

Upstate, South Carolina | Q3 2024 **OFFICE MARKET REPORT**



Upstate, South Carolina | Q3 2024

OFFICE MARKET REPORT

Market Indicators	Current Q3 2024		Prior Q2 2024	Year Ago Q3 2023
Inventory	44,275,760 SF	▲	44,175,372 SF	44,055,926 SF
Vacancy	7.4%	▼	7.8%	7.3%
Net Absorption	227,954 SF	▲	(36,645) SF	(80,727) SF
Market Rent/SF	\$22.39	▲	\$22.02	\$21.36
Availability	3.8M SF 8.6%	◀▶	3.8M SF 8.6%	3.9M SF 8.7%
Under Construction Delivered	90,044 SF 1	▼	163,966 SF 3	405,964 SF 4

OFFICE OVERVIEW

The Greenville area is often recognized for its thriving manufacturing and distribution sectors, which have garnered significant national attention. However, as the region grows into a key player in the Southeast, office-using sectors like financial and professional services have also expanded. In addition, many manufacturing and logistics companies have established administrative offices in the area.

Since 2020, Greenville, like other tertiary markets in the Southeast, has experienced robust job and population growth, with payroll jobs increasing by more than 12% over the past four years. While this job growth has helped keep office vacancies below the national average, the area has still faced challenges from changing office usage trends and slower office-using hiring. A few major leases in 2024 stabilized office absorption after a challenging 2023, but leasing activity remains about 80% of pre-pandemic levels.

Office construction in Greenville has been limited, primarily focused on build-to-suit projects for regional bank headquarters and offices, which has kept supply pressure minimal and asking rents stable. New construction starts have significantly slowed over the past year, meaning fewer new office deliveries in the near future. In Spartanburg, there is roughly 370,000 SF of available office space, with an availability rate of 4.4%. As of the end of Q3, no new office space is under construction, a sharp contrast to the average of 67,000 SF under construction annually over the past decade. The Spartanburg market includes 8.1 million SF of total inventory across various classes of office space.

Source:  CoStar

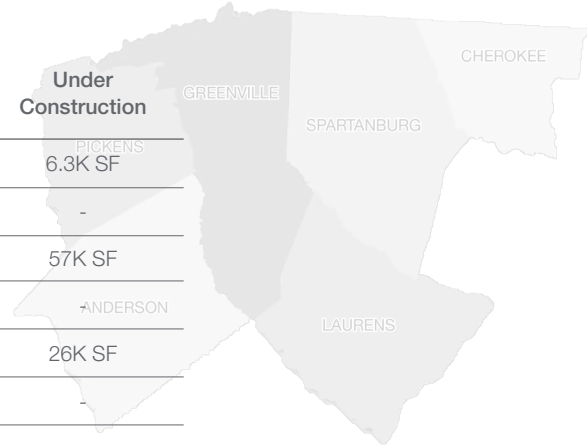
“The commercial office market in Upstate South Carolina continues to show steady, positive growth. In the third quarter of 2024, vacancy rates decreased slightly from 7.8% to 7.4% compared to the previous quarter. Asking rents have seen a modest increase throughout 2024. The amount of available space has remained relatively unchanged, consistent with trends from earlier in the year. New construction remains limited, with most projects being build-to-suit, which contributes little to the general inventory available for lease. In Greenville County, asking rents are showing slight improvement. Many landlords are facing rising operating expenses, prompting them to raise rental rates where feasible. Overall, the Upstate commercial office market is performing well, especially in comparison to many other markets across the U.S., where office demand has been more volatile.”



W. SCOTT JONES, SIOR
Shareholder
sjones@naiearlefurman.com
864.678.5921

Upstate, South Carolina | Q3 2024 OFFICE MARKET REPORT

	Inventory	Rental Rate	Vacancy	Availability	Net Absorption	Under Construction
Anderson	4M SF	\$13.68	2.1%	2.4%	24K SF	6.3K SF
Cherokee	351K SF	-	0.4%	1.0%	2K SF	-
Greenville	28.9M SF	\$23.28	10.0%	11.4%	226K SF	57K SF
Laurens	938K SF	\$10.62	1.7%	2.4%	-	-
Pickens	1.9M SF	\$12.85	1.0%	2.2%	(6K) SF	26K SF
Spartanburg	8.1M SF	\$16.82	3.5%	4.4%	(20K) SF	-



GREENVILLE CBD + WEST END | INVENTORY 6.7M SF

VACANCY Q3: 12.6%
Q2: 13.3%

RENTAL RATE Q3: \$27.72
Q2: \$27.04

ABSORPTION Q3: 35K SF
Q2: (20K) SF

SPARTANBURG CBD | INVENTORY 2.5M SF

VACANCY Q3: 3.5%
Q2: 3.1%

RENTAL RATE Q3: \$22.09
Q2: \$23.21

ABSORPTION Q3: (10K) SF
Q2: 15K SF

Source: CoStar

NOTABLE TRANSACTIONS



124 Verdae Blvd, Suite 300 | Greenville, SC
16,467 SF
Scott Jones, SIOR, John Stathakis, CCIM, & Chrestman Rainey, Jr.



803 & 819 E. North Street | Greenville, SC
13,127 SF
John Gray



601 E. River Street | Anderson, SC
9,000 SF
John Powell

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. In 2024, NAI Piedmont Triad opened its third location in Winston-Salem, NC bringing the total number of combined offices to seven. This strategic alliance equally benefits all three firms with additional manpower, expanded resources, and everevolving cross-market projects fueled by combined expertise. Learn more at www.naief.com