




## GREENVILLE/SPARTANBURG


● ● ● ● **QUARTERLEE Q2 2024**


# INDUSTRIAL MARKET REPORT


### Overview

As anticipated, Greenville/Spartanburg's industrial vacancy rates rose 60 basis points in Q2 2024 to 9.4%, fueled by Class-A industrial projects being delivered. With construction starts dwindling each quarter the supply surge is expected to be short lived in 2024. Yet, we've seen a rise in Tenant activity and demand appears to be picking up. 3PL's are landing new contracts, and manufacturing companies are expanding. Pacorini Group, a large logistics operator, inked the largest deal of Q2, renewing their 273,000 SF lease at Spartan Ridge Logistic Center in Spartanburg.

**Q2 Existing Inventory**  
 **251,797,433 SF**  
 Q1 248,611,510 SF

**Q2 Net Absorption**  
 **(442,615) SF**  
 Q1 1,119,211 SF

**Q2 Under Construction**  
 **5,666,536 SF**  
 Q1 5,045,536 SF

**Q2 Vacancy**  
 **9.4%**  
 Q1 8.8%

**Q2 Avg. Asking Rent (per yr.)**  
 **\$5.50 PSF**  
 Q1 \$5.08 PSF

## Key Takeaways

- Deliveries have beat out absorption.
- Activity is picking up but deals are taking longer to sign.
- Tenant demand from 125k SF and below continues to be the strongest.
- 26.3% of all vacancy remains in six (6) buildings over one million square feet.

## Absorption

- **12 Month Net Absorption:** The Greenville-Spartanburg industrial market recorded a 12 month net absorption of 3,675,418 square feet in Q2 2024. This is a significant decrease compared to previous quarters, reflecting the impact of new deliveries.
- **Q2 2024 Absorption:** The market has seen a cumulative absorption of (442,615 SF) showcasing the large amount of Class A buildings coming to completion.

## Vacancy

- **Overall Vacancy Rate:** The vacancy rate rose to 9.4% in Q2 2024, up from 8.8% in Q1 2024. This increase is largely attributed to the influx of new Class A industrial projects entering the market.
- **Historical Trends:** The vacancy rate has shown an upward trend over the past year, rising from 7.3% in Q2 2023. This suggests that while demand remains, the market is adjusting to the higher supply levels.

