



Greenville  
Spartanburg

# Industrial 23Q2

## Key Takeaways

- \$6 billion in capital investments announced since 2020
- 11.5 million square feet under construction
- Rental rates are continuing to slowly increase
- Vacancy rates approached their 15-year average
- 6.4 million square feet absorbed in last year



## Investment in Manufacturing Sustains Industrial Market

Since the second quarter of 2020, nearly \$6 billion in capital investments were announced by a broad spectrum of manufacturers which helped push the vacancy rate to a record low of 2.95% in 2022. Developers responded by constructing nearly 27 million square feet of flex, warehouse and manufacturing buildings - a number that excludes purpose-built manufacturing facilities like the 1 million-square-foot BMW battery plant and the 750,000-square-foot Toray Carbon Fiber facility. While this wave of construction appears to have crested, vacancy only rose to 7.08% this quarter which is about the same as the 15-year average and far below the 23% vacancy reported in 2003. Annual absorption was 6.4 million square feet despite 17 million square feet of deliveries leaving the market near equilibrium.

## Local Market Indicators

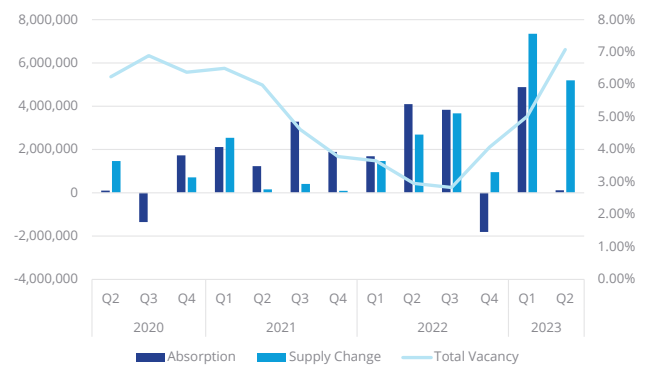


Sources: Colliers, Oxford Analytics

## Historic Comparison

	22Q2	23Q1	23Q2
Total Inventory* (in Millions of SF)	216.7	228.6	233.8
Supply Change (in Millions of SF)	2.69	7.35	5.2
Net Absorption (in Millions of SF)	4.10	4.88	.119
Overall Vacancy	2.96	5.02%	7.08%
Under Construction (in Millions of SF)	21.3	15.8	11.5
Averaged Market NNN Lease Rates (in \$/SF)	\$4.25	\$4.85	\$4.99

## Absorption, Supply Change & Vacancy Trends



There was a nominal amount of absorption this quarter with 5.2 million square feet of new supply added. Because so few buildings have broken ground in the last two quarters, vacancy rates should begin to fall again in 2025.

## Recent Transactions



**Lease**  
200 Masters Blvd.  
Anderson  
140K SF



**Lease**  
1117 Victor Hill Rd.  
Greer / Duncan  
99.1K SF



**Lease**  
315 Tanner Price Way  
Greer / Duncan  
169K SF



**Sale**  
1995 Perimeter Rd.  
Mauldin / Donaldson  
31.36K SF | \$3M



**Sale**  
2605 Anderson Rd.  
Mauldin / Donaldson  
108.75K SF | \$2.9M



**Sale**  
404 Wall St.  
Simpsonville / Fountain Inn  
72.2K SF | \$2.83M

Sources: Colliers, CoStar

## Greenville-Spartanburg Capital Investments

2023Q1 - 2023Q2

Date	Company	Investment	Jobs	County	Industry
6/15/2023	Lima One Capital, LLC	\$51,400,000	300	Greenville	Real estate lending
6/14/2023	Sage Parts Plus, Inc.	\$1,700,000	73	Greenville	Aviation parts supplier
6/8/2023	Pan Technology, Inc. (SC)	\$7,200,000	72	Spartanburg	Pigment dispersions manufacturer
6/7/2023	Gaffney Bakery, LLC	\$96,000,000	260	Cherokee	Bakery
5/31/2023	Sulzer Process Pumps (SC) - Easley	\$5,300,000	25	Pickens	Pump manufacturer
4/26/2023	FN America, LLC - Pickens	\$33,000,000	176	Pickens	Firearms manufacturer
3/23/2023	Time Bicycles	\$6,500,000	105	Spartanburg	Bicycles
2/22/2023	Erchonia Corp.	\$6,700,000	51	Greenville	Lasers
2/2/2023	GE Appliances	\$50,000,000	45	Greenville	Distribution Center
1/24/2023	Milo's Tea Company	\$130,000,000	103	Spartanburg	Beverages
1/18/2023	Yanfeng US Automotive Interior Systems	\$49,600,000	58	Laurens	Auto Interiors

