





● ● ● ● **QUARTERLEE Q2 2024**


OFFICE MARKET REPORT


Overview


The Greenville/Spartanburg office market known for its vibrant economy, strategic location, and high quality of life is poised for continued growth. With a strong economic foundation, ongoing infrastructure improvements, and a proactive business community, the region is well-positioned to attract new businesses and investment. Ongoing construction suggests a confidence in future demand despite current absorption challenges. Several notable office projects are underway, including mixed-use developments that combine office, retail, and residential spaces helping to meet the demand for multi-functional environments that cater to the needs of startups, remote workers, and established companies alike.

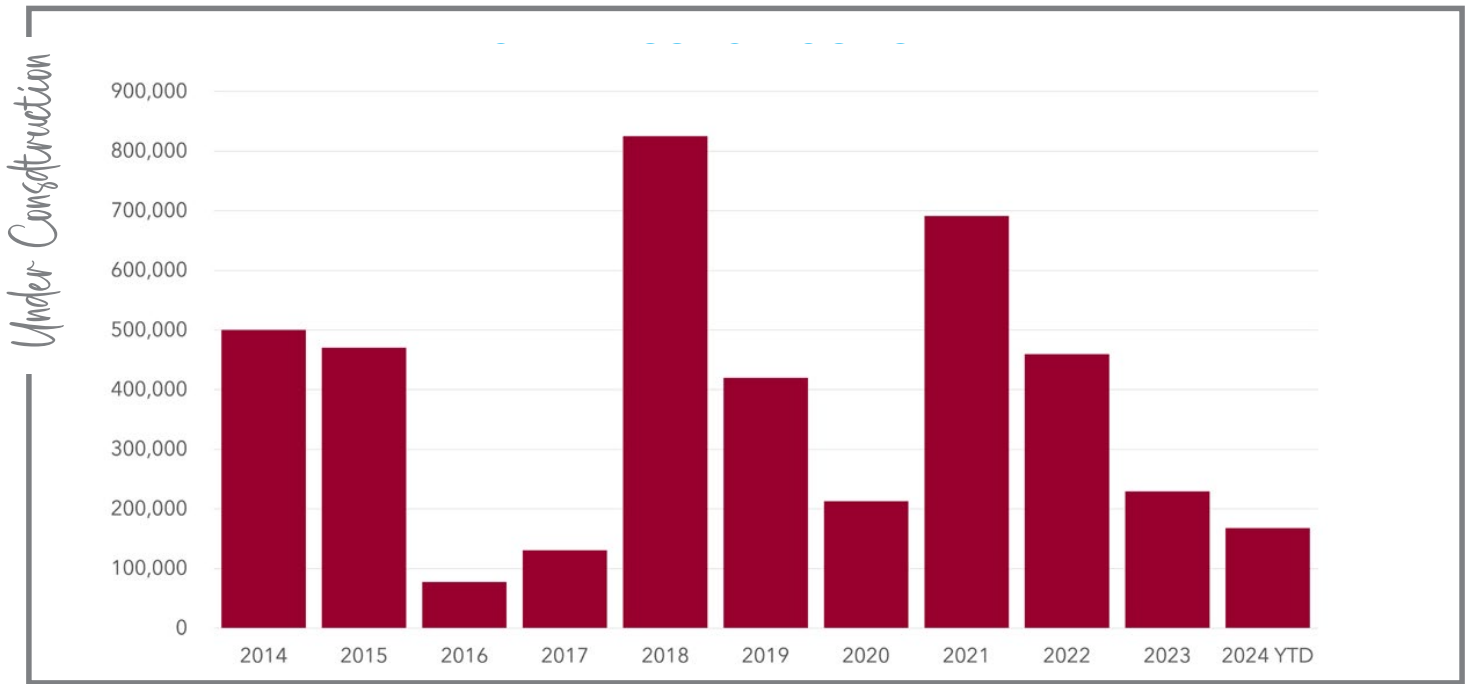

Q1 Existing Inventory
43,495,864
Q1 2024 43,611,240 SF


Q2 Net Absorption
-29,651
Q1 2024 -67,482 SF

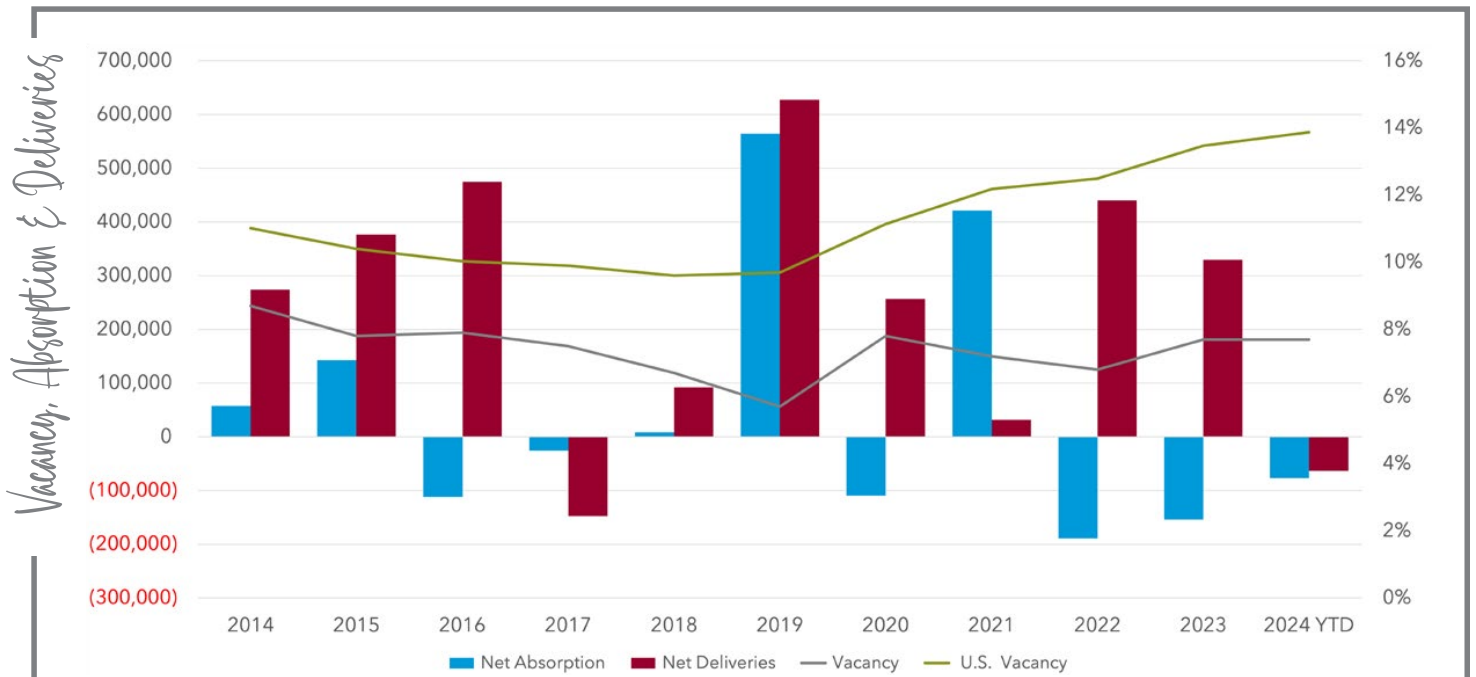

Q1 Under Construction
168,188
Q1 2024 177,642 SF


Q1 Vacancy
7.8%
Q1 2024 7.9% SF


Q1 Avg. Asking Rent (per yr.)
\$22.10 PSF
Q4 \$21.78 PSF



The Greenville-Spartanburg office market is navigating a period of cautious optimism, with rental rates rising and vacancy rates stabilizing.



