2025 YTD Absorption Outpaces Record 2022

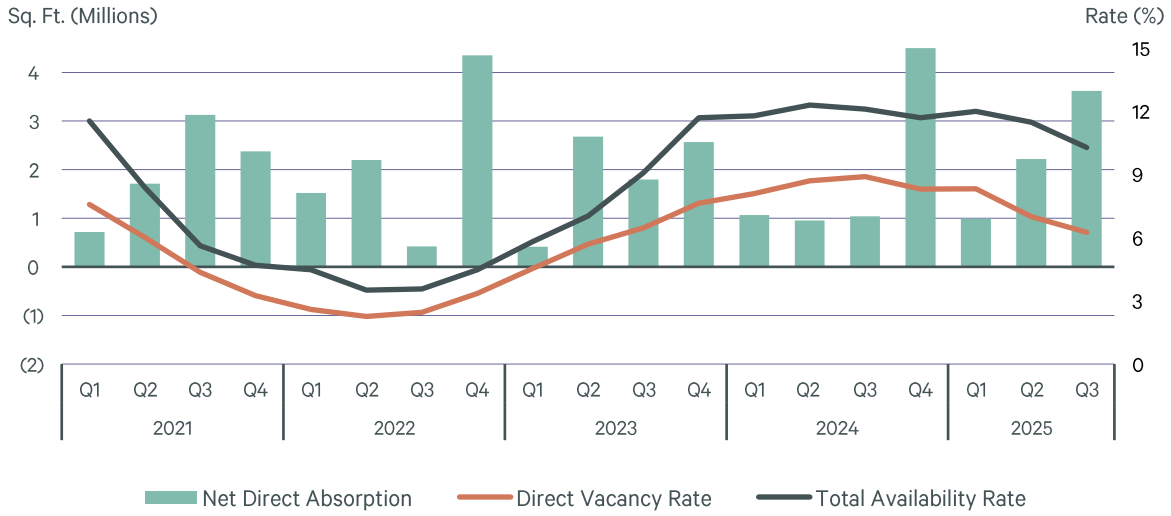
▼ 6.3%	▼ 10.29%	▲ 3.6M	▼ 1.4M
*Direct Vacancy Rate	**Total Availability Rate	Sq. Ft. Direct Net Absorption	Sq. Ft. Under Construction

Note: Arrows indicate change from previous quarter.

MARKET SUMMARY

- The Greenville-Spartanburg industrial market demonstrated continued health in Q3, driven by strong absorption, significant leasing activity, and a notable decrease in vacancy rates, particularly in Class A properties.
- SPEC construction pipeline continue to soften, with only 1,120,623 sq. ft. of construction starts year-to-date.
- Leasing activity surged, with nearly 4 million sq. ft. leased across 35 deals. This surge was fueled by a mix of new leases, including significant commitments by DHL and Valvoline, driving the year-to-date leasing to 9,584,639 sq. ft. This represents a 66% increase year-over-year from 2024's 5,755,527 sq. ft.
- Supported by a revised, modestly positive GDP growth outlook and expected rate cuts, the U.S. commercial real estate market is poised for recovery, underscored by stable Treasury yields and increased investment volumes.

