

The Upstate | Q3 2025 INDUSTRIAL MARKET REPORT



“The Upstate industrial market is entering a new era of stability. With 12-month deliveries reaching ~2.2 million SF and vacancy rates holding at a healthy ~5.7%, the region continues to benefit from its strategic location along the I-85 corridor. The Automotive and Packaging groups continue to show their need for space as many look to relocate to the SouthEast. While net absorption has softened slightly to 1.6 million SF, demand remains resilient—especially for large-box distribution space. As construction slows and the pipeline thins, we’re expecting tighter market conditions to drive renewed rent growth heading into 2026.”

Drew Stamm | Shareholder | dstamm@naiearlefurman.com | 864.678.5996

INDUSTRIAL OVERVIEW

South Carolina’s Upstate remains a premier destination for manufacturers and distributors, particularly those tied to the automotive industry near BMW’s Plant Spartanburg. After a historic supply wave adding over 11 million SF since 2023, the market is stabilizing with steady vacancy rates and rebounding leasing activity. Spartanburg has seen over 10 million SF in 12-month leasing—up 20% from last quarter—driven by a mix of logistics and manufacturing tenants like DHL, Eaton, and ZF Chassis Systems. New construction has slowed considerably, with most space preleased. While large-format buildings still hold higher availability, rates are improving, and smaller spaces remain tight. Affordable rents—nearly 30% below regional peers—continue to attract tenants. As supply eases and demand persists, the Upstate industrial market is positioned for gradual tightening and sustained long-term growth.

Industrial Trends


Vacancy Rate

Q3



YOY



Market Asking Rent/SF

Q3



YOY



Absorption SF (Qtr)

Q3



YOY



Under Construction

Q3



YOY



Market Indicators

	Current Q3 2025	Year Ago Q3 2024	5 Year Average
Vacancy Rate	8.0%	8.8%	6.1%
12 Mo. Absorption SF	7.0 M	4.2 M	6.2 M
Absorption SF (Qtr)	1.8 M	0.4 M	1.2 M
12 Mo. Delivered SF	0.6 M	1.6 M	8.5 M
Mkt Asking Rent Growth (YOY)	3.8%	7.9%	8.3%
Market Asking Rent/SF	\$6.67	\$6.42	\$5.75
Market Sale Price/SF	\$69.00	\$63.00	\$61.25
12 Mo. Sales Volume	\$563.1 M	\$717.5 M	\$886.8 M
Market Cap Rate	8.6%	8.8%	8.2%
Months on Market	7.8	7.5	8.9

Inventory

	Current Q3 2025	Year Ago Q3 2024	5 Year Average
Existing Buildings	1,628	1,610	1,563
Existing SF	255.1 M	249.1 M	232.3 M
Construction Starts SF	0.3 M	0.9 M	2.2 M
Under Construction SF	0.9 M	7.2 M	10.2 M

Data for 30,000+ SF Industrial Properties

Source:  CoStar

Industrial

INDUSTRIAL OVERVIEW - COUNTY

	Inventory	Rental Rate	Vacancy	Availability	Net Absorption	Under Construction
Anderson	36.5M SF	\$5.49	4.6%	3.3%	157K SF	110K SF
Cherokee	15.1M SF	\$4.69	23.0%	29.6%	210K SF	-
Greenville	84.4M SF	\$5.94	6.5%	7.8%	(315K) SF	393K SF
Laurens	15.8M SF	\$5.04	5.9%	11.3%	13K SF	95K SF
Pickens	7.7M SF	\$8.67	2.3%	5.6%	43K SF	748K SF
Spartanburg	122M SF	\$5.37	10.9%	12.3%	1.6M SF	2M SF

Source:  CoStar

NOTABLE TRANSACTIONS



1704 Poplar Drive | Greer, SC
51,596 SF
Hunter Garrett, CCIM, SIOR, John Staunton, SIOR, and Josh Kenyon

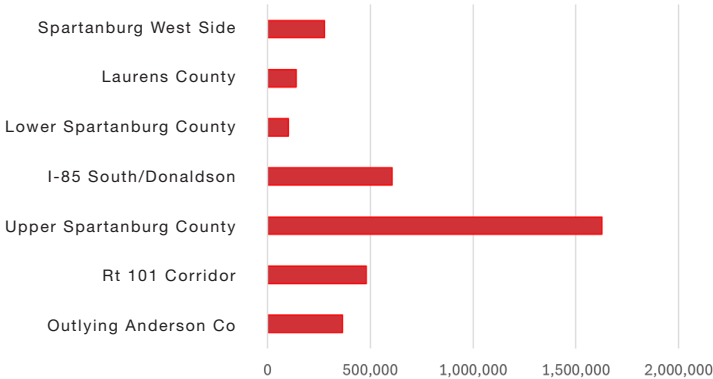


1698 Perimeter Road | Greenville, SC
51,000 SF
Drew Stamm and Ben Duncan

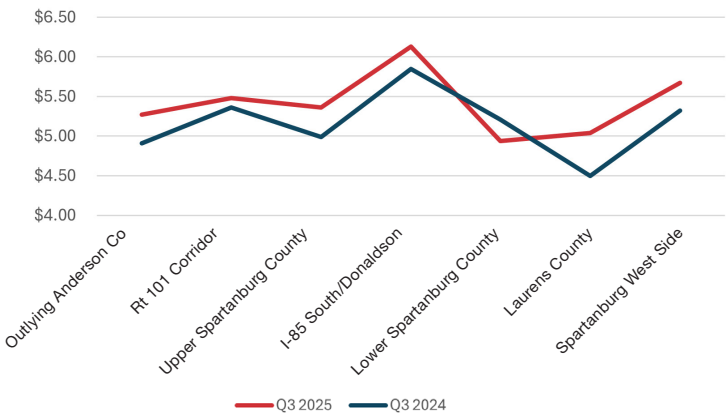


122 Johns Road | Greer, SC
8,750 SF
Brennan Stonerock and Alex Campbell, CCIM

FEATURED SUBMARKETS LEASING ACTIVITY



FEATURED SUBMARKETS RENT



ABOUT NAI EARLE FURMAN

NAI Earle Furman (NAIEF) is a leading commercial real estate brokerage and property management firm in the Upstate of South Carolina, delivering superior results for over 30 years. With three Upstate offices, NAIEF provides creative solutions, fostering a culture of collaboration, drive, and innovation through its unique shareholder-owned structure. Committed to the community, the NAIEF team are experts dedicated to improving the Upstate market. In 2017, NAIEF partnered with NAI Piedmont Triad (NC), further expanding in 2019 by joining NAI Columbia (SC Midlands), officially merging in January 2023. This strategic alliance enhances resources and expertise across all three firms. Learn more at www.naief.com