Colliers

Greenville - Spartanburg

Office

# 24Q4

## Key Takeaways

- Downtown Class A spaces offer minimal availability
- Tenants considering suburban spaces face relatively few constraints
- Lima One Capital's departure from County Square creates new questions for downtown construction

| | | YOY | Forecast |
|---|---|---|---|
| Vacancy Rate | 14.32% | ▲ | ▼ |
| Net Absorption | 112.4K SF | ▲ | ▼ |
| Under Construction | 56.5K SF | ▲ | ▬ |
| Overall Class A Asking Lease Rates (FSG) | $31.26/SF | ▲ | ▲ |

## Strong downtown demand pushes rent growth

The Greenville office market continued a trend of strong performance, absorbing 112,377 square feet as Class A availability in downtown spaces remains virtually nonexistent at 3.89%. Suburban spaces remain largely healthy, though larger blocks of vacancy continue to depress overall weighted rents across all classes. Lima One Capital terminated plans at the County Square development in favor of a 60,000-square-foot commitment in the under-renovation 300 E. McBee property, joining Prisma Health's headquarters. With future plans for office at County Square unclear and no new downtown construction imminent, demand pressure will continue to push Class A rents higher while boosting CBD Class B demand and competition.

## Market Indicators

**3.76%** Unemployment Rate

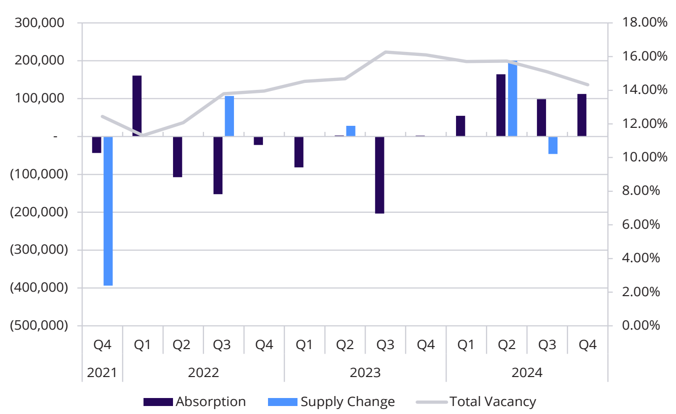
**2.25%** GDP - % change yr/yr

**4.576%** U.S. 10 Year Treasury Note

## Historic Comparison

| | 23Q4 | 24Q3 | 24Q4 |
|---|---|---|---|
| **Total Inventory (in Millions of SF)** | 14.6 | 14.6 | 14.6 |
| **Supply Change (in Thousands of SF)** | - | - | - |
| **Net Absorption (in Thousands of SF)** | 2.1 | 98.9 | 112.4 |
| **Overall Vacancy** | 16.14% | 15.10% | 14.32% |
| **Under Construction (in Thousands of SF)** | 200.0 | 56.5 | 56.5 |
| **Overall Class A Asking Lease Rates (FSG)** | $26.93 | $30.31 | $31.26 |

## Market Graph




Net absorption and vacancy both demonstrated continued improvement to 112,377 square feet and 14.32% as overall Class A lease rates grew to $31.26. Total inventory remained unchanged as the construction pipeline consists of two buildings totalling 56,466 square feet while plans evolve at County Square.

**Methodology Update:** In Q4 2024, Colliers updated its guidelines for office building classification - see last page of report for details.

## Recent Transactions

**Lease**
300 E. McBee Ave.
Greenville CBD
60.0K SF

**Lease**
269 S. Church St.
Spartanburg CBD
10.8K SF

**Lease**
32 E. Broad St.
Greenville CBD
7.7K SF

**Sale**
55 E. Camperdown Way
Greenville CBD
93.0K SF | $31.25M

**Sale**
340 Rocky Slope Rd.
I-385 / I-85
20.4K SF | $6.0M

**Sale**
1200 Brookfield Blvd.
Mauldin
152.9K SF | $13.9M

## Strong downtown demand pushes rent growth

Availability continues to slightly outpace current vacancy, particularly in Class A suburban spaces, indicating some lingering softness in the mid-range market and a strong tenant preference for downtown spaces. Availability is not a significant constraint on tenant decision-making for suburban spaces, keeping rent growth modest as plenty of larger blocks remain available. Average lease size is gradually increasing, a positive post-pandemic trend. Investment sales activity is not yet robust, but activity continues to grow with a strong slant towards value-add plays for larger properties and towards well-located single-tenant properties.