## Rental Rates

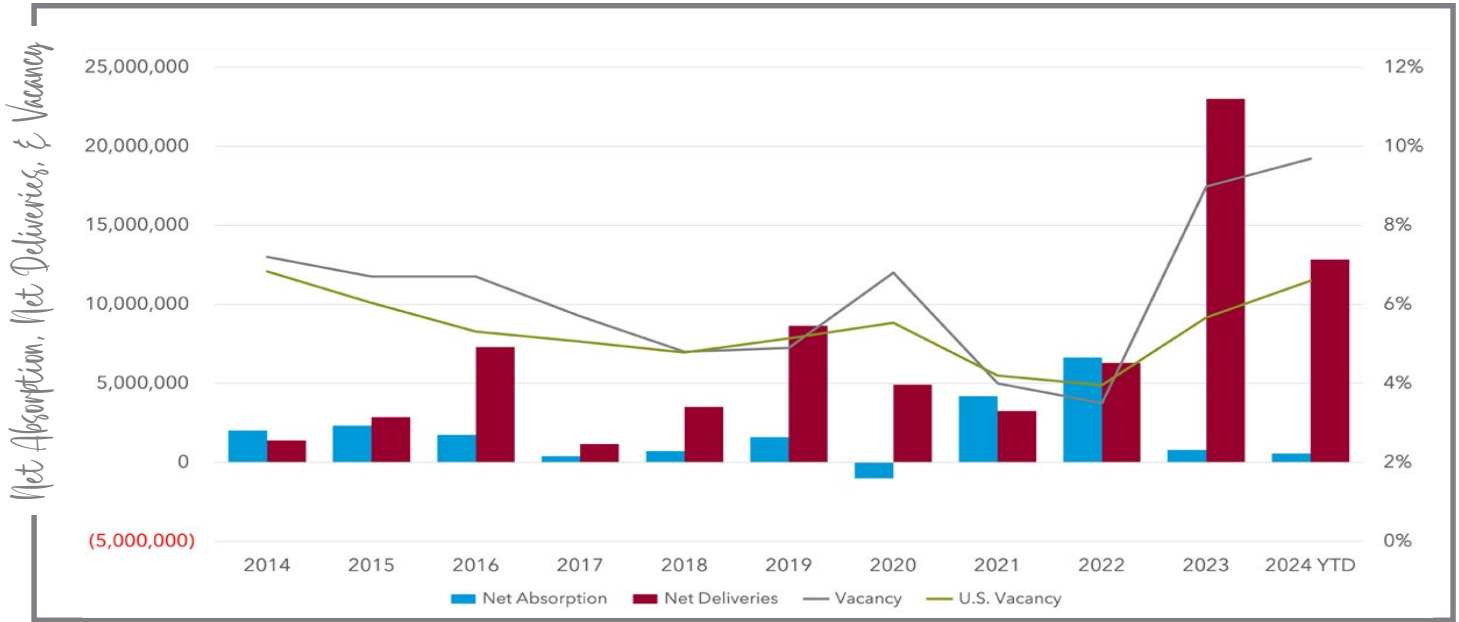
- **Average NNN Asking Rate:** The average tasking rate increased to \$5.50 per square foot in Q2 2024, up from \$5.08 in Q1 2024. This consistent growth in rental rates reflects ongoing demand for industrial space.
- **Year-Over-Year Increase:** Compared to the same period last year, the average asking rate has risen from \$4.67 per square foot, highlighting a strong upward trend in rental costs driven by interest rates, higher construction costs and tenant demand.

## Development

- **Under Construction:** As of Q2 2024, there is approximately 5.67 million square feet of industrial space under construction. This marks a slight increase from Q1 2024, indicating continued developer confidence in the market.
- **Recent Deliveries:** The market has seen a substantial number of new industrial projects being delivered, contributing to the rise in vacancy rates. The total industrial inventory increased to 251.8 million square feet, up from 248.6 million square feet in the previous quarter.
- **Notable Projects:** Several significant lease transactions took place in Q2 2024, including Kenco Management leasing 161,967 square feet in Duncan and Crown Imports LLC leasing 158,879 square feet in Greenville. These transactions underscore the strong tenant activity and demand for large industrial spaces.

