



Greenville - Spartanburg

Office 24Q1

Key Takeaways

- Absorption and vacancy improved from Q4 2023
- Activity and performance differences grew between CBD and suburban spaces
- Company expansions and need for additional space drove decreases in CBD vacancy



CBD and suburbs perform well in the first quarter of 2024

Overall office performance improved in the first quarter of 2024 as 202,074 square feet were absorbed, decreasing vacancy to 16.25%. Expansions downtown were also more prevalent, removing blocks of higher-rate Class A and B spaces from the market. This absorption of available space caused a decrease in overall Class A lease rates to \$27.43 per square foot due to the remaining vacancy being in less desirable buildings, however, Class B spaces experienced an increase and C spaces remained flat. The Greenville-Spartanburg office market remains attractive and performance metrics are expected to further improve in the second quarter of 2024.

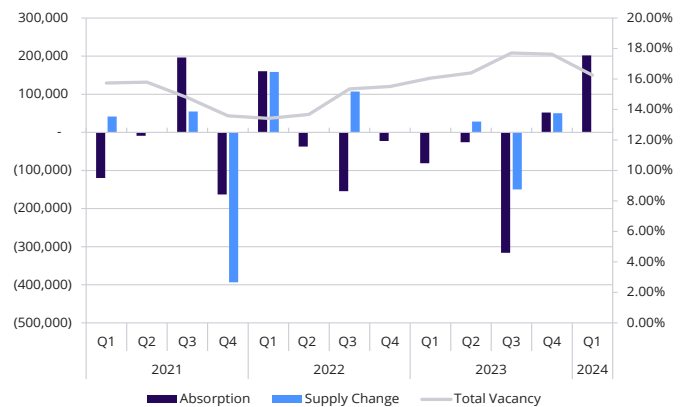
Market Indicators



Historic Comparison

	23Q1	23Q4	24Q1
Total Inventory (in Thousands of SF)	14.7	14.6	14.6
Supply Change (in Thousands of SF)	-	50.0	-
Net Absorption (in Thousands of SF)	(81.1)	52.2	202.1
Overall Vacancy	16.06%	17.63%	16.25%
Under Construction (in Thousands of SF)	50.0	-	-
Overall Class A Asking Lease Rates (NNN)	\$27.26	\$28.63	\$27.43

Market Graph



Net absorption and vacancy improved from the fourth quarter of 2023 with 202,074 square feet and 16.25%, respectively. Overall Class A lease rates decreased to \$27.43 as total inventory and construction remained flat.

Recent Transactions



Lease
6040 Ponders Ct.
I-385 / I-85
32.2K SF



Lease
300 E McBee Ave.
Greenville CBD
52.4K SF



Lease
2 West Washington St.
Greenville CBD
8.3K SF



Sale
1 Linwa Blvd.
Anderson County
28.0K SF | \$4.3M



Sale
2007 E Greenville St.
Anderson County
3.6K SF | \$1.1M



Sale
114 Howe St.
West Greenville
2.5K SF | \$1.0M

CBD and suburbs perform well in the first quarter of 2024

While expansions were more prevalent in the CBD, the suburbs also performed well in the first quarter of 2024, making up 104,034 of the 202,074 square feet of positive absorption. The market as a whole experienced healthy decreases in office vacancy, dropping from 15.92% to 13.98% in the CBD and 18.54% to 17.45% in the suburbs as companies continue to consider older buildings in search of more space.

300 E McBee Ave.



Source: Colliers

Greenville-Spartanburg Capital Investments

Q4 2023 - Q1 2024

Date	Company	Investment	Jobs	County	Industry
10/19/2023	Keurig Dr Pepper	\$100,000,000	250	Spartanburg	Beverage producer and distributor
10/25/2023	Mojave Energy Systems	\$4,000,000	200	Anderson	Commercial air conditioning systems
11/9/2023	Nissin Foods Company	\$228,000,000	300	Greenville	Instant ramen production
11/14/2023	ZF Transmissions Gray Court LLC	\$500,000,000	400	Laurens	OEM supplier for passenger cars, commercial vehicles and industrial technology
11/17/2023	Smurfit Kappa North America, LLC	\$68,000,000	200	Anderson	Paper-based packaging solutions
12/6/2023	APG Colors and Additives, LLC	\$6,200,000	24	Anderson	Color and additive concentrate manufacturer
12/7/2023	JTEKT Automotive South Carolina, Inc.	\$48,400,000	87	Greenville	Automotive system engineering and manufacturing
12/12/2023	Tomahawk Processing, LLC	\$5,000,000	26	Laurens	Meat processing operations
12/14/2023	Alupress, LLC (SC)	\$26,000,000	64	Laurens	Automotive die casting components manufacturer
12/15/2023	Carolina Structural Systems, LLC (SC)	\$4,700,000	60	Anderson	Structural wood component system manufacturer
1/23/2024	Flame Spray North America, Inc.	\$2,500,000	40	Laurens	Thermal spray coatings manufacturer
2/14/2024	EnerSys (SC)	\$500,000,000	500	Greenville	Energy storage systems and solutions
3/5/2024	Dynamic Fluid Components, Inc. (SC)	\$4,800,000	10	Oconee	Fluid power products wholesale distributor
3/7/2024	Matica Corp. (SC)	\$2,000,000	40	Spartanburg	Global identity and payment solutions provider