## 103 N. Main St.


*Source: Colliers*

## Greenville-Spartanburg Capital Investments

**Q1 2024 - Q4 2024**

| Date | Company | Investment | Jobs | County | Industry |
|---|---|---|---|---|---|
| 7/9/2024 | MP Husky | $11,100,000 | 35 | Greenville | Cable support and power systems manufacturer |
| 7/17/2024 | Nordson Industrial Coatings | $30,000,000 | 125 | Laurens | Industrial coatings and sealants |
| 7/17/2024 | Fenecon | $3,000,000 | 68 | Greenville | Energy storage systems manufacturer |
| 7/23/2024 | Halton MEI USA, Inc | $2,600,000 | 65 | Anderson | Indoor climate technology |
| 8/1/2024 | Carbotech USA | $3,400,000 | 35 | Spartanburg | Sawmill industry equipment manufacturer |
| 9/10/2024 | ARKU, Inc | - | 10 | Spartanburg | Sheet metal leveling |
| 9/17/2024 | Keurig Dr Pepper, Inc | $141,000,000 | 84 | Spartanburg | Producer of hot and cold beverages |
| 9/24/2024 | Smartpress | $9,600,000 | 150 | Spartanburg | Commercial online printing company |
| 10/30/2024 | Koops Automation Systems | $10,200,000 | 26 | Greenville | Custom Automation Equipment |
| 11/13/2024 | Samaritan Biologics | $5,000,000 | 85 | Greenville | Biomedical manufacturer |
| 11/14/2024 | Nestlé Prepared Foods Company | $150,000,000 | | Cherokee | Prepared foods manufacturer |
| 11/19/2024 | Milo's Tea Company | $53,000,000 | 80 | Spartanburg | Beverage manufacturer |
| 12/3/2024 | AFL | $155,000,000 | 150 | Spartanburg | Fiber optic products manufacturer |
| 12/4/2024 | Magna Drive Automotive | $200,000,000 | 200 | Greenville | Automotive component manufacturer |
| 12/9/2024 | Meyn America (SC) | $50,000,000 | 72 | Oconee | Poultry processing equipment manufacturer |

*Source: South Carolina Department of Commerce*

# Greenville-Spartanburg | Q4 2024 Office Market Summary

| Market | Buildings | Inventory (SF) | Direct Vacant (SF) | Sublease Vacant (SF) | Total Vacant (SF) | Total Vacancy Rate (%) | Total Availability Rate (%) | Net Absorption (SF) | Average Asking Rental Rate (SF/YR) |
|---|---|---|---|---|---|---|---|---|---|
| **Greenville CBD** | | | | | | | | | |
| Class A | 11 | 1,372,867 | 70,956 | - | 70,956 | 5.17% | 4.20% | 496 | $36.84 |
| Class B | 18 | 2,050,982 | 454,773 | 445 | 455,218 | 22.20% | 22.05% | 12,833 | $25.36 |
| Class C | 16 | 655,973 | 89,645 | 9,434 | 99,079 | 15.10% | 11.95% | -5,762 | $24.04 |
| **Greenville CBD Total** | **45** | **4,079,822** | **615,374** | **9,879** | **625,253** | **15.33%** | **14.42%** | **7,567** | **$28.49** |
| **Spartanburg CBD** | | | | | | | | | |
| Class A | 2 | 149,543 | 3,932 | - | 3,932 | 2.63% | 1.01% | -2,418 | $30.14 |
| Class B | 4 | 367,506 | 30,798 | - | 30,798 | 8.38% | 8.38% | -21,038 | $27.53 |
| Class C | 10 | 562,286 | 22,994 | - | 22,994 | 4.09% | 1.30% | -2,796 | $23.00 |
| **Spartanburg CBD Total** | **16** | **1,079,335** | **57,724** | **-** | **57,724** | **5.35%** | **3.67%** | **-26,252** | **$27.67** |
| **Suburban** | | | | | | | | | |
| Class A | 24 | 1,986,879 | 232,134 | 22,790 | 254,924 | 12.83% | 14.10% | 28,124 | $25.88 |
| Class B | 29 | 2,024,270 | 345,585 | - | 345,585 | 17.07% | 16.70% | 118,980 | $25.48 |
| Class C | 89 | 5,267,587 | 634,232 | 149,459 | 783,691 | 14.88% | 15.59% | -16,042 | $21.19 |
| **Suburban Total** | **142** | **9,278,736** | **1,211,951** | **172,249** | **1,384,200** | **14.92%** | **15.51%** | **131,062** | **$23.04** |
| **Market** | | | | | | | | | |
| Class A | 37 | 3,509,289 | 307,022 | 22,790 | 329,812 | 9.40% | 9.67% | 26,202 | $28.07 |
| Class B | 51 | 4,442,758 | 831,156 | 445 | 831,601 | 18.72% | 18.48% | 110,775 | $25.49 |
| Class C | 115 | 6,485,846 | 746,871 | 158,893 | 905,764 | 13.97% | 13.98% | -24,600 | $21.42 |
| **Market Total** | **203** | **14,437,893** | **1,885,049** | **182,128** | **2,067,177** | **14.32%** | **14.32%** | **112,377** | **$24.22** |

