



YoY
Chg

12-Mo.
Forecast

11.7%

Vacancy Rate



75.1K

YTD Net Absorption, SF



\$22.96

Asking Rent, PSF



(Overall, All Property Classes)

ECONOMIC INDICATORS Q4 2023

YoY
Chg

12-Mo.
Forecast

633.2K

Greenville-Spartanburg
Employment

2.9%

Greenville-Spartanburg
Unemployment Rate

3.7%

U.S.
Unemployment Rate

Source: BLS

ECONOMY: Employment Gains Continue

The Greenville-Spartanburg economy exhibited sound fundamentals in the fourth quarter of 2023. The CSA tacked on 2,400 additional jobs, pushing the total nonfarm employment to 633,200 which marks a 1.8% increase year-over-year (YOY). The persistent job gains held the unemployment rate below 3.0% for the second consecutive quarter while the national average ticked up 10 basis points (bps) to 3.7% in 2023. Despite forecasts of a rising unemployment rate through 2024, the Upstate is positioned relatively well for future economic prosperity as affordable mid-sized metros become increasingly popular during an elevated interest rate environment.

SUPPLY and DEMAND: Vacancy Rises with Soft Demand

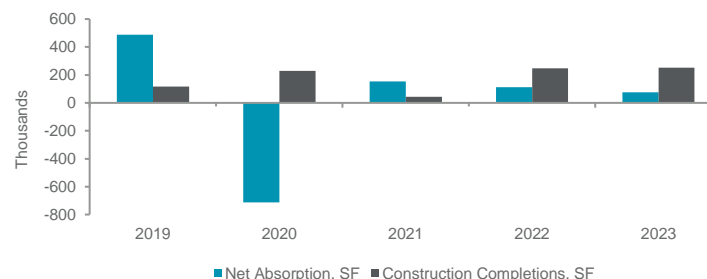
The market's overall vacancy rate climbed 30 bps in Q4 after remaining steady during the first three quarters of 2023, reaching an annual high of 11.7% due to occupancy losses spread across multiple submarkets. Supply levels in two key submarkets have trended in opposite directions throughout the year as the Greenville Central Business District (CBD) tightened by 30 bps to an overall vacancy rate of 15.5% while Southeast Greenville recorded a 130-bp increase to 13.6% in 2023. A modest climb in vacant supply is expected in the coming year as large corporations continue to reassess their space requirements for existing operations.

Demand for space was limited in Q4 with 59,000 square feet (sf) of new leasing activity measured which was largely outweighed by renewal activity. Headlining the renewal activity was the law firm Gallivan, White & Boyd, located in One Liberty Square, which signed a 37,600-sf lease to extend its occupancy within the Greenville CBD. Despite the slowdown in demand during Q4, total leasing activity (including renewals) in 2023 outpaced the 2022 annual total by 7.4%, signaling overall market resiliency.

PRICING: Class A Rents Grow while Overall Rates Fall

Asking rents receded slightly in Q4 with the overall average decreasing by 0.6% quarter-over-quarter (QOQ) to \$22.96 per square foot (psf). Class A office space asked for a 16.7% premium over Class B product on average across the market, with Class A rent growth accelerating in the Greenville CBD, reaching an average asking rate of \$30.24 psf for direct space. Tenants who have listed space for sublease asked for \$18.82 psf on average or 20.7% below the direct average of \$23.73 psf. Despite the increase in available supply over the previous four quarters, direct asking rents increased by 1.7% YOY due to increased property expenses and the cost of debt. Conversely, the average price of sublease space fell by 5.5% QOQ, or 9.2% YOY, exemplifying the growing desire of subletting tenants to attract cost-conscious occupiers while waiving potential expense recuperation.

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	5,322,515	750,212	74,146	15.5%	-34,129	230,146	198,504	118,000	\$26.53	\$28.85
Southeast Greenville	8,682,964	904,994	276,860	13.6%	-746	-121,602	251,770	0	\$21.77	\$24.01
Northeast Greenville	1,963,620	253,540	6,152	13.2%	-7,427	-7,580	39,929	0	\$19.50	-
Southwest Greenville	504,079	136,606	0	27.1%	-130	4,874	5,359	0	\$16.00	-
Northwest Greenville	363,721	1,575	1,480	0.8%	-1,480	-1,480	30,026	0	\$36.49	-
Spartanburg CBD	1,387,909	53,713	0	3.9%	974	-25,290	67,091	0	\$23.68	-
Spartanburg Suburban	1,640,494	43,042	0	2.6%	-8,988	-3,125	18,333	0	\$16.92	-
Anderson County	1,269,430	16,089	0	1.3%	-2,371	-12,043	10,527	0	\$20.19	-
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	31,212	2,300	6.7%	0	11,234	17,480	0	\$16.16	-
MARKET TOTALS	21,878,245	2,190,983	360,938	11.7%	-54,297	75,134	639,019	118,000	\$22.96	\$26.11