FIGURE 1: Historical Supply & Demand



Source: CBRE Research, Q3 2025

Market Fundamentals

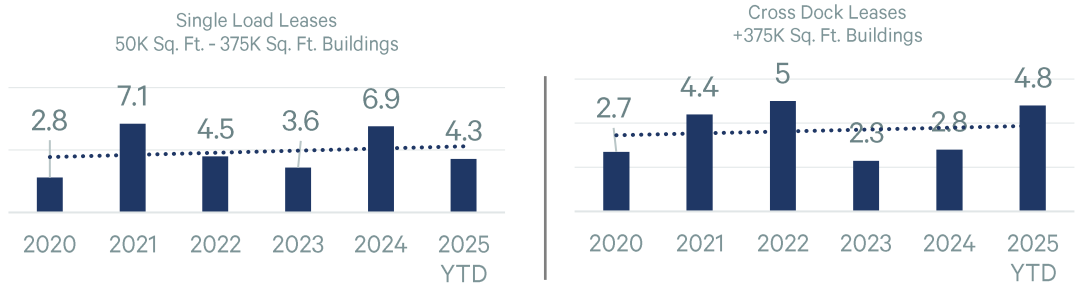
Market performance thrived in Q3, building upon a solid first half of 2025. Net absorption remained positive, with 3,624,374 sq. ft. absorbed during the quarter, bringing the year-to-date total to an impressive 6,839,374 sq. ft. This year-to-date absorption marks a 65% increase compared to the 4,317,811 sq. ft. recorded by Q3 2022. That year ultimately set a record for absorption at 8,455,969 sq. ft. This new occupancy was fueled by significant recent leasing activity, including DHL's two new leases: 1,009,962 sq. ft. at 7039 Spartan Enterprise Drive and 917,694 sq. ft. at 520 Logistics Drive Road. Notable move-outs occurred at 212 National Ave and 2706 White Horse Rd, totaling 92,340 sq. ft. and 88,650 sq. ft. respectively, but the overall positive absorption contributed to a significant decline in the direct vacancy rate. The direct vacancy rate decreased by 125 bps to 6.27%, its lowest level since Q3 2022. Class A vacancy also saw substantial improvement, dropping to 9.37% from the previous quarter's 12.91%, and significantly down from Q3 2024's peak of 17.55%. Overall, the market exhibited stable fundamentals, characterized by net-new occupancy, robust leasing activity, and declining vacancy rates, primarily within the Class A sector. As vacancy has come down from its high, this will likely apply upward pressure in the coming quarters, leading to a rise in rates. Class A striking rates maintained a positive streak quarter over quarter, moving to $5.92 from $5.90. The overall striking rate also improve from the previous quarter, from $5.62 to $5.71.

Leasing Activity

Leasing activity in the Greenville-Spartanburg (GSP) market continued momentum in Q3 with 3,900,469 sq. ft. leased across 35 deals, marking its strongest quarter since Q4 2024's 6,411,892 sq. ft. This positive performance brought the year-to-date leasing total to 9,584,639 sq. ft. across 118 leases, surpassing the entirety of 2024's deal count of 117. The leasing landscape was primarily comprised of new deals, with 30 new leases ranging from 1,500 to 1,009,637 sq. ft., averaging 121,152 sq. ft. in size with a median of 26,250 sq. ft.. Notably, 21 of these new deals were smaller, under 100,000 sq. ft., averaging 18,626 sq. ft. and with a median of 8,831 sq. ft.

The quarter's 4 largest deals were achieved by the previously mentioned DHL leases, alongside Valvoline Oil Co.'s commitment to 368,280 sq. ft. at 1771 Victor Hill Road and an undisclosed tenant's lease of 257,040 sq. ft. at 1633 Perimeter Road. Leasing activity was further supported by 5 renewals, Ingram Micro, Inc.'s renewal of 132,707 sq. ft. being the largest.

FIGURE 2: Historical Lease Velocity: Single Load versus Cross Dock**



- 2021 was led by single load leases followed by cross dock leasing increasing in 2022 to meet logistic and warehouse demand.
- Activity in 2023 slowed due to economic uncertainty and high interest rates; however, 2024 ended with record activity during its last quarter.

***Note: Charts exclude all deals under 50,000 square feet from the Single Load category.*

Source: CBRE Research, Q3 2025

FIGURE 3: Notable Leases Signed

Property Name	Address	Type	Tenant	Area
Spartan Enterprise Park – Building 1	7039 Spartan Enterprise Dr	New	DHL	1,009,637
MID-85 - Building 2	520 Logistics Drive Rd	New	DHL	917,694
Tyger Ridge Logistics Center – Building 4	1771 Victor Hill Rd	New	Valvoline Oil Co.	368,280
Willimon Business Park – Building C	1633 Perimeter Rd	New	Undisclosed	257,040
Coats and Clark	8 Shelter Dr	Renewal	Ingram Micro, Inc.	132,707

