303,071	38,368	341,439	17.46%	-21,787	\$18.89
Suburban Total	146	9,557,645	1,397,001	378,745	1,775,746	18.58%	19,936	\$23.26
Market								
Class A	67	5,794,096	800,791	101,298	902,089	15.57%	48,427	\$28.60
Class B	99	6,057,171	669,858	380,116	1,049,974	17.33%	106,087	\$24.53
Class C	45	2,755,212	501,684	38,368	540,052	19.60%	-21,787	\$19.71
Market Total	211	14,606,479	1,972,333	519,782	2,492,115	17.06%	132,727	\$24.96

Submarkets

Anderson County								
Class A	3	312,003	-	-	-	-	-	-
Class B	-	-	-	-	-	-	-	-
Class C	1	23,000	-	-	-	-	-	-
Anderson County Total	4	335,003	-	-	-	-	-	-
I-385 / I-85								
Class A	30	2,392,055	234,342	47,935	282,277	11.80%	9,743	\$24.68
Class B	32	1,751,820	193,949	76,651	270,600	15.45%	2,830	\$24.33
Class C	3	160,632	6,157	32,216	38,373	23.89%	-	\$23.50
I-385 / I-85 Total	65	4,304,507	434,448	156,802	591,250	13.74%	12,573	\$24.51
Mauldin								
Class A	6	698,781	251,498	-	251,498	35.99%	-	\$24.96
Class B	10	928,653	124,535	209,291	333,826	35.95%	-5,000	\$15.91
Class C	1	51,414	-	-	-	-	-	-
Mauldin Total	17	1,678,848	376,033	209,291	585,324	34.86%	-5,000	\$21.18
Midtown								
Class A	-	-	-	-	-	-	-	-
Class B	9	438,600	66,333	-	66,333	15.12%	4,150	\$23.84
Class C	20	1,112,175	286,719	-	286,719	25.78%	-22,903	\$18.81
Midtown Total	29	1,550,775	353,052	-	353,052	22.77%	-18,753	\$19.76
North Greenville								
Class A	-	-	-	-	-	-	-	-
Class B	4	139,170	450	-	450	0.32%	-	\$24.00
Class C	1	40,140	8,810	6,152	14,962	37.27%	-	\$20.00
N. Greenville Total	5	179,310	9,260	6,152	15,412	8.60%	-	\$20.19

Market	Buildings	Inventory (SF)	Direct Vacant (SF)	Sublease Vacant (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Net Absorption (SF)	Average Asking Rental Rate (SF/YR)
Pickens County								
Class A	1	34,714	-	-	-	-	-	-
Class B	2	53,800	-	-	-	-	-	-
Class C	-	-	-	-	-	-	-	-
Pickens County Total	3	88,514	-	-	-	-	-	-
Spartanburg Suburban								
Class A	-	-	-	-	-	-	-	-
Class B	8	427,497	9,693	-	9,693	2.27%	30,000	\$16.35
Class C	7	568,344	1,385	-	1,385	0.24%	1,116	\$8.00
Spartanburg Suburban Total	15	995,841	11,078	-	11,078	1.11%	31,116	\$15.31
West Greenville								
Class A	3	239,930	213,130	-	213,130	88.83%	-	\$30.00
Class B	5	184,917	-	6,500	6,500	3.52%	-	-
Class C	-	-	-	-	-	-	-	-
W. Greenville Total	8	424,847	213,130	6,500	219,630	51.70%	-	\$30.00

Submarket Map





\$4.5B

Annual revenue



65

Countries we operate in



\$98B

Assets under management



51,000

Lease/sale transactions



2B

Square feet managed



18,000

Professionals

In January 2021, Colliers benchmarked its office data set for South Carolina. The new standard includes all office buildings 20,000 square feet. Excluded are medical office, government-owned buildings and office condominiums. Due to the adjustments of the building inventory, comparison of data included in previously published market reports should be avoided.

About Colliers | South Carolina

Colliers | South Carolina is the largest full-service commercial real estate firm in South Carolina with 62 licensed real estate professionals covering the state with locations in Charleston, Columbia, Greenville and Spartanburg. Colliers is an Accredited Management Organization (AMO) through the Institute of Real Estate Management (IREM) and is the largest manager of commercial real estate properties in South Carolina with a portfolio of over 18 million square feet of office, industrial, retail and healthcare properties. Colliers' staff hold the most professional designations of any firm in South Carolina. Colliers | South Carolina's partner, LCK, provides project management services for new facilities and renovations across South Carolina.

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