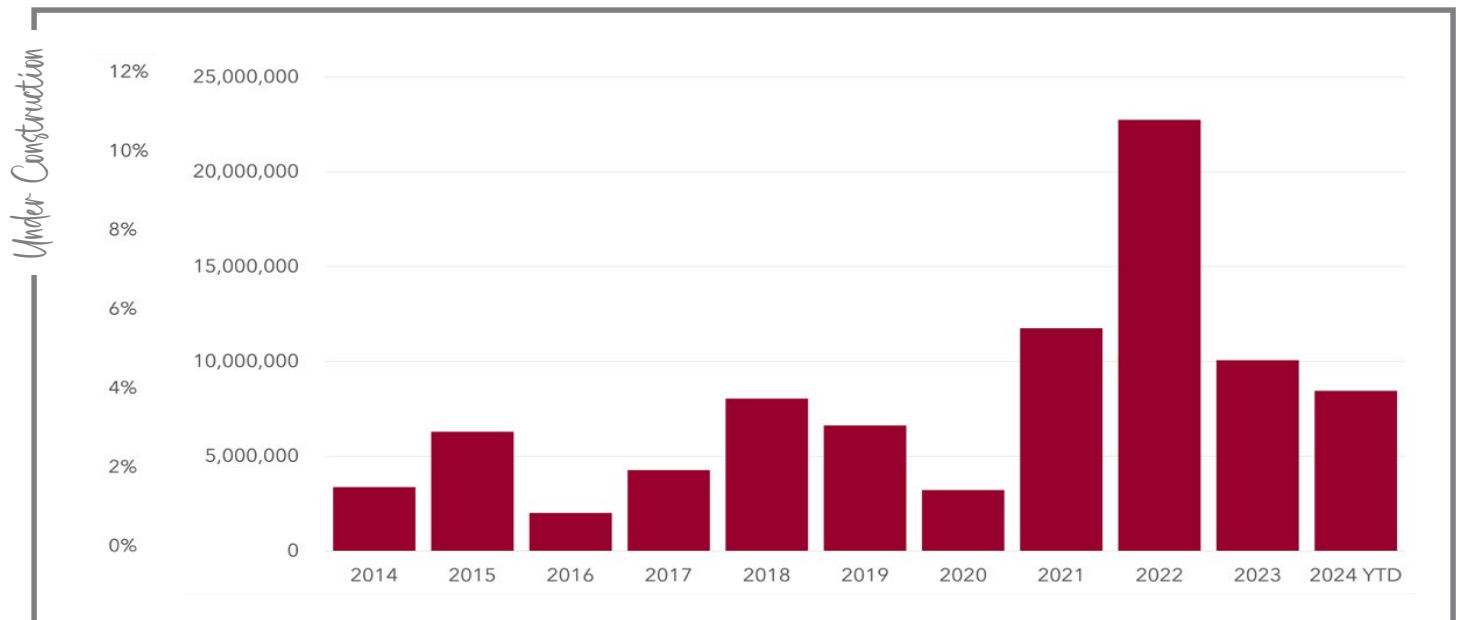
## Overall

The Greenville-Spartanburg industrial market is experiencing dynamic growth, with rising vacancy rates due to new deliveries, but also increasing rental rates and tenant activity is picking up. Continued development and robust tenant demand suggest a healthy outlook for the industrial sector in the Upstate region.