Source: CBRE Research, Q3 2025

Development & Investment Activity

Two build-to-suit (BTS) projects completed this quarter, which included the BMW Expansion on Freeman Farm Road and the delivery of Speedway Park Building 3, collectively totaling 577,344 sq. ft.. These contributed to the quarter's 3.6 million sq. ft. of absorption. The SPEC pipeline expanded with the addition of two buildings in the newly established Magnolia Grove Business Park, totaling 181,596 sq. ft. and are scheduled to be completed by mid-2026. Despite this new activity, the overall construction pipeline is softening, with the volume of speculative under construction development now at 1,429,063 sq. ft..

Investment activity was marked by significant transactions. Institutional investor Grander Capital Partners acquired a 471,913 sq. ft. manufacturing facility in Fountain Inn for $34,000,000, and MDH Partners invested $33,250,000 in a 336,850 SF warehouse at a 5.3 cap on current inplace income in Piedmont. Additionally, RealOp Investments secured a 430,700 sq. ft. property in Duncan for $33,050,000. These deals, alongside numerous others, demonstrated heavy investor interest in the region's industrial real estate. Total sale volume reached a substantial $285,153,883, reflecting a highly active market fueled by a mix of institutional, private equity, and private investor participants.

Economic Outlook

CBRE has revised its U.S. growth outlook upward, a shift from the more pessimistic view held in the spring. Greater clarity around trade policy and private sector resilience should equate to 1.6% GDP growth this year. Much of this growth should be frontloaded as higher inflation—peaking in the low-3% range by early 2026—creates some headwinds during the latter half of this year. The labor market is flashing important signals such as falling job openings and weak hiring by firms.

Despite the modest growth outlook and expectations for further rate cuts, 10-year Treasury yields are holding steady in the low 4% range. A combination of higher inflation and excessive U.S. debt levels should keep yields near this level through 2027. This environment—with Treasury yields fluctuating between 4% and 4.5% and moderate economic growth—is fostering some recovery in commercial real estate (CRE) capital markets. Investment volumes are on track to exceed 2023 and 2024 levels.

FIGURE 4: Completed and Under Construction Speculative Deliveries 2025

Size Range (Sq. Ft.)	Buildings	Total Sq. Ft.	Average Sq. Ft.	Leased Sq. Ft.	Leased %	% of Total
<375k	8	1,028,967	128,620	0	0.0%	50.2%
375,001 – 600K	0	0	0	0	0.0%	0.0%
>600K	1	1,020,195	1,020,195	0	0.0%	49.8%
Totals	**9**	**2,049,162**	**227,684**	**0**	**0.0%**	**100.0%**

FIGURE 5: New Speculative Deliveries in 2024

Size Range (Sq. Ft.)	Buildings	Total Sq. Ft.	Average Sq. Ft.	Leased Sq. Ft.	Leased %	% of Total
<375K	34	7,860,318	224,779	5,887,250	23.2%	44.7%
375,001 – 600K	8	3,165,650	446,706	2,214,050	0.0%	18.0%
>600K	6	6,563,708	1,093,951	3,435,768	47.7%	37.3%
Totals	**48**	**17,779,860**	**370,414**	**11,537,068**	**35.1%**	**100.0%**

FIGURE 6: New Speculative Deliveries in 2023

Size Range (Sq. Ft.)	Buildings	Total Sq. Ft.	Average Sq. Ft.	Leased Sq. Ft.	Leased %	% of Total
<375K	8	1,688,821	211,103	0	0.0%	25.8%
375,001 – 600K	2	1,115,760	557,880	0	0.0%	17.1%
>600K SF	5	4,412,484	882,497	0	0.0%	57.1%
Totals	**14**	**6,543,145**	**467,368**	**0**	**0.0%**	**100.0%**

