

MARKETBEAT GREENVILLE / SPARTANBURG INDUSTRIAL Q1 2025



ECONOMY

Amid ongoing political transitions, national markets remained cautious as stakeholders monitored potential policy changes. Despite the uncertainty, Greenville-Spartanburg demonstrated resilience, rebounding from a slower previous quarter and ending Q1 with 11,800 nonfarm jobs added year-over-year. Known for its pro-business environment, low cost of living, central location and connectivity, the metro continued to attract significant investment. In Q1, major announcements included Isuzu's \$280 million investment to create over 700 jobs and GE Vernova's expansion, which will add 650 jobs.

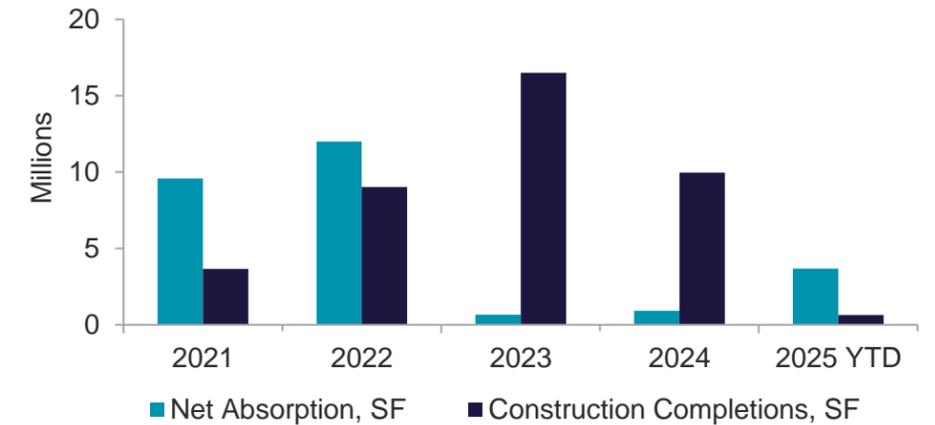
SUPPLY and DEMAND

The Greenville-Spartanburg industrial market appeared to have reached an inflection point, stabilizing after years of rapid expansion. Between 2022 and 2024, the market averaged nearly 3.0 million square feet (msf) of new deliveries per quarter, including nine buildings exceeding 1 msf each. However, demand from large users failed to keep pace, which caused the vacancy rate to spike—from just 2.0% in 2022 to a peak of 11.6% in Q4 2024. Now, the pipeline tapered to more sustainable levels, with 2.2 msf under construction and only 648,000 square feet delivered in Q1 2025. Additionally, demand gained momentum with 3.7 msf of net absorption in Q1—one of the highest quarterly gains on record—dropping the vacancy rate 120 basis points to 10.4% overall. Three previously vacant million-square-foot buildings were removed from the market through acquisitions, including the Isuzu facility, and tenants occupying space from previous quarter leases. Continuing the trend, new leasing activity remained strong in Q1, with 1.7 msf of new deals signed. With evolving government policy likely to favor domestic investment, the region is well-positioned for continued high demand as a strategic hub for manufacturing and logistics operations.

PRICING

Asking rates remained steady for the fifth consecutive quarter, ending Q1 at \$5.87 per square foot (psf). Tenants maintained leverage from elevated vacancy levels, especially in newer product. Buildings constructed before 2000 are asking an average of \$5.12 psf, while newer assets are priced at \$6.42 psf on average. As demand continues to accelerate—particularly in higher-quality product—vacancy in newer buildings is expected to tighten. This may apply downward pressure on asking rents for newer product in the short term, but it will also position landlords to command premiums on future deliveries, likely pushing overall market rates higher through 2025.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET FUNDAMENTALS

	YOY Chg	Outlook
10.4% Vacancy Rate	▲	▼
3.7M YTD Net Absorption, SF	▲	▼
\$5.87 Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▲	▬