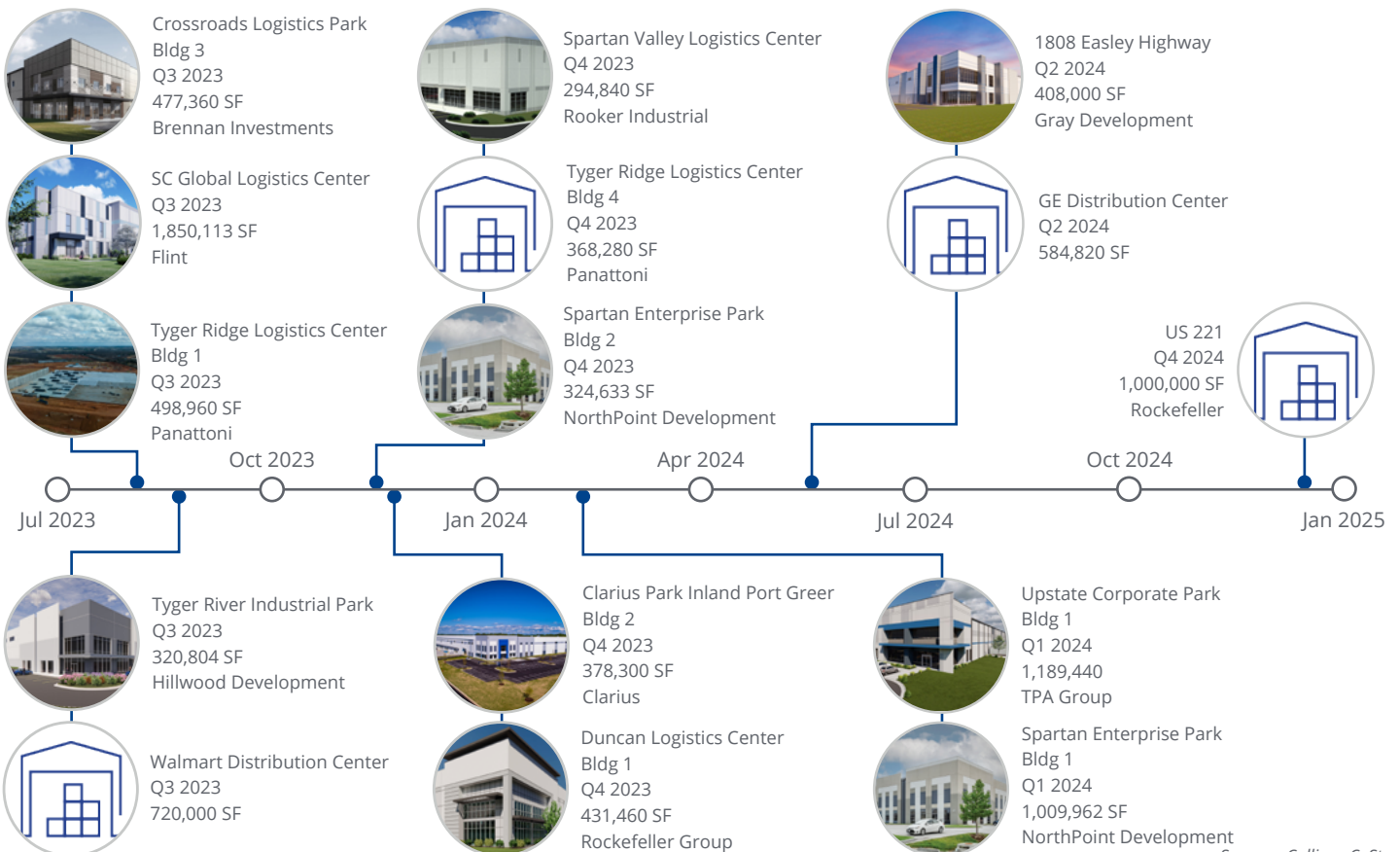
## Development Pipeline ( 275K SF+)

Greenville-Spartanburg

Total Under Construction

(all sizes)