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q4 2023

PROPERTY	SUBMARKET	TENANT	SF	TYPE
One Liberty Square	Greenville CBD	Gallivan, White, & Boyd PA	37,654	Renewal
201 W McBee Ave	Greenville CBD	Lee & Associates	12,259	New Lease
250 Commonwealth Dr	Southeast Greenville	Bon Secours	9,520	Renewal
10 S Academy St	Greenville CBD	Vannoy Construction	5,239	Renewal
201 N Main St	Anderson County	Client First Insurance Advisors	4,902	New Lease

KEY SALE TRANSACTIONS Q4 2023

PROPERTY	SUBMARKET	SELLER BUYER	SF	PRICE \$ PSF
907 N Main St	Anderson County	Foothills Community Foundation Anderson University	47,168	\$2.9 M \$61.48
1924 Pearman Dairy Rd	Anderson County	CK Holdings, LLC Best Property Management Of Belton, LLC	26,600	\$2.0 M \$75.19
129 N Main St	Anderson County	Hughes Development Corporation McCoy Wright	14,000	\$2.1M \$150.00

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

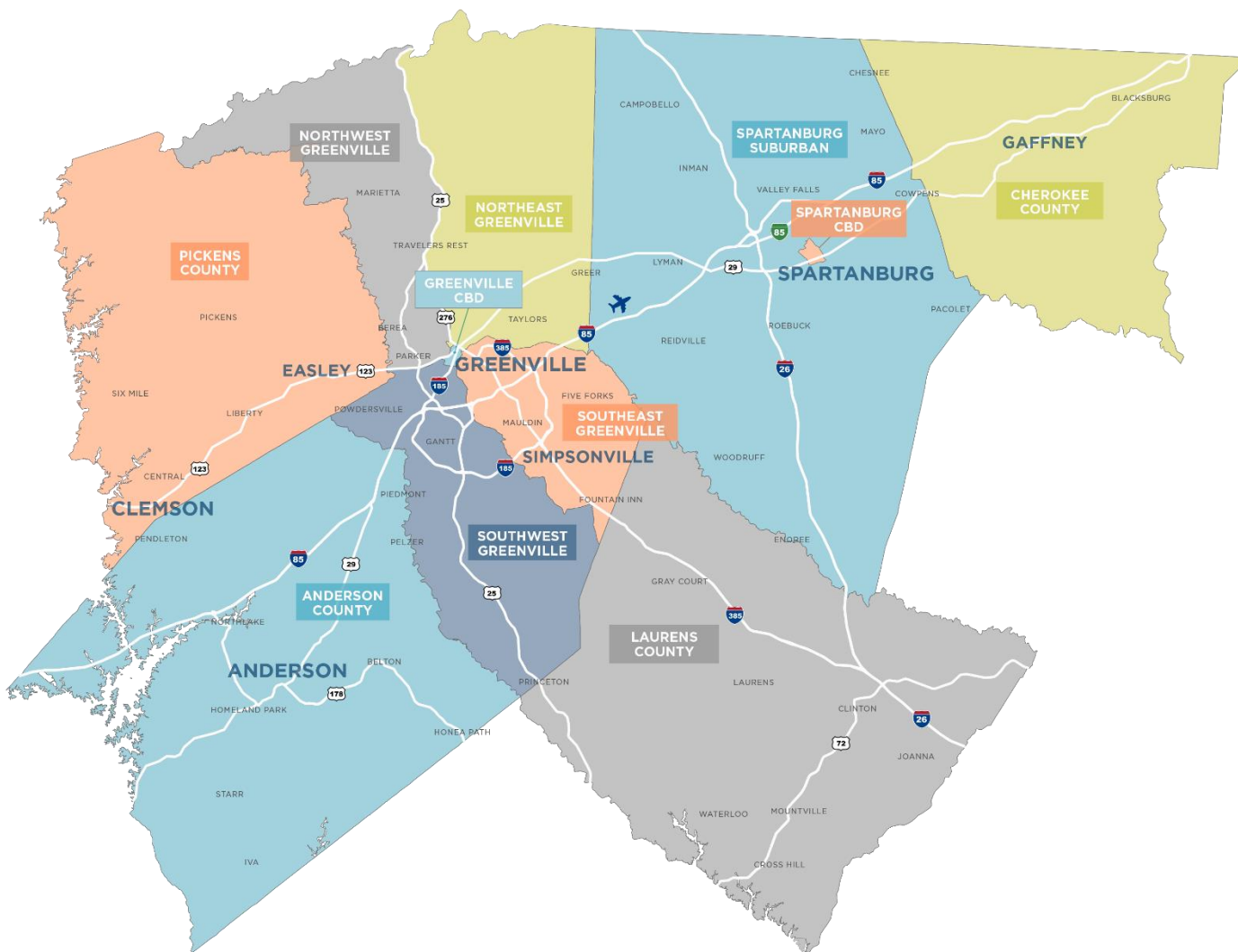
GREENVILLE, SC

Office Q4 2023



CUSHMAN & WAKEFIELD

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