Absorption

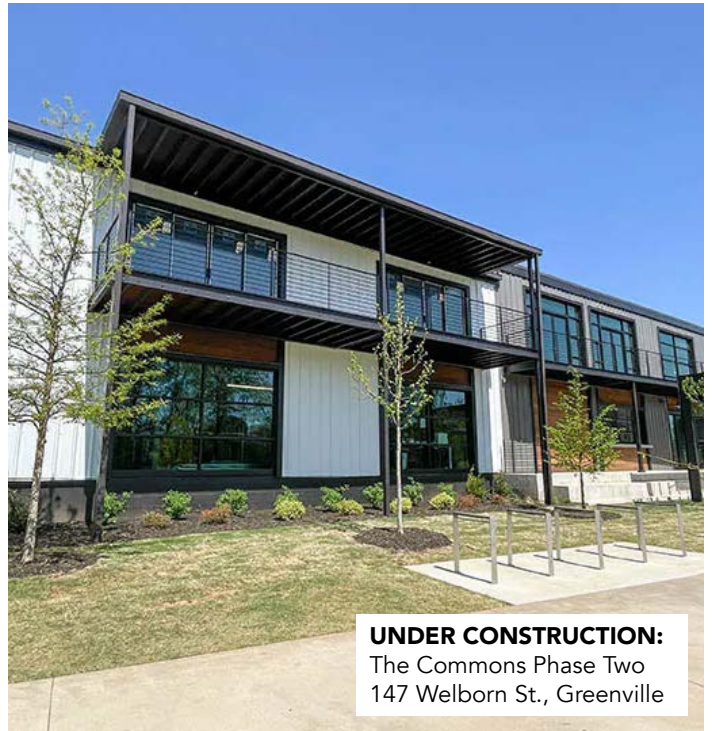
- **Q2 2024 Net Absorption:** The Greenville-Spartanburg office market faced a net absorption of -29,651 square feet in Q2 2024, reflecting continued challenges in maintaining tenant occupancy.
Year-to-Date Absorption: Absorption trends have shown improvement compared to previous quarters, yet the market is still working through a deficit in occupancy.

Vacancy

- **Overall Vacancy Rate:** The market's vacancy rate decreased slightly to 7.8% in Q2 2024, down from 7.9% in Q1 2024. This minor improvement indicates a stable but slow recovery in tenant demand.
- **Historical Trends:** The vacancy rate was 7.7% in Q4 2023 and has fluctuated around this level over the past year, reflecting broader economic and market conditions.

Rental Rates

- **Average NNN Asking Rate:** The average triple net (NNN) asking rate increased to \$22.10 per square foot in Q2 2024, up from \$21.78 in Q1 2024. This upward trend in rental rates highlights the growing demand for office space despite absorption challenges.
- **Year-Over-Year Increase:** Compared to the same period last year, rental rates have seen a notable increase from \$21.23 per square foot, reflecting steady growth in the office market.



Development

- **Under Construction:** The total office space under construction in Q2 2024 was 168,188 square feet, a decrease from previous quarters, indicating a cautious approach to new developments in the current market environment.
- **Inventory Trends:** The overall inventory slightly decreased to 43,495,864 square feet from 43,611,240 square feet in Q1 2024, suggesting limited new additions and a focus on absorbing existing space.
- **Notable Projects:** Several key office projects are underway, including mixed-use developments that integrate office, retail, and residential spaces. These projects aim to cater to the evolving needs of businesses and workers in the region, supporting a dynamic and flexible work environment.

Overall

The Greenville-Spartanburg office market is navigating a period of cautious optimism, with rental rates rising and vacancy rates stabilizing. While net absorption remains negative, the market's fundamentals show potential for recovery and growth, supported by ongoing developments and strategic investments.

Upstate Submarket Map



Upstate Submarket Data

OFFICE SUBMARKET	EXISTING INVENTORY Total RBA	VACANCY		Q2 2024 NET ABSORPTION	UNDER CONSTRUCTION SF	MARKET ASKING RENT/SF
		Total SF	Vacancy %			
CBD Greenville	5,309,970	879,966	15.1%	20,878	---	\$29.75
Pelham Road	4,547,486	858,469	18.4%	-67,513	---	\$22.33
Woodruff Road / I-385 Corridor	5,213,469	772,511	10.4%	46,496	---	\$24.70
CBD Spartanburg	2,484,823	99,633	3.0%	14,507	-	\$22.70