Sources: CBRE Research, Q3 2025

Q3 2025 Greenville-Spartanburg Industrial Statistics

By Submarket	Inventory (Sq. Ft.)	Direct Vacancy (%)	Sublease Available (%)	Total Availability (%)	Avg Asking Lease Rate (per Sq. Ft. NNN)	Under Construction (Sq. Ft.)	YTD 2025 Total Direct Absorption (Sq. Ft.)	Q3 2025 Direct Net Absorption (Sq. Ft.)
Anderson County	29,464,111	5.1	0.0	5.6	$4.18	60,000	568,553	(22,250)
Cherokee County	2,752,353	20.2	0.0	20.2	-	0	0	0
Greenville County*	95,190,957	4.2	1.0	6.8	$6.08	500,063	123,460	204,255
Central Greenville	*15,822,864*	*7.9*	*0.8*	*9.9*	*$5.85*	*0*	*(141,598)*	*(42,275)*
I-385 South	*23,118,569*	*5.1*	*1.0*	*9.1*	*$6.77*	*146,367*	*(159,995)*	*(33,941)*
I-85 East	*10,248,083*	*5.7*	*2.2*	*9.0*	*$6.65*	*75,000*	*(92,713)*	*(41,226)*
I-85 West	*25,688,956*	*1.9*	*1.6*	*5.3*	*$6.02*	*278,196*	*555,432*	*331,697*
Taylors-Greer	*16,719,065*	*2.8*	*0.0*	*2.9*	*$3.88*	*0*	*(27,666)*	*0*
Travelers Rest	*3,593,330*	*0.5*	*0.0*	*0.5*	*$7.25*	*0*	*0*	*0*
Laurens County	14,241,093	5.3	0.1	8.6	$6.00	0	70,000	0
Pickens	2,330,591	2.2	0	2.2	$9.00	267,840	469,920	227,500
Spartanburg County*	103,394,608	8.4	5.1	18.3	$5.90	951,004	2,359,289	1,470,164
Spartanburg East	*25,683,609*	*7.7*	*0.0*	*8.2*	*$5.33*	*0*	*1,118,186*	*999,962*
Spartanburg West	*77,710,999*	*8.6*	*6.9*	*17.3*	*$6.04*	*601,160*	*4,489,402*	*2,214,907*
Market Totals	247,601,213	6.27	2.56	10.29	$5.74	1,429,063	6,839,521	3,624,374

