

MARKETBEAT

GREENVILLE/SPARTANBURG

OFFICE Q1 2025



MARKET FUNDAMENTALS

	YOY Chg	Outlook
11.1% Vacancy Rate	▼	▲
-69.1K YTD Net Absorption, SF	▼	▬
\$23.60 Asking Rent, PSF <small>(Overall, All Property Classes)</small>	▲	▬

ECONOMIC INDICATORS

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

Source: BLS

ECONOMY

As 2025 began, Greenville-Spartanburg remained a standout market nationally amid shifting economic and political conditions. Out of more than 100 tracked metros, the region ranked sixth for year-over-year (YOY) total job growth, with employment rising 1.7%. Both the financial activities and professional & business services sectors contributed equally, each growing 1.7% YOY. With its rising national profile, strong quality of life, and affordable cost of living, Greenville-Spartanburg is well-positioned for sustained economic expansion.

SUPPLY and DEMAND

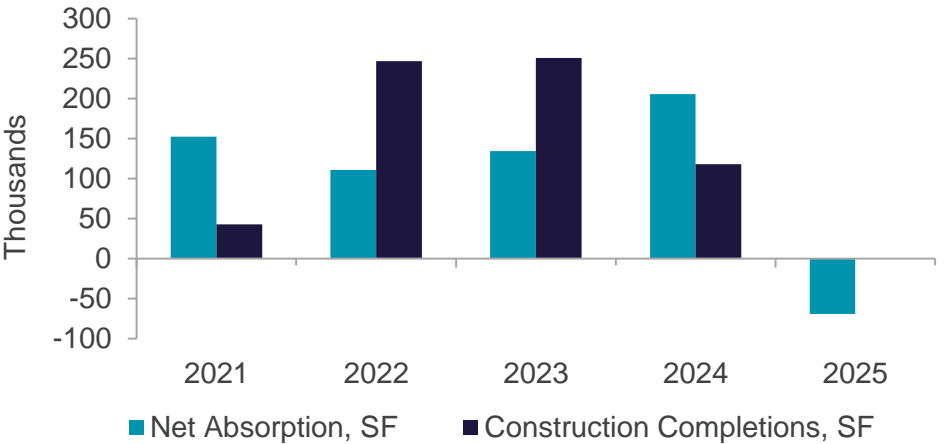
Greenville-Spartanburg reported a slight uptick in office vacancy in Q1, which rose 30 basis points (bps) quarter-over-quarter (QOQ) to 11.1% overall. The increase was primarily concentrated in Class B space, which noted a 70-bp rise to 14.7%, reflecting continued flight-to-quality trends. Tenants have increasingly prioritized smaller, higher-quality office space in urban cores with strong surrounding amenities, shifting away from larger footprints. This was reflected in Greenville’s Central Business District (CBD) Class A vacancy, which remained extremely tight at just 1.9%. With no new supply in the pipeline, vacancy in this submarket is expected to tighten further, pushing tenant demand into surrounding areas with more available options.

Overall leasing activity slowed in Q1, with just over 96,000 square feet (sf) of new leases signed, down 49.9% from the 2024 quarterly average of approximately 192,000 sf. As availability in the CBD remained limited, demand started to spill into adjacent submarkets, evidenced by Greenville CBD and Southeast Greenville accounting for 90.0% of all new leasing activity across the metro. Nonetheless, softening demand and space consolidation efforts led to negative net absorption of nearly 62,000 sf in Q1, driven by large tenants returning excess space to better align with evolving workplace strategies.