## Submarkets

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Anderson County** | | | | | | | | | |
| Class A | - | - | - | - | - | - | - | - | - |
| Class B | 1 | 238,235 | - | - | - | 0.00% | 0.00% | - | - |
| Class C | 3 | 96,768 | 7,300 | - | 7,300 | 7.54% | 7.54% | -1,300 | $16.00 |
| **Anderson County Total** | **4** | **335,003** | **7,300** | **-** | **7,300** | **2.18%** | **2.18%** | **-1,300** | **$16.00** |
| **I-385 / I-85** | | | | | | | | | |
| Class A | 23 | 1,913,834 | 232,134 | 22,790 | 254,924 | 13.32% | 14.64% | 28,124 | $25.88 |
| Class B | 16 | 685,553 | 114,522 | - | 114,522 | 16.71% | 15.61% | 51,109 | $25.56 |
| Class C | 26 | 1,700,776 | 165,692 | 80,316 | 246,008 | 14.46% | 13.16% | -27,210 | $19.32 |
| **I-385 / I-85 Total** | **65** | **4,300,163** | **512,348** | **103,106** | **615,454** | **14.31%** | **14.21%** | **52,023** | **$23.40** |
| **Mauldin** | | | | | | | | | |
| Class A | 1 | 73,045 | - | - | - | 0.00% | 0.00% | - | - |
| Class B | 10 | 996,102 | 231,063 | - | 231,063 | 23.20% | 23.20% | 67,871 | $25.94 |
| Class C | 5 | 532,746 | 68,338 | 62,991 | 131,329 | 24.65% | 42.49% | 23,324 | $18.37 |
| **Mauldin Total** | **16** | **1,601,893** | **299,401** | **62,991** | **362,392** | **22.62%** | **28.56%** | **91,195** | **$21.92** |
| **Midtown** | | | | | | | | | |
| Class A | - | - | - | - | - | - | - | - | - |
| Class B | 1 | 47,700 | - | - | - | 0.00% | 0.00% | - | - |
| Class C | 29 | 1,584,020 | 373,922 | - | 373,922 | 23.61% | 21.23% | -10,010 | $19.39 |
| **Midtown Total** | **30** | **1,631,720** | **373,922** | **-** | **373,922** | **22.92%** | **20.60%** | **-10,010** | $19.39 |
| **North Greenville** | | | | | | | | | |
| Class A | - | - | - | - | - | - | - | - | - |
| Class B | - | - | - | - | - | - | - | - | - |
| Class C | 5 | 179,310 | 9,537 | 6,152 | 15,689 | 8.75% | 8.75% | - | $14.13 |
| **N. Greenville Total** | **5** | **179,310** | **9,537** | **6,152** | **15,689** | **8.75%** | **8.75%** | **-** | **$14.13** |

