UPSTATE SOUTH CAROLINA

1Q 2023 | OFFICE MARKET REPORT

Inventory
43,404,239 SF

Gross Rent Overall
$23.36 ▲

Vacancy
7.0% ▼

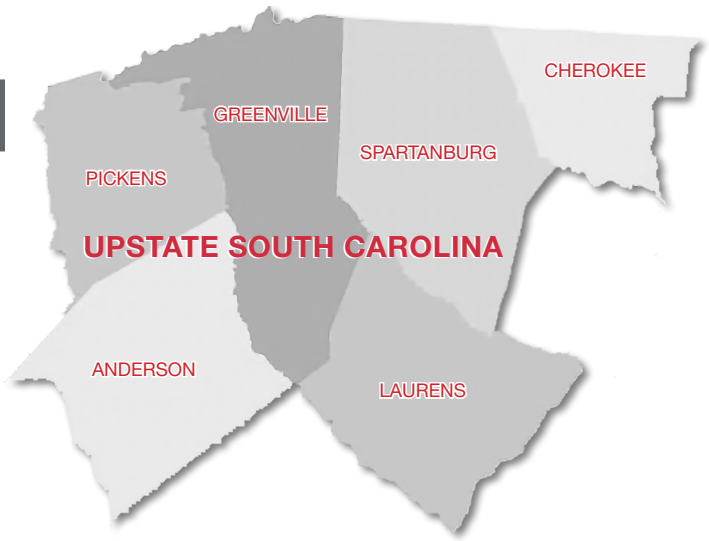
Availability
3.7M SF 8.1% ▼

Net Absorption
45,827 SF ▲

Under Construction | Delivered
1,676,925 SF | 2

OFFICE MARKET OVERVIEW

County	Inventory	Gross Rent	Vacancy	Availability	Net Absorption	Under Construction
Anderson	4.0M SF	$12.38/SF	2.3%	3.3%	(19K) SF	14K SF
Cherokee	346K SF	$12.38/SF	0.3%	1.0%	1.2K SF	-
Greenville	28.6M SF	$23.60/SF	8.9%	9.9%	71K SF	1.6M SF
Laurens	904K SF	$10.11/SF	2.2%	2.2%	(6.7K) SF	-
Pickens	1.9M SF	$20.00/SF	3.9%	6.3%	(4K) SF	-
Spartanburg	7.6M SF	$17.59/SF	4.4%	5.1%	673 SF	78K SF



OFFICE SUBMARKET HIGHLIGHTS

GREENVILLE CBD + WEST END | INVENTORY 6.4M SF

VACANCY ▲ Q1: 12.1% Q4: 10.9%

RENTAL RATE ▲ Q1: $26.25 Q4: $25.75

ABSORPTION ▼ Q1: (78K) SF Q4: (43K) SF

SPARTANBURG CBD | INVENTORY 8.2M SF

VACANCY ▼ Q1: 4.5% Q4: 5.0%

RENTAL RATE ▲ Q1: $14.53 Q4: $12.76

ABSORPTION ▼ Q1: (79K) SF Q4: (44K) SF

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UPSTATE MARKET REVIEW

Greenville's strong population and employment growth over the past decade has helped South Carolina's largest metro emerge as a notable tertiary office market. Vacancy rates remain below the national average, though elevated above pre-pandemic trends. While a few move outs led to a temporary bump in vacancy rates heading into 2023, though longer term positive absorption brought vacancies down from peaks reached in early 2021. Rent growth has also picked up, but remains below peaks seen in 2016. Construction is also on the rise in Greenville, driven by a few large adaptive reuse and conversion projects. About 1.6 million SF of office space is currently under construction. Construction is on the rise in Greenville, driven by a few large adaptive reuse and conversion projects. About 1.6 million SF of office space is currently under construction.

Investors have taken advantage of Greenville's strong fundamentals and higher yields. About $221 million has closed in the market over the past 12 months, though sales activity slowed amid rising interest rates and general economic uncertainty in later 2022 into early 2023.

Office rents in the Spartanburg market were rising at a 3.1% annual rate during the second quarter of 2023, and have posted an average annual gain of 3.7% 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 78,000 SF currently underway. Vacancies in the metro were somewhat below the 10-year average as of 2023Q2, and trended slightly down over the past four quarters.

Source: CoStar

NOTABLE 1Q TRANSACTIONS



120 Dillon Drive | Spartanburg, SC
17,744 SF
Steve Wunder, Keith Jones, SIOR, CCIM, McNeil Epps, CCIM, & Will Williamson



736 E. Main St. & 122 Oakwood St., Ste 101 | Spartanburg, SC
3,887 SF
Katherine Fulmer



1016 Woods Crossing Rd | Greenville, SC
27,140 SF
John Gray, Jr., CCIM

UPSTATE SC DEMOGRAPHICS

POPULATION	HOUSEHOLDS	MEDIAN HOUSEHOLD INCOME	MEDIAN AGE	UNEMPLOYMENT RATE
829,470	**331,048**	**$61,913**	**37.9**	**2.6%**

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**