11.5M SF



Sources: Colliers, CoStar

## Port of Charleston

The Port of Charleston set a record in 2021 handling 2.75 million twenty foot equivalent units (TEUs). Although volume increased 1.5% with a record-breaking 2.85 million TEUs in 2022, it has begun to decrease and is down 5% from this time last year. This is largely due to the decline in consumer spending amid rising costs and manufacturing operations being brought back domestically. However, infrastructure improvements should accelerate growth over the next several decades as carriers expand deliveries to the Leatherman Terminal in North Charleston. The newest terminal opened in 2021 and is connected to Interstate 26 with a dedicated interchange. To accommodate additional growth, construction of the Navy Base Intermodal Facility, a near-dock, dual rail-served, cargo facility is underway and should be completed by 2025.

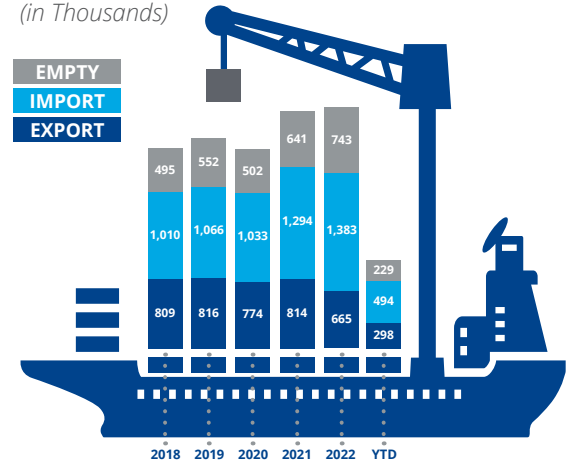
## Inland Port Greer

One of the Greenville-Spartanburg region's greatest assets is the Inland Port Greer. The facility was opened in 2010 and connects the Port of Charleston by rail to an intermodal facility immediately north of the BMW campus. Imported cargo can be loaded in Charleston and delivered by 8 a.m. the next morning six days a week.

The volume of TEUs moved at the Inland Port Greer plateaued the last several years as the facility reached capacity. An expansion of the facility is currently underway which will expand capacity by 50% and be completed in the winter of 2024.

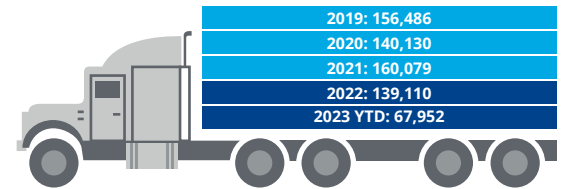
### Port of Charleston

Annual Twenty-foot Equivalent Unit Volume  
(in Thousands)



### Inland Port Greer

Annual Twenty-foot Equivalent Unit Volume



Source: South Carolina Ports Authority

## Infrastructure Improvements

### South Carolina

Project Name	Project Type	Description	Status	Estimated Year of Completion
I-85 Widening	Road	I-85 expansion in Spartanburg and Cherokee Counties	Under construction	2024
I-26 Exit 119 Interchange Improvement	Road	Reconstruction of Interstate 26 at US 21/US 176 interchange	Planning	2026
I-95 Widening	Road	Widen I-95 From Georgia border to mile marker 33	Planning	2030
I-26 Widening	Road	I-26 widening from four to six lanes from mile marker 85 to 101	Under construction	2024
Carolina Crossroads I-26/I-20/I-126	Road	Reconstruction of Interstate 26, 20, and 126 interchanges. Widening of I-26	Under construction	2030
I-77 and Scout Motors Interchange	Road	Construction of a new interchange (Exit 25) between I-77 and Scout Motors	Planning	2026
Navy Base Intermodal Facility	Rail	Construction of a dual served intermodal facility near Leatherman Terminal	Planning	2024
I-526 Widening from Ashley River Road to Virginia Avenue	Road	Widening of Interstate 526 from 4 to 8 lanes	Planning	2030