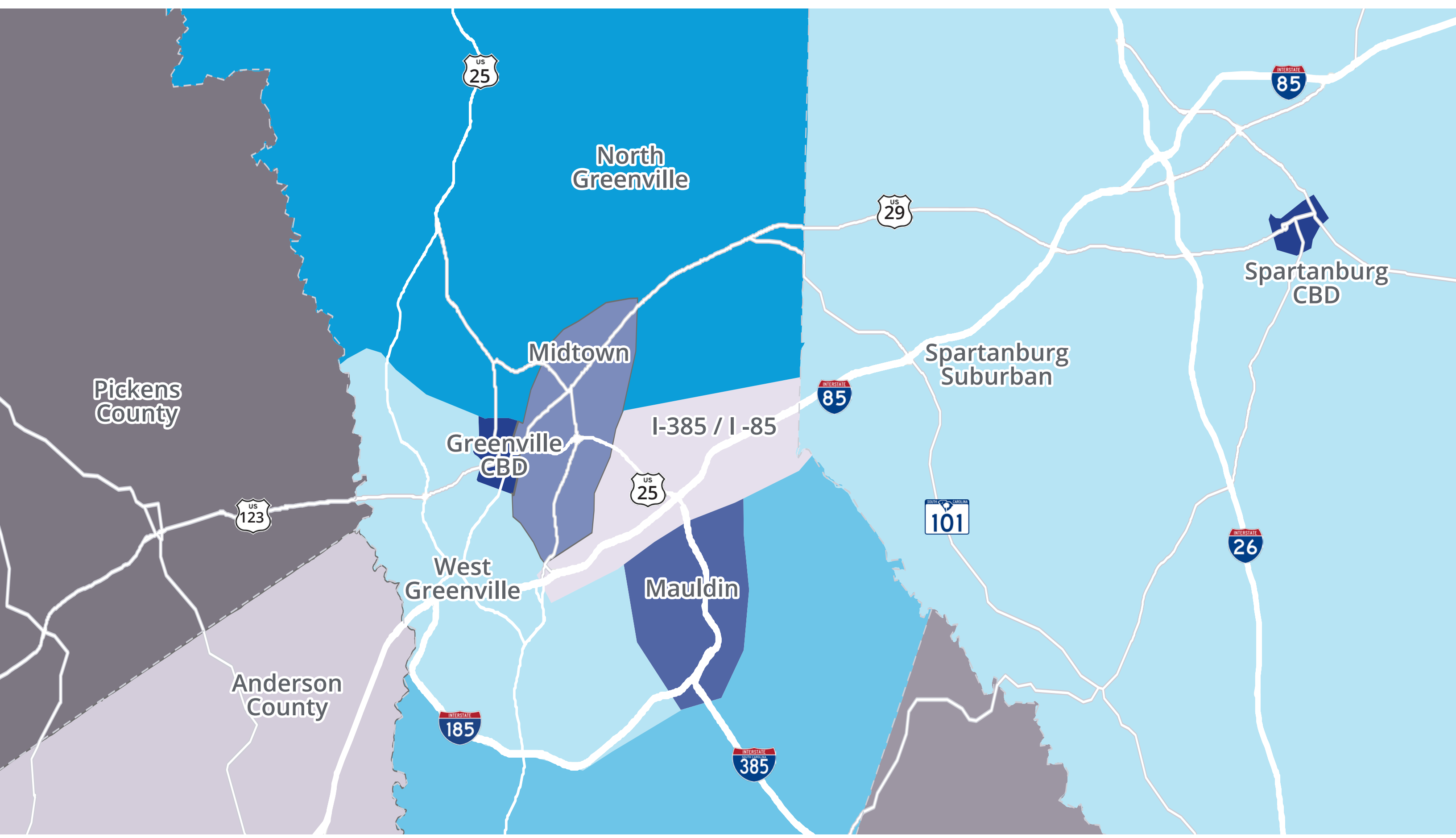
Greenville - Spartanburg

Office

# 24Q4

| Market | Buildings | Inventory (SF) | Direct Vacant (SF) | Sublease Vacant (SF) | Total Vacant (SF) | Total Vacancy Rate (%) | Total Availability Rate (%) | Net Absorption (SF) | Average Asking Rental Rate (SF/YR) |
|---|---|---|---|---|---|---|---|---|---|
| **Pickens County** | | | | | | | | | |
| Class A | - | - | - | - | - | - | - | - | - |
| Class B | - | - | - | - | - | - | - | - | $21.00 |
| Class C | 3 | 88,514 | - | - | - | 0.00% | 0.00% | - | - |
| **Pickens County Total** | **3** | **88,514** | **-** | **-** | **-** | 0.00% | 0.00% | **-** | **$21.00** |
| **Spartanburg Suburban** | | | | | | | | | |
| Class A | - | - | - | - | - | - | - | - | - |
| Class B | 1 | 56,680 | - | - | - | 0.00% | 0.00% | - | - |
| Class C | 12 | 873,736 | 9,443 | - | 9,443 | 1.08% | 1.34% | -846 | $13.39 |
| **Spartanburg Suburban Total** | **13** | **930,416** | **9,443** | **-** | **9,443** | **1.01%** | **1.26%** | **-846** | **$13.39** |
| **West Greenville** | | | | | | | | | |
| Class A | - | - | | - | | | - | - | |
| Class B | - | - | - | - | - | - | - | - | - |
| Class C | 6 | 211,717 | - | - | - | 0.00% | 0.00% | - | - |
| **W. Greenville Total** | **8** | **211,717** | **-** | **-** | **-** | **0.00%** | **0.00%** | **-** | **-** |

## Submarket Map



# 501 offices in 66 countries on 6 continents

United States: 156
Canada: 45
Latin America: 20
Asia Pacific: 41
EMEA: 112

**$4.3B**
Annual revenue

**2B**
Square feet managed

**19,000**
Professionals

Colliers' office dataset includes all office buildings greater than 20,000 square feet, excluding medical office, office condominiums and government-owned and -occupied buildings. Colliers adjusts building inventory data and classification on an ongoing basis, and comparisons should not be made to previously published market reports. In Q4 of 2024, Colliers updated guidelines for building classification. Class A buildings are prominent, well-located, professionally managed properties broadly representing the most-competitive spaces in the market, generally built within the past 20 years. Class B buildings may be somewhat older or less favorably located but can often compete with newer spaces if renovated. Class C buildings represent the oldest and least competitive properties in the market.

## About Colliers | South Carolina

Colliers | South Carolina is the largest full-service commercial real estate firm in South Carolina with 66 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 25 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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