* Class A properties larger than 10,000 SF

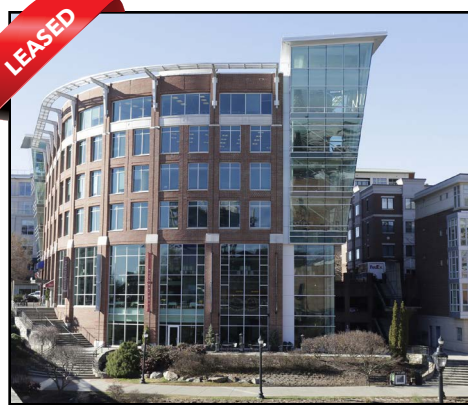
TOP TRANSACTIONS

Top 3 Office Leases



935 S MAIN STREET

AREA GREENVILLE CBD
TOTAL SF 15,020 SF
TENANT BRASFIELD & GORRIE
INDUSTRY CONSTRUCTION



550 S. MAIN STREET

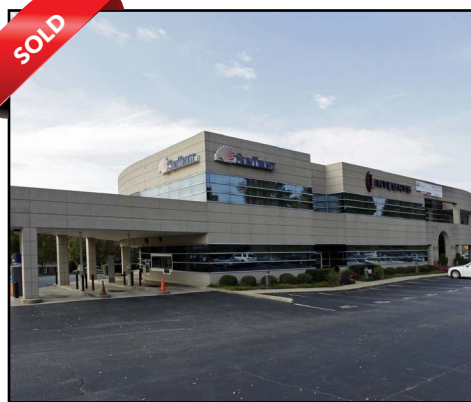
AREA GREENVILLE CBD
TOTAL SF 12,690 SF
TENANT UNDISCLOSED
INDUSTRY UNDISCLOSED



1045 -1053 KEYS DRIVE

AREA GREENVILLE
TOTAL SF 12,500 SF
TENANT MITCHELL CONTRACT INTERIORS
INDUSTRY CONSTRUCTION

Top 3 Office Sales



770 PELHAM ROAD

AREA GREENVILLE
TOTAL SF 38,706 SF
PRICE \$6,500,000
PRICE/SF \$167.93 PSF
BUYER UPSTATE WARRIOR SOLUTIONS
SELLER REALOP INVESTMENTS
CLASS CLASS A BUILDING



157 E. SAINT JOHN STREET

AREA SPARTANBURG CBD
TOTAL SF 13,249 SF
PRICE \$1,633,000
PRICE/SF \$123.25 PSF
BUYER BIBLE STUDYTIME, INC(TIME FOR HOPE)
SELLER RIGSBY FAMILY HOLDINGS LLC
CLASS CLASS B BUILDING



745 WADE HAMPTON BOULEVARD

AREA GREENVILLE
TOTAL SF 10,000 SF
PRICE \$2,500,000
PRICE/SF \$250.00 PSF
BUYER PII WADE HAMPTON LLC
SELLER DURO PROPERTIES LLC
CLASS CLASS C BUILDING

Featured Office Properties



706 SHILOH ROAD

AREA PIEDMONT
TOTAL SF ±28,800 SF
RATE \$3,650,000



12 MAPLE TREE COURT

AREA GREENVILLE
TOTAL SF ±7,668 SF
RATE \$18.50 SF/YR (NNN)



3535 PELHAM ROAD

AREA GREENVILLE
TOTAL SF ±4,000 SF
RATE \$14.25 SF/YR (NNN)



510 AIRPORT ROAD EXTENSION

AREA GREENVILLE
TOTAL SF ±3,648 SF
RATE \$17.00 SF/YR (NNN)



501 RICHARDSON STREET

AREA SIMPSONVILLE
TOTAL SF ±2,700 SF
RATE \$12.50 SF/YR (NNN)



210 HILLCREST DRIVE

AREA LAURENS
TOTAL SF ±2,600 SF
RATE \$395,000

meet our OFFICE EXPERTS

Lee & Associates Greenville / Spartanburg is built on an enterprising culture of collaboration and innovation. This couldn't be more true for Darath Mackie and Nicholas Quigley. These office experts teamed up in 2022 to provide strategic expertise to both professional office and medical office owners. They maximize asset awareness through leasing activity, market rental rates, occupancy and investment value.

Darath's background in commercial sales, business development, and construction science, along with Nicholas' background in marketing, sales, and business to business relationships creates a dynamic team with a wide range of skills. Whether you need sales and leasing brokerage, property marketing, research and demographics, or asset and property management, you can be sure they have the right experience to serve you.



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COMMERCIAL REAL ESTATE SERVICES GREENVILLE/SPARTANBURG

Lee & Associates Commercial Real Estate Greenville/Spartanburg is part of a nationwide network of offices, bringing 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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