Colliers

Greenville Spartanburg

Retail 23Q1

Key Takeaways

- Vacancy continued to decrease below levels year-over-year and quarter-over quarter
- Absorption increased to 8.7 thousand square feet
- Lease rates increased with 103.8 thousand square feet under construction

		YOY	Q2 Forecast
Vacancy Rate	3.17%	▼	▼
Net Absorption	8.7K SF	▲	▲
Under Construction	103.8K SF	▼	▬
Overall Shop Space Rent	$22.88/SF	▲	▲

Organic Growth Drove Quarterly Retail Performance Improvement

Vacancy continued to decline to the lowest levels in decades, however, the rate of decrease slowed quarter-over-quarter. Lease rates increased and absorption returned positive from Q4 2022. Construction increased from Q4 2022 to 103.8 thousand while lack of deliveries kept total inventory flat. Greenville-Spartanburg experienced an average in-migration of 42 people per day between 2010 and 2022, driving organic and inflation-adjusted growth of 27.25%. This growth along with Q1 2023 metrics indicated a healthy retail environment for the Greenville-Spartanburg area.

Local Market Indicators

3.10% Unemployment Rate

1.04% GDP - Quarterly % Change Yr/Yr

3.471% U.S. 10 Year Treasury Note

Historic Comparison

	22Q1	22Q4	23Q1
Total Inventory (in Millions of SF)	27.6	28.4	28.4
Supply Change (in Thousands of SF)	22.1	0	0
Net Absorption (in Thousands of SF)	-48.8	-52.2	8.7
Overall Vacancy	3.45%	3.20%	3.17%
Under Construction (in Thousands of SF)	123.4	71.6	103.8
Overall NNN Lease Rates (in $/SF)	$18.92	$18.71	$22.88

Absorption, New Supply & Vacancy Trends

Vacancy decreased year-over-year and quarter-over-quarter and remains near all time lows. No new supply was delivered in the study area this quarter; however, 103.8 thousand square feet are under construction. Positive absorption was minimal while lease rates continued to increase.