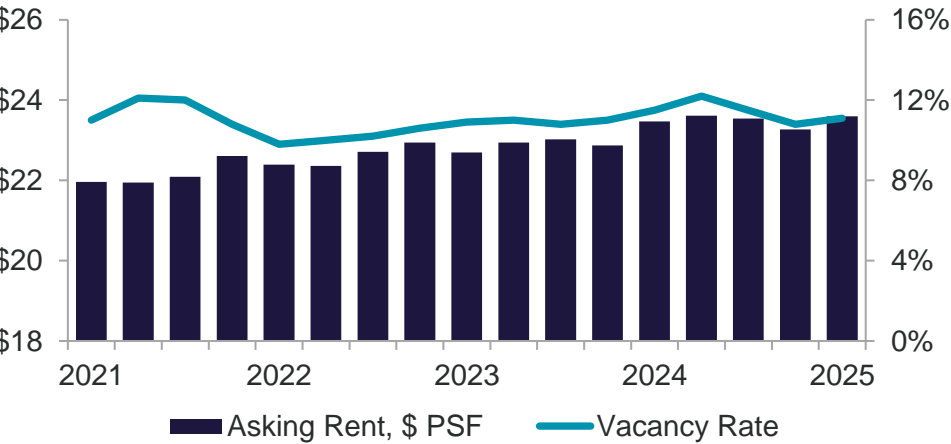
PRICING

Average asking rents increased slightly QOQ to \$23.60 per square foot (psf), staying close to the 2024 average. As Class A availability tightened, most of the remaining inventory was lower-tier product. This pulled average Class A asking rents down to \$26.41 psf, narrowing the gap with Class B rates at \$24.25 psf. The spread has nearly halved since Q1 2022. However, this does not reflect true demand, as Greenville CBD Class A asking rates rose 12.3% QOQ to a record \$38.51 psf, driven by scarcity and continued demand for top-tier space.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CONSTRUCTION (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Greenville CBD	5,279,800	767,976	12,673	14.8%	-61,987	-61,987	38,060	0	\$27.69	\$38.51
Spartanburg CBD	1,387,909	51,173	0	3.7%	-4,517	-4,517	0	0	\$25.63	\$27.00
Anderson County	1,269,430	24,137	0	1.9%	8,000	8,000	0	0	\$16.91	-
Cherokee County	102,730	0	0	0.0%	0	0	0	0	-	-
Laurens County	137,920	0	0	0.0%	0	0	0	0	-	-
Northeast Greenville	1,963,620	228,043	9,700	12.1%	1,373	1,373	9,622	0	\$19.67	-
Northwest Greenville	461,603	27,005	5,000	6.9%	6,986	6,986	0	0	\$27.14	-
Pickens County	502,863	8,807	0	1.8%	0	0	0	0	\$15.75	-
Southeast Greenville	8,721,952	892,181	243,890	13.0%	-31,564	-31,564	48,503	0	\$22.32	\$25.87
Southwest Greenville	504,079	130,536	0	25.9%	0	0	0	0	\$16.00	-
Spartanburg Suburban	1,640,494	32,087	0	2.0%	12,609	12,609	0	0	\$17.69	-
GREENVILLE TOTALS	21,972,400	2,161,945	271,263	11.1%	-69,100	-69,100	96,185	0	\$23.60	\$26.41