Source: South Carolina Department of Commerce

Greenville-Spartanburg | Q1 2024 Office Market Summary



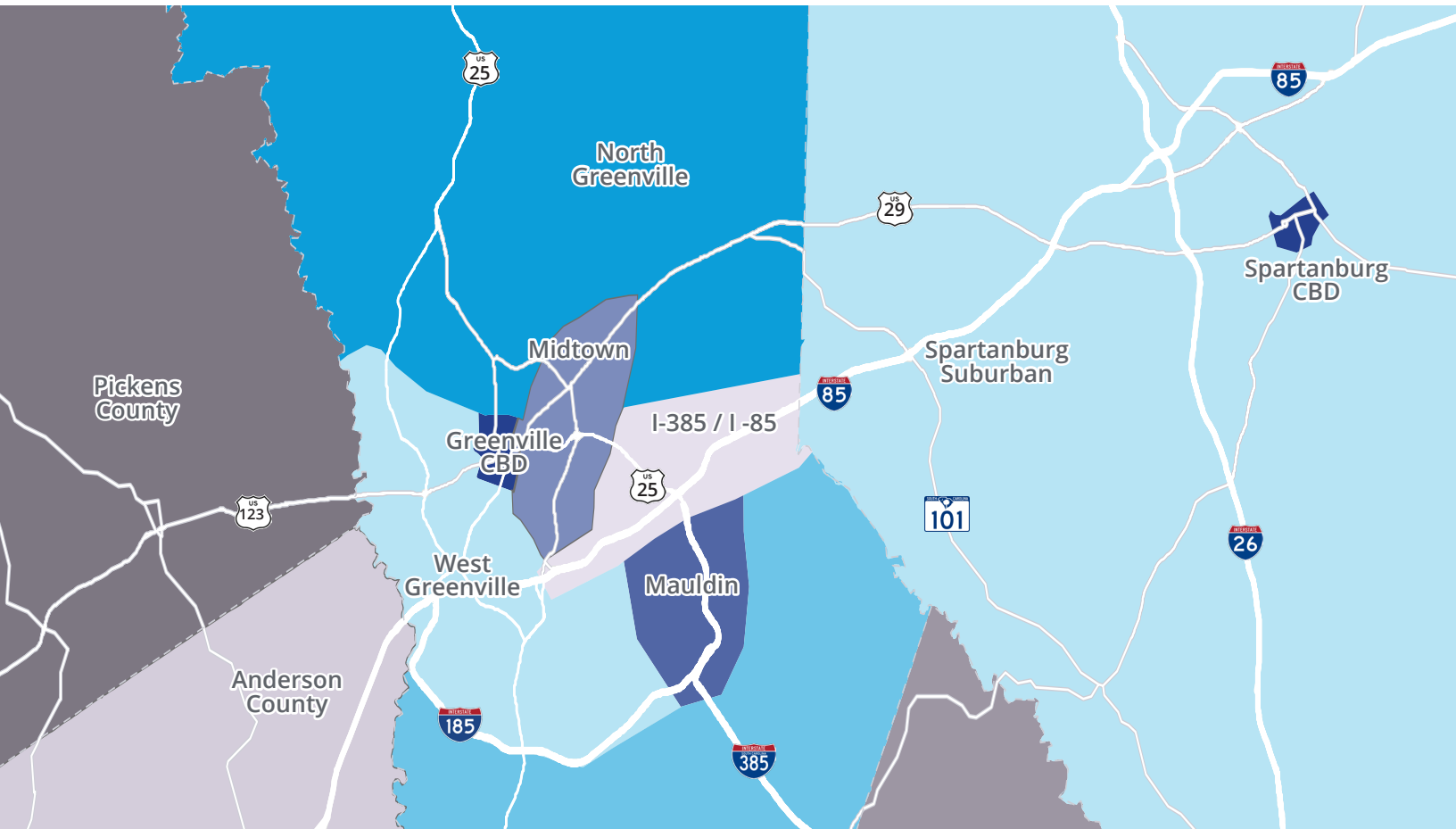
Market	Buildings	Inventory (SF)	Direct Vacant (SF)	Sublease Vacant (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Net Absorption (SF)	Average Asking Rental Rate (SF/YR)
Greenville CBD								
Class A	18	1,654,214	101,667	53,808	155,475	9.40%	6,996	\$33.70
Class B	22	1,614,949	267,991	30,064	298,055	18.46%	55,436	\$29.75
Class C	7	538,451	177,967	-	177,967	33.05%	7,410	\$21.03
Greenville CBD Total	47	3,807,614	547,625	83,872	631,497	16.59%	69,842	\$28.36
Spartanburg CBD								
Class A	6	462,399	20,000	-	20,000	4.33%	18,500	\$27.00
Class B	7	517,765	38,837	-	38,837	7.50%	7,196	\$25.49
Class C	5	261,056	15,255	-	15,255	5.84%	2,502	\$19.73
Spartanburg CBD Total	18	1,241,220	74,092	-	74,092	5.97%	28,198	\$24.67
Suburban								
Class A	43	3,677,483	696,077	47,935	744,012	20.23%	-4,878	\$24.76
Class B	70	3,924,457	459,386	110,543	569,929	14.52%	108,912	\$24.20
Class C	33	1,955,705	315,311	38,368	353,679	18.08%	-	\$19.09
Suburban Total	146	9,557,645	1,470,774	196,846	1,667,620	17.45%	104,034	\$23.02
Market								
Class A	18	1,654,214	101,667	53,808	155,475	9.40%	6,996	\$27.43
Class B	22	1,614,949	267,991	30,064	298,055	18.46%	55,436	\$26.22
Class C	7	538,451	177,967	-	177,967	33.05%	7,410	\$19.79
Market Total	47	3,807,614	547,625	83,872	631,497	16.59%	69,842	\$24.86