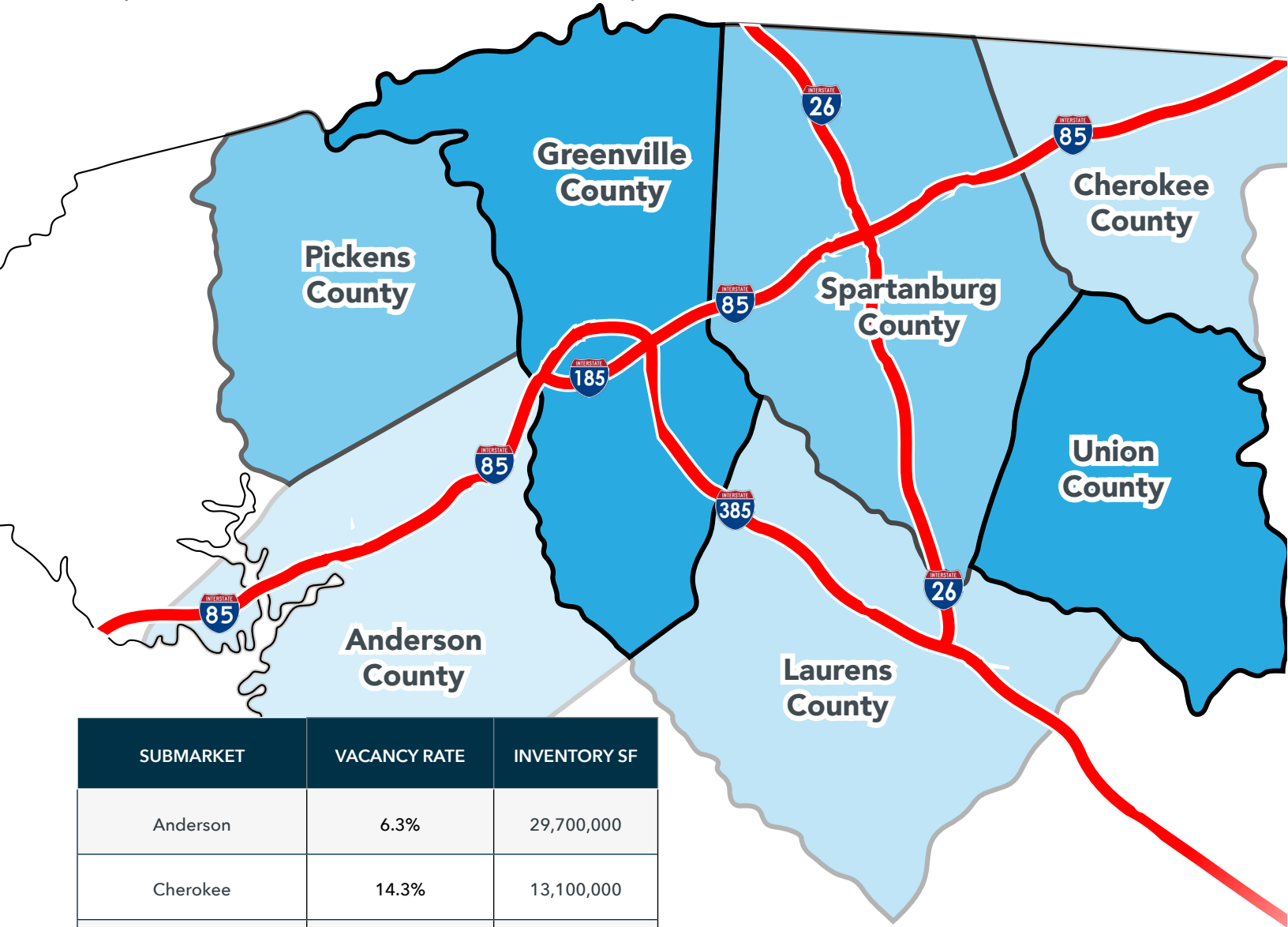


*Quarter 2  
Year over Year  
Comparison*

	Q2 2023		Q2 2024
Average Rental Rate	\$4.67/SF	▲	\$5.50/SF
Vacancy Rate	7.3%	▲	9.4%
Industrial Inventory	236,553,266 SF	▲	251,747,483 SF
12 Month Net Absorption	10,781,392 SF	▼	3,675,418 SF



# Upstate Submarket Map



SUBMARKET	VACANCY RATE	INVENTORY SF
Anderson	6.3%	29,700,000
Cherokee	14.3%	13,100,000
Greenville	7.2%	73,500,000
Laurens	1.4%	14,100,000
Spartanburg	15.1%	110,000,000
Pickens	3.5%	6,100,000
Union	31.0%	5,200,000
<b>TOTAL</b>		<b>251,700,000</b>

# TOP OVERALL MARKET PROPERTIES ●●●

## Top 3 Industrial Leases – Q2 2024



**2010 NAZARETH CHURCH ROAD**

AREA SPARTANBURG  
 TOTAL SF 273,000 SF  
 TENANT PACORINI GROUP  
 INDUSTRY LOGISTICS



**280 PARKWAY EAST**

AREA DUNCAN  
 TOTAL SF 161,967 SF  
 TENANT KENCO MANAGEMENT  
 INDUSTRY 3PL



**1201 WOOD CHAPEL ROAD**

AREA DUNCAN  
 TOTAL SF 157,581 SF  
 TENANT MAGNA SEATING  
 INDUSTRY DISTRIBUTION

## Top 3 Industrial Sales – Q2 2024



**1619 ANTIOCH CHURCH ROAD**

AREA PIEDMONT  
 TOTAL SF 194,300 SF  
 SALE PRICE \$18,360,000  
 PRICE/SF \$94.49/SF  
 BUYER AMERICOLD REALTY  
 SELLER GLOBAL NET LEASE  
 CLASS CLASS B BUILDING



**105 WOOD STREET**

AREA GREENVILLE  
 TOTAL SF 161,214 SF  
 SALE PRICE \$4,000,000  
 PRICE/SF \$24.81/SF  
 BUYER KM FABRICS  
 SELLER CHROMASCAPE HOLDINGS  
 CLASS CLASS B BUILDING