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q1 2025

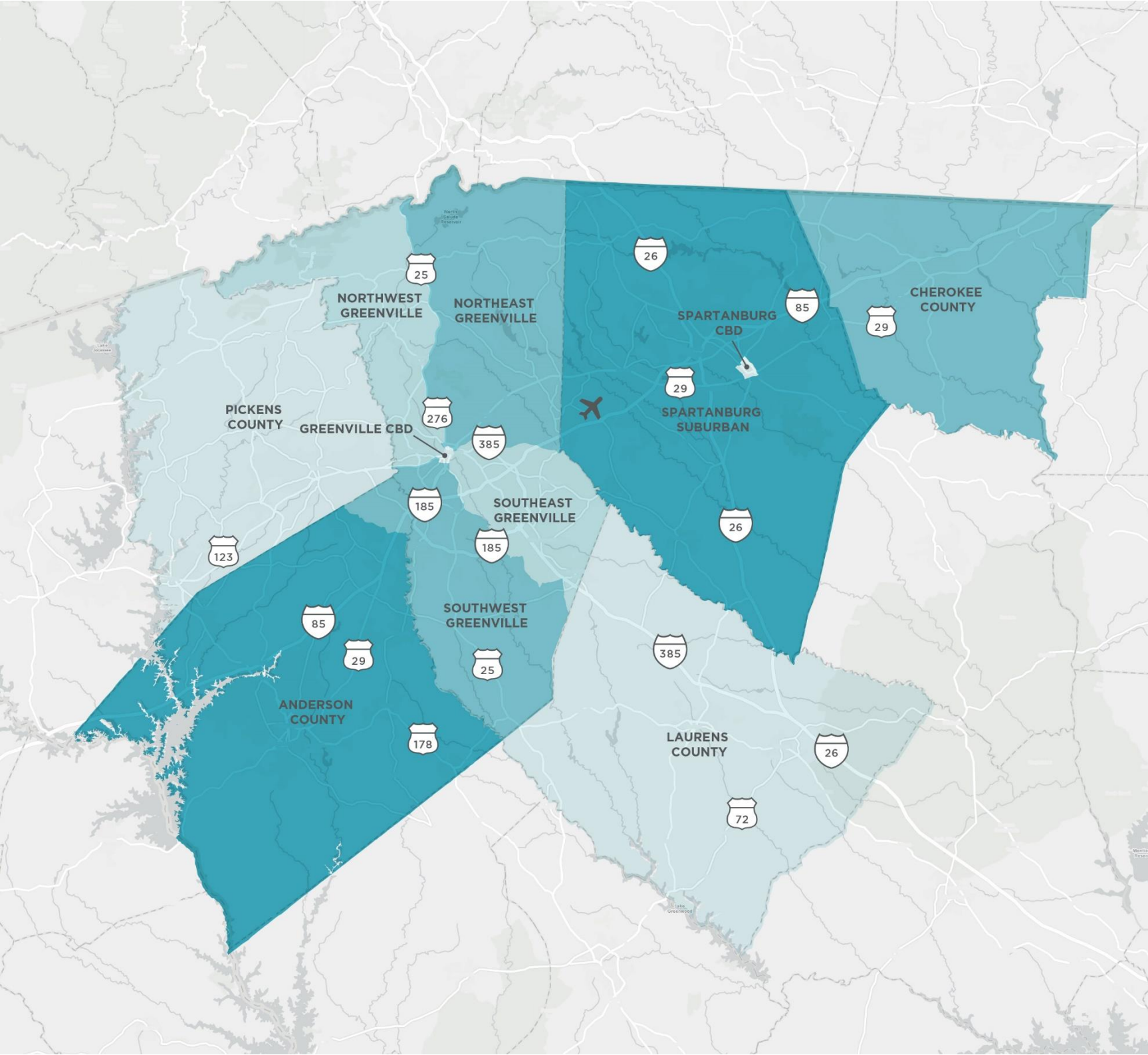
PROPERTY	SUBMARKET	TENANT	SF	TYPE
Two Liberty Square	Greenville CBD	Newrez	75,000	Renewal
2 Independence Pointe	Southeast Greenville	Safe-Guard	30,273	New Lease
The Field House at West End	Greenville CBD	First Bank of the Lake	15,020	New Lease
One Liberty Square	Greenville CBD	Undisclosed	14,000	New Lease
317 St. Francis Dr	Southwest Greenville	Bon Secours St. Francis Health System, Inc.	11,368	New Lease
Piedmont Center West	Southeast Greenville	South Carolina Learns	11,021	New Lease

*Renewals not included in leasing statistics

KEY SALE TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	SELLER BUYER	SF	PRICE \$ PSF
O'Neal Building	Southeast Greenville	O'Neal Inc. Carroll Daniel Construction Company	86,280	\$12.2M \$141.40
The Merit Group Building	Spartanburg Suburban	The Merit Distribution Group Nicolas Gonzalez	31,498	\$3.4M \$107.94

OFFICE SUBMARKETS



NICK DIPAOLA
Senior Research Analyst, Carolinas
Tel: +1 704 916 4445
Nicholas.DiPaola@cushwake.com

JP PRICE
Research Manager, Carolinas
Tel: +1 704 335 4433
jp.price@cushwake.com

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