Recent Transactions

Sale
3093 S Highway 14
Pelham Road
57.2K SF | $8.5M

Sale
5606 Calhoun Memorial Hwy.
Easley
21.9K SF | $2.8M

Sale
1 E Butler Rd.
Mauldin
11.3K SF | $5.1M

Lease
3050 White Horse Rd.
Augusta Road
11.2K SF

Lease
1036 N Pleasantburg Dr.
Wade Hampton (Taylors)
5.2K SF

Lease
31 S Main St.
Main Street
4.3K SF

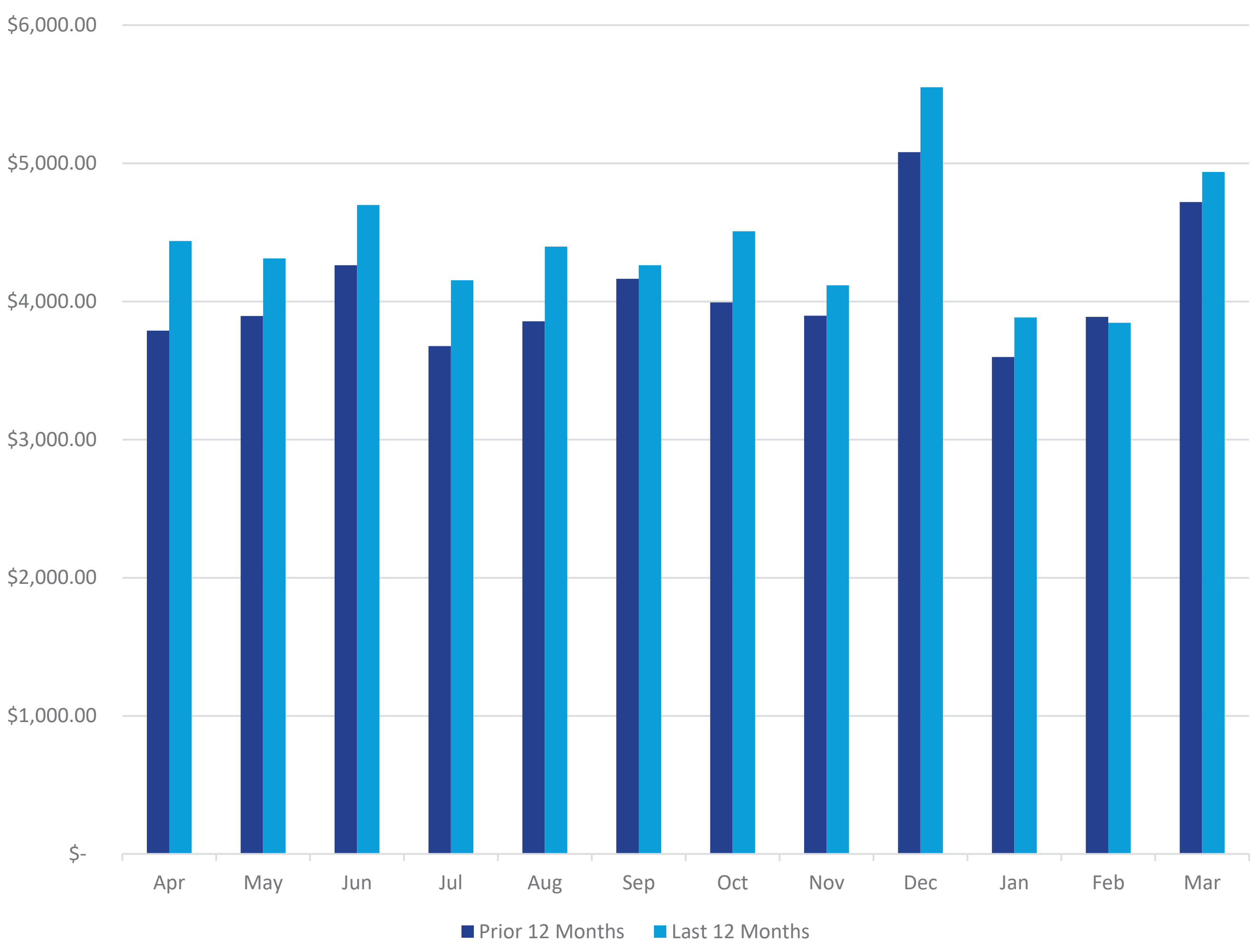
Source: CoStar, Colliers

Organic Growth Drove Quarterly Retail Performance Improvement

With reduced deliveries for the past several quarters, retail expansion was found mostly outside of traditional Greenville and Spartanburg nodes. This theme was largely observed with grocery anchored centers following residential growth in surrounding submarkets. Consumer patterns and hybrid working schedules have reinforced the need for brick and mortar grocery in suburban areas amidst the increase of e-commerce alternatives. The consistent attraction for groceries continued to support satellite retail operations in grocery anchored centers.

Year over Year Gross Retail Sales (Millions)

