Upstate South Carolina

Q4 2022 | OFFICE MARKET REPORT



*ANDERSON, CHEROKEE, GREENVILLE, LAURENS, PICKENS, & SPARTANBURG COUNTIES

INVENTORY
43,082,029 SF

VACANCY
7.1% ↑

AVAILABILITY
3,764,383 SF ↑
8.6%

BUILDINGS DELIVERED
3 ↑

NET ABSORPTION
(206,701) SF ↓

GROSS RENT OVERALL
$22.74 ↑

BUILDINGS UNDER CONSTRUCTION
16
774,988 SF

NAI Earle Furman 101 E Washington Street, Ste. 400 | Greenville, SC 29601

Source: CoStar

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SPARTANBURG CBD

INVENTORY: 2.4 M SF

VACANCY	=	Q4: 4.4% Q3: 4.4%
ABSORPTION 12 Month Net Absorption SF	^	Q4: 244 SF Q3: (49 K) SF
RENTAL RATE Gross Rent	v	Q4: $17.52 Q3: $22.89

GREENVILLE CBD + WEST END

INVENTORY: 6.5 M SF

VACANCY	^	Q4: 10.8% Q3: 10.2%
ABSORPTION 12 Month Net Absorption SF	v	Q4: (44 K) SF Q3: 89 K SF
RENTAL RATE Gross Rent	^	Q4: $25.75 Q3: $25.04

UPSTATE MARKET REVIEW

Construction is on the rise in Greenville, driven by a few large adaptive reuse and conversion projects. About 690,000 SF of office space is currently under construction in Greenville. Vacancy rates remain below the national average, though elevated above pre-pandemic trends. Positive absorption through the first three quarters of 2022 has brought vacancies down from peaks reached a year prior. Rent growth picked up in the first half of 2022 but remains below peaks seen in 2016.

Investors have taken advantage of Greenville's strong fundamentals and higher yields. About $277 million has closed in the market over the past 12 months, though sales activity slowed amid rising interest rates and general economic uncertainty.

Office rents in the Spartanburg Market were rising at a 2.9% annual rate during the first quarter of 2022, and have posted an average annual gain of 3.3% over the past three years. In addition to 55,000 SF that has delivered over the past three years (a cumulative inventory expansion of 0.7%), there is 81,000 SF currently underway.

Source: CoStar

NOTABLE Q4 TRANSACTIONS



SOLD

Andrew Babb and John Bauknight sold a ±4,400 SF office building located at 100 Willow Ln, Spartanburg, SC



LEASED

Scott Jones, SIOR and John Stathakis, II, CCIM, and Tom Daniel, CCIM leased ±4,843 SF (suite 202) at 124 Verdae Blvd, Greenville, SC