# Greenville-Spartanburg | Q2 2023 Industrial Market Summary



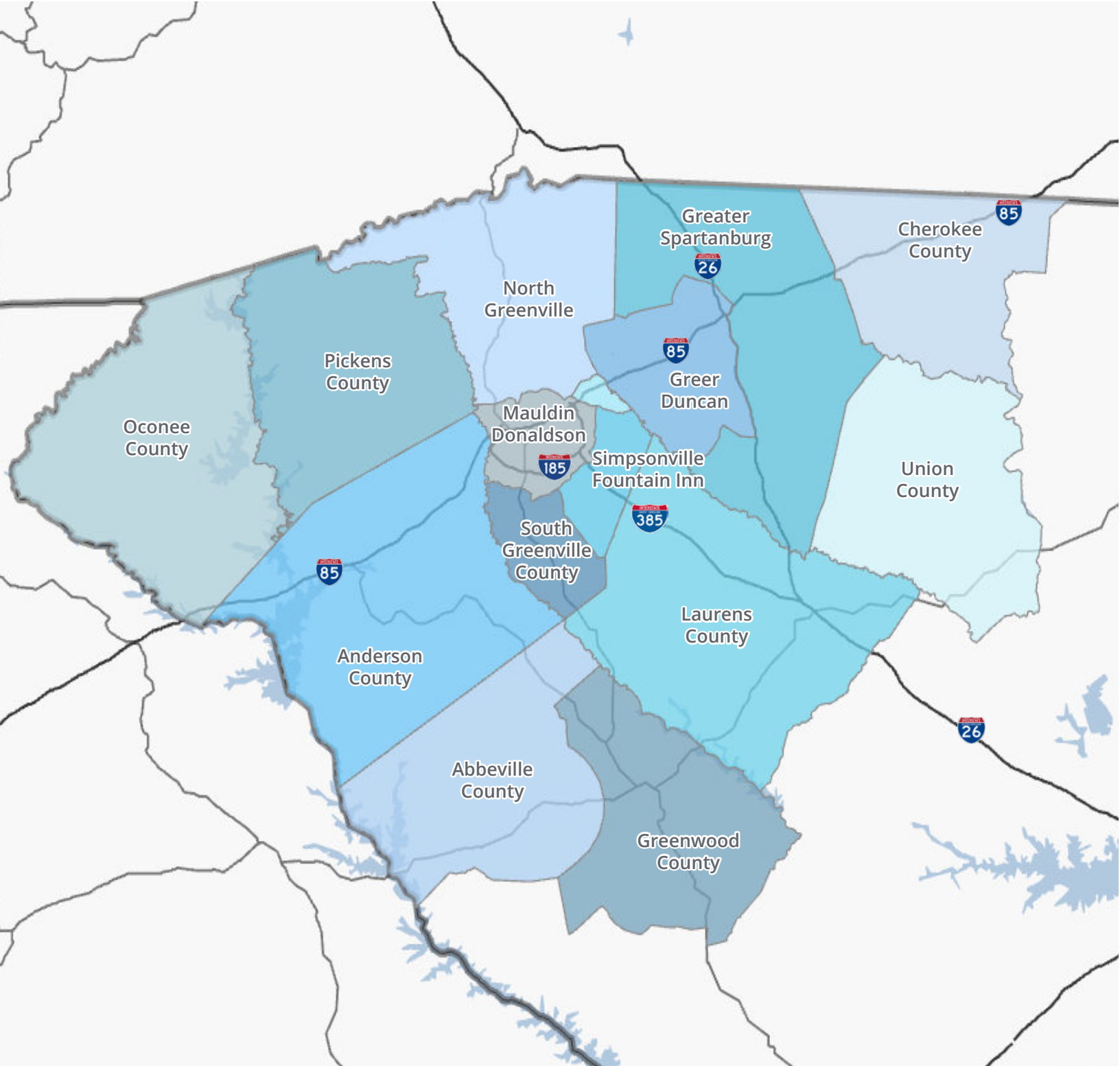
Market	Buildings	Inventory (SF)	Direct Vacant (SF)	Sublease Vacant (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Net Absorption (SF)	Average Weighted Rental Rate (SF/YR)
<b>Abbeville County</b>								
Flex/R&D	0	0	0	0	0	0.00%	0	-
Manufacturing	10	1,831,941	150,000	0	150,000	8.19%	0	\$3.75
Warehouse/Distribution	8	610,935	0	0	0	0.00%	0	-
<b>Abbeville Co. Total</b>	<b>18</b>	<b>2,442,876</b>	<b>150,000</b>	<b>0</b>	<b>150,000</b>	<b>6.14%</b>	<b>0</b>	<b>\$3.75</b>
<b>Anderson County</b>								
Flex/R&D	5	153,977	15,500	0	15,500	10.07%	-1,650	-
Manufacturing	49	8,024,326	335,000	0	335,000	4.17%	-19,000	\$5.48
Warehouse/Distribution	158	17,363,402	1,346,726	10,000	1,356,726	7.81%	5,649	\$4.33
<b>Anderson Co. Total</b>	<b>212</b>	<b>25,541,705</b>	<b>1,697,226</b>	<b>10,000</b>	<b>1,707,226</b>	<b>6.68%</b>	<b>-15,001</b>	<b>\$4.56</b>
<b>Cherokee County</b>								
Flex/R&D	0	0	0	0	0	0.00%	0	-
Manufacturing	23	2,926,648	2,700	0	2,700	0.09%	-2,700	-
Warehouse/Distribution	43	8,877,745	57,800	0	57,800	0.65%	653,368	-
<b>Cherokee Co. Total</b>	<b>66</b>	<b>11,804,393</b>	<b>60,500</b>	<b>0</b>	<b>60,500</b>	<b>0.51%</b>	<b>650,668</b>	<b>-</b>
<b>Greater Spartanburg</b>								
Flex/R&D	20	882,669	134,200	0	134,200	15.20%	6,700	\$9.39
Manufacturing	121	9,543,236	360,660	0	360,660	3.78%	20,761	\$5.39
Warehouse/Distribution	166	13,804,566	228,163	0	228,163	1.65%	-86,500	\$6.17