ECONOMIC INDICATORS

	YOY Chg	Outlook
655.2K Greenville Employment	▲	▲
4.1% Greenville Unemployment Rate	▲	▲
4.1% U.S. Unemployment Rate	▲	▲

Source: BLS

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CONSTRUCTION (SF)	CONSTRUCTION COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)*	OVERALL WEIGHTED AVG NET RENT (FX)*	OVERALL WEIGHTED AVG NET RENT (W/D)*	OVERALL WEIGHTED AVG NET RENT
Anderson County	31,242,549	1,945,411	6.2%	-128,435	306,085	125,000	80,000	\$4.70	-	\$5.76	\$5.38
Cherokee County	13,012,284	1,361,772	10.5%	2,173,583	127,500	425,360	555,520	\$8.75	-	\$5.58	\$5.61
East Greenville	11,252,056	469,785	4.2%	-16,800	21,762	0	0	-	\$12.95	\$6.53	\$9.44
Greenville Downtown Industrial	3,242,457	33,568	1.0%	-6,028	0	0	0	-	\$12.27	\$9.00	\$11.44
Greer/Hwy 101 Corridor	33,075,324	4,813,020	14.6%	124,152	157,862	0	12,000	-	\$11.31	\$6.33	\$6.40
Hwy. 290 Corridor	19,397,554	4,270,028	22.0%	439,186	491,151	30,000	0	-	-	\$5.40	\$5.40
Laurens County	15,109,603	1,862,440	12.3%	201,972	70,000	0	0	-	-	\$4.85	\$4.85
Northern Greenville	20,606,186	956,863	4.6%	3,260	37,746	0	0	\$5.39	-	\$6.70	\$5.55
Northern Spartanburg	50,973,505	7,531,045	14.8%	-203,226	333,667	459,680	0	\$4.75	\$10.24	\$5.94	\$5.89
Pickens County	6,828,052	7,500	0.1%	0	0	970,569	0	-	-	\$6.50	\$6.50
South Greenville	42,169,671	3,375,067	8.0%	1,129,565	142,370	201,600	0	\$4.50	\$11.76	\$6.10	\$6.20
Southern Spartanburg	9,260,337	78,000	0.8%	-38,000	6,600	0	0	-	-	\$6.50	\$6.50
MARKET TOTALS	256,169,578	26,704,499	10.4%	3,679,229	1,694,743	2,212,209	647,520	\$4.96	\$11.97	\$5.83	\$5.87

*Rental rates reflect weighted net asking \$psf/year

MF = Manufacturing FX = Flex W/D = Warehouse/Distribution

KEY LEASE TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Port 290 Industrial Park - Building A	Hwy. 290 Corridor	PL Developments	474,240	New Lease
Spartan Enterprise Park - Building 2	Northern Spartanburg	Georgia Pacific	162,583	New Lease
1810 Easley Hwy	Anderson County	Vertiv E+I Engineering	158,520	New Lease
Tyger Ridge Logistics Center - Building 3	Greer/Hwy 101 Corridor	Draexlmaier	135,200	New Lease
Blackstock Commerce Center - Building B	Northern Spartanburg	S&S Activewear	102,060	New Lease