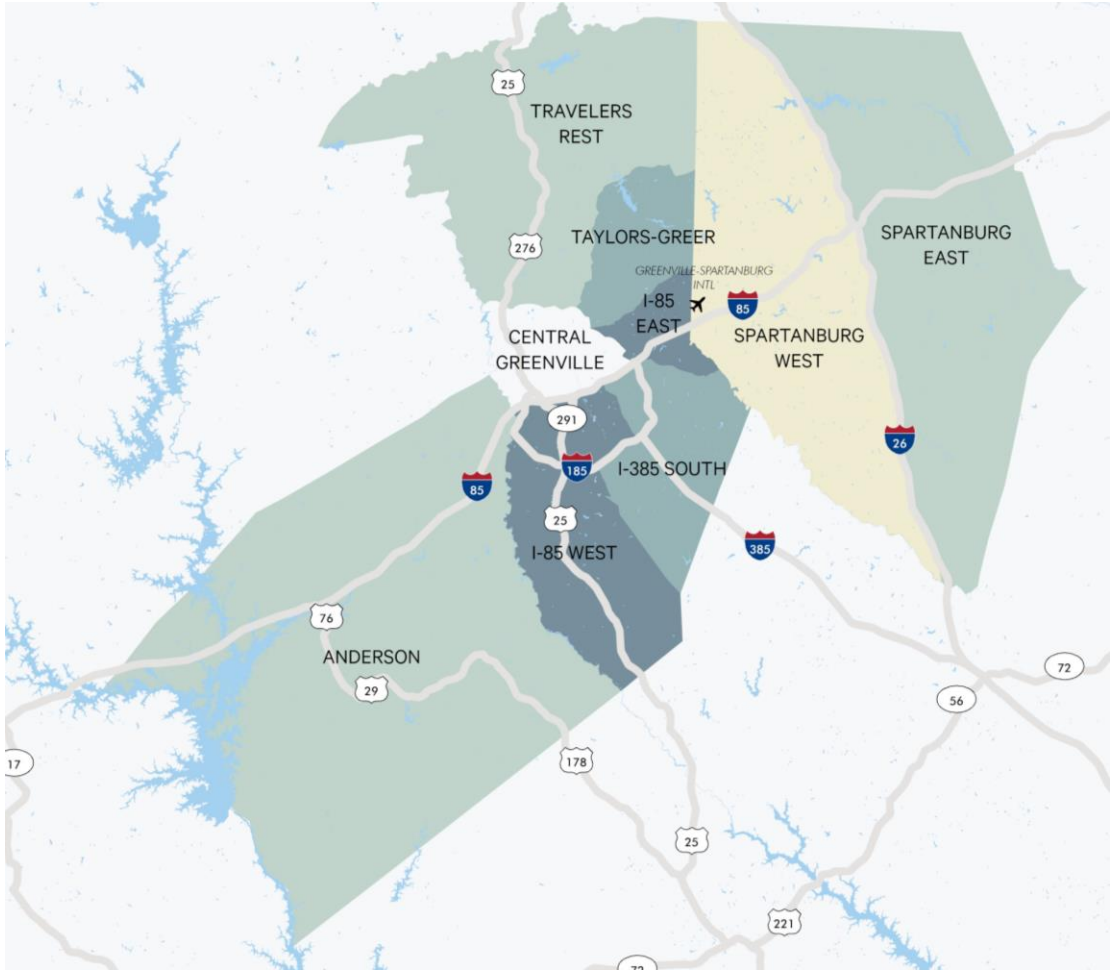
*Greenville County and Spartanburg County lines are subtotals of the submarkets included within them.

By Property Subtype	Inventory (Sq. Ft.)	Direct Vacancy (%)	Sublease Available (%)	Total Availability (%)	Avg Asking Lease Rate (per Sq. Ft. NNN)	Under Construction (Sq. Ft.)	YTD 2025 Total Direct Absorption (Sq. Ft.)	Q3 2025 Direct Net Absorption (Sq. Ft.)
Manufacturing	103,114,680	2.7	0.4	4.0	$4.84	-	(604,849)	(239,816)
R&D/Flex	7,532,734	8.0	0.4	11.9	$7.62	-	(2,309)	(6,982)
Warehouse/Distribution	136,953,799	8.9	4.3	14.9	$5.87	1,429,063	7,446,679	3,871,172

By Property Class	Inventory (Sq. Ft.)	Direct Vacancy (%)	Sublease Available (%)	Total Availability (%)	Avg Asking Lease Rate (per Sq. Ft. NNN)	Under Construction (Sq. Ft.)	YTD 2025 Total Direct Absorption (Sq. Ft.)	Q3 2025 Direct Net Absorption (Sq. Ft.)
Class A Warehouse/Dist.	73,196,556	11.8	6.7	20	$6.14	1,131,467	7,728,766	3,894,652
Class B Warehouse/Dist.	34,082,740	3.2	1.5	7.9	$5.46	297,596	13.508	400

Source: CBRE Research, Q3 2025

Market Area Overview



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Survey Criteria

The CBRE, Inc. Industrial MarketView report provides statistics based on a revised set of inventory consisting of industrial properties in the following submarkets: Anderson, Central Greenville, I-385 South, I-85 East, I-85 West, Laurens County, Pickens, Spartanburg East, Spartanburg West, Taylors-Greer and Travelers Rest. All properties are industrial properties greater than 10,000 sq. ft. Absorption is counted when the lease is signed and is not based on physical occupancy; when a building delivers, preleases are counted as absorption in the quarter of delivery. Historical data is reflective of the current set of inventory rather than previously published report figures and is subject to revision as additional information becomes available.

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