<b>G. Spartanburg Total</b>	<b>307</b>	<b>24,230,471</b>	<b>723,023</b>	<b>0</b>	<b>723,023</b>	<b>2.98%</b>	<b>-59,039</b>	<b>\$6.46</b>
<b>Greenville - Union County</b>								
Flex/R&D	0	0	0	0	0	0.00%	0	-
Manufacturing	3	244,300	0	0	0	0.00%	0	-
Warehouse/Distribution	15	3,816,720	100,000	861,000	961,000	25.18%	-861,000	\$2.50
<b>Gville-Union Co. Total</b>	<b>18</b>	<b>4,061,020</b>	<b>100,000</b>	<b>861,000</b>	<b>961,000</b>	<b>23.66%</b>	<b>-861,000</b>	<b>\$2.50</b>
<b>Greenwood County</b>								
Flex/R&D	1	22,528	0	0	0	0.00%	0	-
Manufacturing	25	3,335,804	157,896	0	157,896	4.73%	-2,896	-
Warehouse/Distribution	32	4,761,972	1,452,468	0	1,452,468	30.50%	318	-
<b>Greenwood Co. Total</b>	<b>58</b>	<b>8,120,304</b>	<b>1,610,364</b>	<b>0</b>	<b>1,610,364</b>	<b>19.83%</b>	<b>-2,578</b>	<b>-</b>
<b>Greer Duncan</b>								
Flex/R&D	15	1,132,591	1,000	0	1,000	0.09%	31,500	\$8.35
Manufacturing	103	13,121,169	0	0	0	0.00%	60,440	-
Warehouse/Distribution	360	56,475,043	5,651,548	633,843	6,285,391	11.13%	-103,198	\$5.04
<b>Greer Duncan Total</b>	<b>478</b>	<b>70,728,803</b>	<b>5,652,548</b>	<b>633,843</b>	<b>6,286,391</b>	<b>8.89%</b>	<b>-11,258</b>	<b>\$5.04</b>
<b>Laurens County</b>								
Flex/R&D	0	0	0	0	0	0.00%	0	-
Manufacturing	27	3,134,522	0	0	0	0.00%	0	-
Warehouse/Distribution	47	8,403,525	1,157,979	0	1,157,979	13.78%	-1,132,979	\$4.50
<b>Laurens County Total</b>	<b>74</b>	<b>11,538,047</b>	<b>1,157,979</b>	<b>0</b>	<b>1,157,979</b>	<b>10.04%</b>	<b>-1,132,979</b>	<b>\$4.50</b>