LEASED

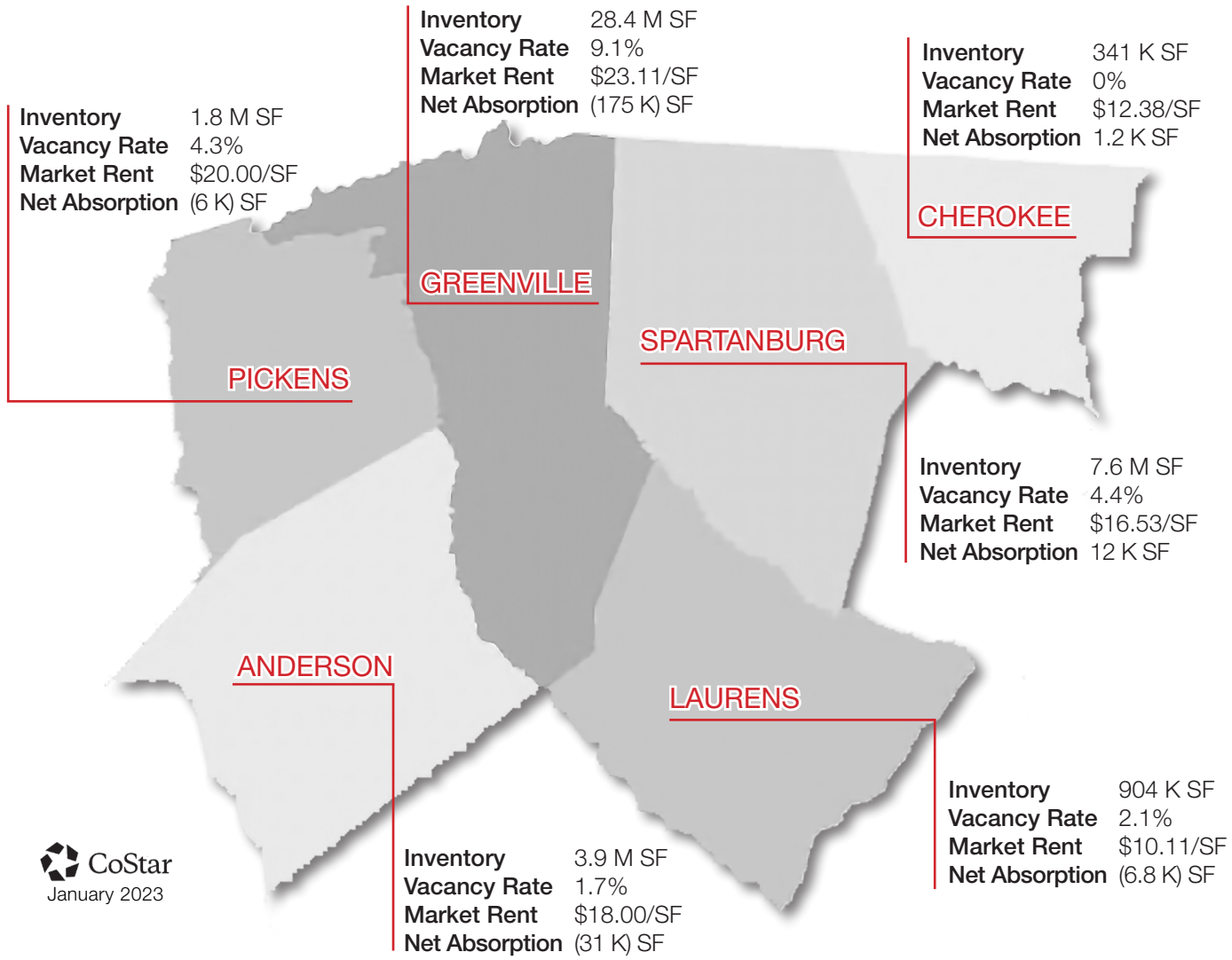
Keith Jones, SIOR, CCIM and McNeil Epps, CCIM leased ±3,884 SF (suites 104 and 204) at 600 E North St, Greenville, SC

UPSTATE SC DEMOGRAPHICS

POPULATION	HOUSEHOLDS	MEDIAN HOUSEHOLD INCOME	MEDIAN AGE	UNEMPLOYMENT RATE
1,350,711	530,721	$62,022	39.8	3.7%

esri

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ABOUT NAI EARLE FURMAN

NAI Earle Furman (NAIEF) is the Upstate's largest commercial real estate brokerage and property management firm and has been providing superior results to its clients for over thirty years. With three Upstate offices, NAIEF delivers creative solutions to ensure client success while promoting a culture of collaboration, drive, and innovation. The company's unique shareholder-owned structure creates an engaging environment which thrives on mentorship and common goals. Invested in the community and its people, the NAIEF team is committed to being experts in the field of commercial real estate and improving the Upstate market through its wide range of quality client services.

In 2017, NAI Earle Furman and North Carolina's NAI Piedmont Triad joined forces to form a creative commercial real estate collaboration across state lines. The teams expanded their market footprint in 2019 by partnering with the newly rebranded NAI Columbia (formerly Avant) group operating in the South Carolina Midlands, and later merged in January 2023. This strategic alliance equally benefits all three firms with additional manpower, expanded resources, and ever-evolving cross-market projects fueled by combined expertise. Learn more at **www.naief.com**