*Renewals not included in leasing statistics

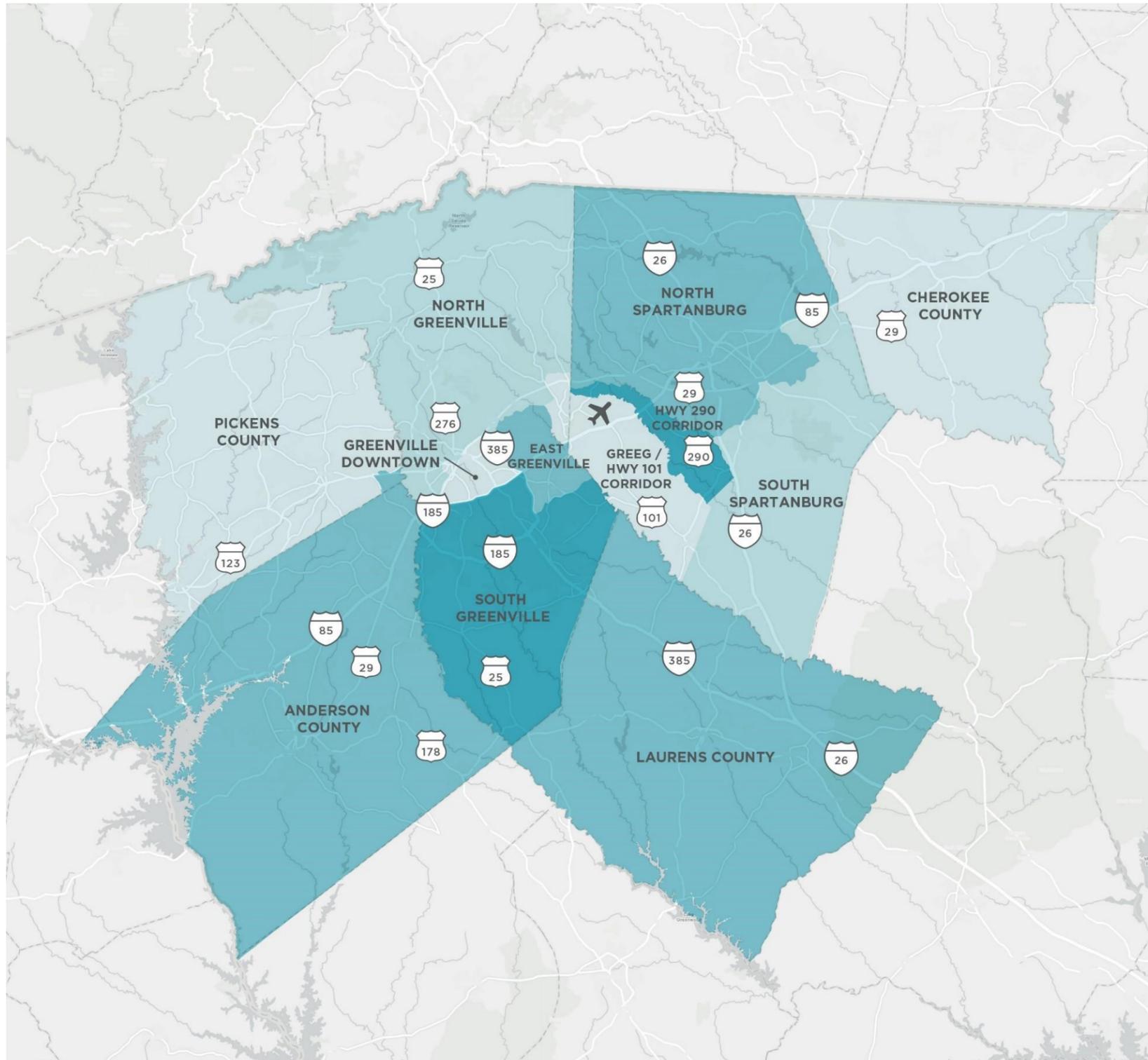
KEY SALES TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	SELLER BUYER	SF	PRICE \$ PSF
4600 S Pine St (2 Property Portfolio)	Southern Spartanburg	Kohler NorthMark Strategies	905,700	\$20.5M \$22.63
14 Commerce Dr	Cherokee County	Gibbs International Active Micro Technologies	120,000	\$6.2M \$51.67
101 Clemson Research Blvd	Anderson County	Proper Polymers APG Advisors	67,163	\$4.9M \$72.88

KEY CONSTRUCTION COMPLETIONS 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER DEVELOPER
Cherokee Commerce Center 85 - Building 2	Cherokee County	N/A	555,520	Glenstar Creek Lane Capital
Hampton Road Industrial Park	Anderson County	N/A	80,000	JTB Development, LLC

INDUSTRIAL SUBMARKETS



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