# Greenville-Spartanburg | Q2 2023 Industrial Market Summary



Market	Buildings	Inventory (SF)	Direct Vacant (SF)	Sublease Vacant (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Net Absorption (SF)	Average Weighted Rental Rate (SF/YR)
<b>Mauldin Donaldson</b>								
Flex/R&D	39	1,691,815	156,175	4,000	160,175	9.47%	-69,441	\$11.31
Manufacturing	75	7,260,325	225,059	0	225,059	3.10%	0	-
Warehouse/Distribution	305	31,701,584	2,777,843	0	2,777,843	8.76%	699,058	\$5.96
<b>Mauldin Donaldson Total</b>	<b>419</b>	<b>40,653,724</b>	<b>3,159,077</b>	<b>4,000</b>	<b>3,163,077</b>	<b>7.78%</b>	<b>629,617</b>	<b>\$7.77</b>
<b>North Greenville</b>								
Flex/R&D	5	243,571	56,224	0	56,224	23.08%	-6,178	-
Manufacturing	37	2,366,733	0	0	0	0.00%	0	-
Warehouse/Distribution	132	8,620,483	104,142	0	104,142	1.21%	49,552	\$6.74
<b>North Greenville Total</b>	<b>174</b>	<b>11,230,787</b>	<b>160,366</b>	<b>0</b>	<b>160,366</b>	<b>1.43%</b>	<b>43,374</b>	<b>\$6.74</b>
<b>Oconee County</b>								
Flex/R&D	0	0	0	0	0	0.00%	0	-
Manufacturing	8	872,548	0	0	0	0.00%	0	-
Warehouse/Distribution	38	3,066,105	1,584	0	1,584	0.05%	24,000	-
<b>Oconee County Total</b>	<b>46</b>	<b>3,938,653</b>	<b>1,584</b>	<b>0</b>	<b>1,584</b>	<b>0.04%</b>	<b>24,000</b>	<b>=</b>
<b>Pelham Road</b>								
Flex/R&D	8	233,775	25,574	0	25,574	10.94%	9,024	\$13.50
Manufacturing	12	1,155,564	78,600	0	78,600	6.80%	38,812	-
Warehouse/Distribution	78	4,099,433	213,950	0	213,950	5.22%	-13,750	\$6.95
<b>Pelham Road Total</b>	<b>98</b>	<b>5,488,772</b>	<b>318,124</b>	<b>0</b>	<b>318,124</b>	<b>5.80%</b>	<b>34,086</b>	<b>\$10.35</b>
<b>Pickens County</b>								
Flex/R&D	1	39,500	0	0	0	0.00%	0	-
Manufacturing	20	2,115,673	0	0	0	0.00%	0	-
Warehouse/Distribution	40	3,403,271	92,748	10,000	102,748	3.02%	-12,557	\$5.93
<b>Pickens Co. Total</b>	<b>61</b>	<b>5,558,444</b>	<b>92,748</b>	<b>10,000</b>	<b>102,748</b>	<b>1.85%</b>	<b>-12,557</b>	<b>\$5.93</b>
<b>Simpsonville Fountain Inn</b>								
Flex/R&D	1	33,900	0	0	0	0.00%	0	-
Manufacturing	22	2,127,402	0	0	0	0.00%	0	-
Warehouse/Distribution	62	6,561,448	752,196	0	752,196	11.46%	225,516	\$3.65
<b>Simpsonville Fountain Inn Total</b>	<b>85</b>	<b>8,722,750</b>	<b>752,196</b>	<b>0</b>	<b>752,196</b>	<b>8.62%</b>	<b>225,516</b>	<b>\$3.65</b>
<b>South Greenville County</b>								
Flex/R&D	1	50,000	0	0	0	0.00%	0	-
Manufacturing	3	195,500	0	0	0	0.00%	0	-
Warehouse/Distribution	4	245,500	0	0	0	0.00%	0	-
<b>Market Total</b>	<b>4</b>	<b>245,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>-</b>
<b>Greenville-Spartanburg Overall Market</b>								
Flex/R&D	95	4,434,326	388,673	4,000	392,673	8.86%	-30,045	\$11.27
Manufacturing	536	58,110,191	1,309,915	0	1,309,915	2.25%	95,417	\$4.78
Warehouse/Distribution	1,488	171,844,405	13,937,147	1,514,843	15,451,990	8.99%	-552,523	\$4.78
<b>Market Total</b>	<b>2,119</b>	<b>234,388,922</b>	<b>15,635,735</b>	<b>1,518,843</b>	<b>17,154,578</b>	<b>7.32%</b>	<b>-487,151</b>	<b>\$4.954</b>

## 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 January 2021, Colliers bench marked its office data set for South Carolina. The new standard includes all office buildings 20,000 square feet. Excluded are medical office, government-owned buildings and office condominiums. Due to the adjustments of the building inventory, comparison of data included in previously published market reports should be avoided.

## 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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