Submarkets

Anderson County								
Class A	3	312,003	6,000	-	6,000	1.92%	-	\$16.00
Class B	-	-	-	-	-	-	-	-
Class C	1	23,000	-	-	-	-	-	-
Anderson County Total	4	335,003	6,000	-	6,000	1.79%	-	\$16.00
I-385 / I-85								
Class A	30	2,392,055	225,449	47,935	273,384	11.43%	-4,878	\$24.84
Class B	32	1,751,820	211,584	96,541	273,625	15.62%	10,941	\$23.93
Class C	3	160,632	18,397	32,216	50,613	31.51%	-	\$23.50
I-385 / I-85 Total	65	4,304,507	455,430	176,692	597,622	13.88%	6,063	\$24.41
Mauldin								
Class A	6	698,781	251,498	-	251,498	35.99%	-	\$24.96
Class B	10	928,653	206,853	14,002	220,855	23.78%	97,971	\$24.76
Class C	1	51,414	-	-	-	-	-	-
Mauldin Total	17	1,678,848	458,351	14,002	472,353	28.14%	97,971	\$24.85
Midtown								
Class A	-	-	-	-	-	-	-	-
Class B	9	438,600	66,333	-	66,333	15.12%	-	\$23.84
Class C	20	1,112,175	286,719	-	286,719	25.78%	-	\$18.81
Midtown Total	29	1,550,775	353,052	-	353,052	22.77%	-	\$19.76
North Greenville								
Class A	-	-	-	-	-	-	-	-
Class B	4	139,170	1,177	-	1,177	0.85%	-	\$24.00
Class C	1	40,140	8,810	6,152	14,962	37.27%	-	\$20.00
N. Greenville Total	5	179,310	9,987	6,152	16,139	9.00%	-	\$20.47

Market	Buildings	Inventory (SF)	Direct Vacant (SF)	Sublease Vacant (SF)	Total Vacant (SF)	Total Vacancy Rate (%)	Net Absorption (SF)	Average Asking Rental Rate (SF/YR)
Pickens County								
Class A	1	34,714	-	-	-	-	-	-
Class B	2	53,800	-	-	-	-	-	-
Class C	-	-	-	-	-	-	-	-
Pickens County Total	3	88,514	-	-	-	-	-	-
Spartanburg Suburban								
Class A	-	-	-	-	-	-	-	-
Class B	8	427,497	7,939	-	7,939	1.86%	-	\$18.47
Class C	7	568,344	1,385	-	1,385	0.24%	-	\$12.00
Spartanburg Suburban Total	15	995,841	9,324	-	9,324	0.94%	-	\$17.51
West Greenville								
Class A	3	239,930	213,130	-	213,130	88.83%	-	-
Class B	5	184,917	-	-	-	-	-	-
Class C	-	-	-	-	-	-	-	-
W. Greenville Total	8	424,847	213,130	-	213,130	50.17%	-	-

Submarket Map



501 offices in 66 countries on 6 continents



\$4.3B
Annual revenue



2B
Square feet managed



19,000
Professionals

In January 2021, Colliers benchmarked 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

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