Greenville-Spartanburg

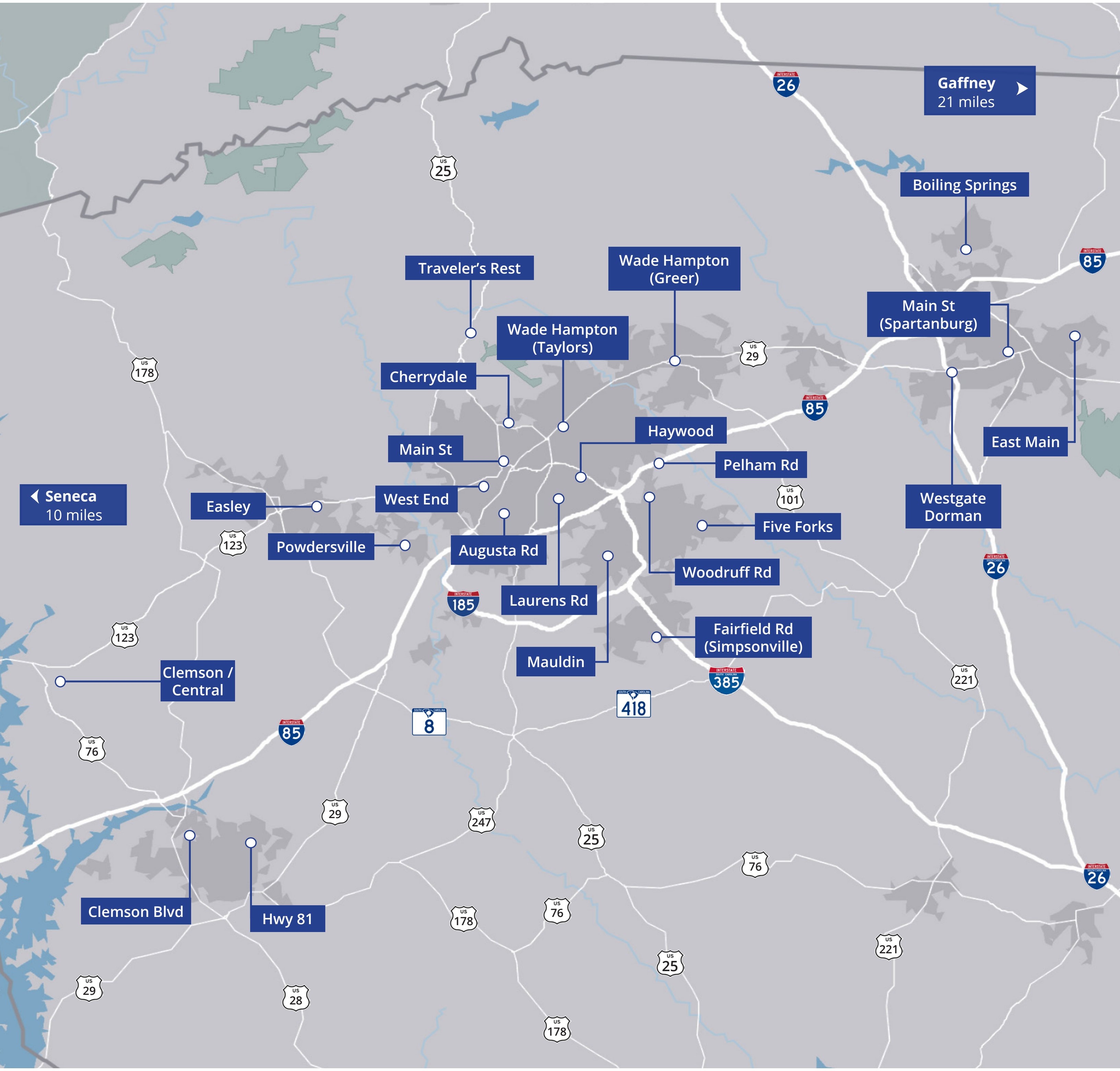


Greenville-Spartanburg | Retail Market Summary

Q1 2023

			Anchor space greater than ± 25,000 SF		Jr. anchor space ±10,000 to ± 25,000 SF		Shop space less than ±10,000 SF	
Retail Submarket	Inventory (SF)	Vacancy Rate (%)	Vacant (SF)	Asking Rent (NNN)	Vacant (SF)	Asking Rent (NNN)	Vacant (SF)	Asking Rent (NNN)
Greenville Spartanburg								
Augusta Road (Greenville)	500,653	0.00%	-	-	-	-	-	$24.13
Boiling Springs	784,306	5.92%	32,260	$17.00	-	-	14,176	$16.16
Cherrydale	1,036,962	4.39%	41,440	$36.00	-	$36.00	4,068	$18.52
Clemson Boulevard	3,107,990	1.70%	34,564	$16.00	-	-	18,313	$21.52
Clemson/Central	956,793	2.76%	-	-	14,142	-	12,246	$19.48
Easley	1,748,996	2.13%	-	-	-	-	37,284	$19.54
East Main (Spartanburg)	1,041,307	9.02%	25,396	-	-	-	68,491	$22.53
Fairview Road (Simpsonville)	1,247,541	0.00%	-	-	-	-	-	$18.67
Five Forks	339,664	4.17%	-	-	-	$17.00	14,155	$22.47
Gaffney	676,607	2.02%	-	-	-	-	13,700	$26.06
Haywood	1,939,597	0.20%	-	-	-	-	3,850	$29.15
Highway 81	392,946	10.04%	34,917	-	-	-	4,550	$13.50
Laurens Road	1,250,371	0.84%	-	-	-	-	10,561	$14.85
Main Street (Greenville)	822,761	9.02%	-	-	-	-	74,199	$30.96
Main Street (Spartanburg)	479,405	8.50%	-	-	-	-	40,753	$24.95
Mauldin	593,656	8.32%	49,365	-	-	-	-	$18.11
Pelham Road	234,391	0.00%	-	-	-	-	-	$26.97
Powdersville	482,044	9.80%	47,260	-	-	-	-	$17.62
Seneca	1,264,805	1.56%	-	-	-	-	19,772	$31.56
Travelers Rest	354,331	0.00%	-	-	-	-	-	$20.00
Wade Hampton (Greer)	1,085,610	0.84%	-	-	-	-	9,085	$18.27
Wade Hampton (Taylors)	922,466	7.91%	-	-	-	-	72,963	$20.45
West End	592,065	4.36%	-	-	-	-	25,833	$22.51
Westgate / Dorman	3,169,966	3.77%	94,296	-	-	$16.50	25,297	$25.22
Woodruff Road	3,401,580	1.74%	-	-	-	-	59,080	$25.26
Greenville-Spartanburg Total	**28,426,813**	**3.17%**	**359,498**	**$22.53**	**14,142**	**$23.17**	**528,376**	**$22.88**

Submarket Map



$4.5B
Annual revenue

65
Countries we operate in

$98B
Assets under management

51,000
Lease\sale transactions

2B
Square feet managed

18,000
Professionals

In 2021, Colliers changed its retail data collection methodology. Retail submarkets were identified where there was a large concentration of retail activity in traditional suburban and urban environments. Within these submarkets, all retail properties were included except freestanding restaurants, automotive dealerships, automotive repair, movie theatres and other special purpose buildings. Each property was then divided into three categories of space, anchor (25,000 s.f. or larger), junior anchor (10,000 s.f. to 25,000 s.f.) and shop space (10,000 s.f. or smaller) for the purpose of tracking vacancy and rental rate dating back to the beginning of 2017. Because of the changes to our methodology, users of the report should not compare data from reports published before May 2021.

About Colliers | South Carolina

Colliers | South Carolina is the largest full-service commercial real estate firm in South Carolina with 62 licensed real estate professionals covering the state with locations in Charleston, Columbia, Greenville and Spartanburg. Colliers is an Accredited Management Organization (AMO) through the Institute of Real Estate Management (IREM) and is the largest manager of commercial real estate properties in South Carolina with a portfolio of over 18 million square feet of office, industrial, retail and healthcare properties. Colliers' staff hold the most professional designations of any firm in South Carolina. Colliers | South Carolina's partner, LCK, provides project management services for new facilities and renovations across South Carolina.

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