**108 PENNSYLVANIA AVENUE**

AREA GREER  
 TOTAL SF 104,683 SF  
 SALE PRICE \$1,830,000  
 PRICE/SF \$17.48/SF  
 BUYER RIDGELINE CONSTRUCTION  
 SELLER PENNSYLVANIA PROPERTIES  
 CLASS CLASS B BUILDING

## Select Deliveries – Q2 2024



**2116 CHESNEE HIGHWAY**

AREA SPARTANBURG  
 TOTAL SF 1,009,962 SF  
 DEVELOPER NORTHPOINT DEVELOPMENT



**134 LONG ROAD**

AREA WILLIAMSTON  
 TOTAL SF 560,240 SF  
 DEVELOPER FARPOINT

# LEE FEATURED INDUSTRIAL PROPERTIES ●●●



## FOR LEASE: TRADE BRIDGE BUSINESS PARK

AREA GREER, SC  
TOTAL SF ±75,500 SF  
RATE CALL FOR PRICING

### NOTES:

- ±2,124 SF SPEC OFFICE
- 32' CLEAR HEIGHT
- SEVEN (7) DOCK DOORS
- ESFR SPRINKLER SYSTEM



## FOR SALE OR LEASE: ENKA COMMERCE PARK

AREA CANDLER, NC  
TOTAL SF ±136,080 - 226,640 (or BTS)  
RATE CALL FOR PRICING

### NOTES:

- LOCATED AT THE INTERSECTION OF I-26 & I-40
- MINIMUM DIVISIBLE: ±22,400 SF
- ESTABLISHED INDUSTRIAL PARK
- ±3.5 MILES TO I-26; ±1.0 MILE TO I-40



## FOR LEASE: GLOBAL COMMERCE PARK

AREA GREER, SC  
TOTAL SF ±182,000 SF  
RATE CALL FOR PRICING

### NOTES:

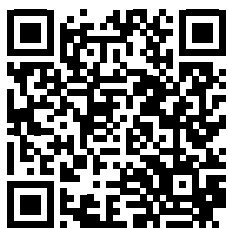
- ±182,000 SF MULTI-TENANT SPEC BUILDING
- MINIMUM DIVISIBLE ±32,491 SF
- 32' CLEAR HEIGHT & 35 DOCKS
- ±0.6 MILES BMW MANUFACTURING
- ±4.8 MILES TO SC INLAND PORT

# meet our INDUSTRIAL EXPERTS

## WISE GUIDANCE, LOYAL TO YOU.

Lee & Associates Greenville / Spartanburg is founded on a culture of collaborative synergy and forward-thinking ingenuity. Our firm specializes in delivering innovative and strategic solutions to a diverse set of clients including landlords, tenants, and developers across the Upstate of South Carolina and the Western region of North Carolina. Whether your needs entail owner or tenant representation, property marketing, research and demographics analysis, or asset and property management, our extensive expertise spanning over four decades stands ready to serve your needs.

Within our dual office locations situated in Greenville and Spartanburg, our team comprises a total of fourteen seasoned brokers complemented by a dedicated support staff of seven individuals. This collective expertise and personnel structure uniquely position us to adeptly manage a wide spectrum of industrial real estate endeavors, be it investments, developments, build-to-suit projects, or comprehensive property management.

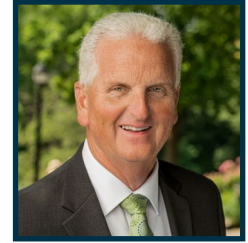


VIEW OUR  
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CLICK OR SCAN



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## GREENVILLE/SPARTANBURG

Lee & Associates Commercial Real Estate in Greenville/Spartanburg, part of a nationwide network of offices, brings a hyper-focused local approach to the dynamic Upstate of South Carolina. While we benefit from being part of a broader international network, we understand that every real estate market is unique.

Our team is deeply ingrained in the Upstate community, providing invaluable insights and expertise in navigating the local commercial real estate landscape. Whether you're looking to buy, sell, lease, or invest we're dedicated to delivering results and fostering long-lasting relationships throughout the market.

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