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# RETAIL MARKET REPORT

## Overview

Strong performance from retailers has continued to stabilize vacancy rates in the Greenville/Spartanburg market, ending Q2 2024 with a low 3.23%, a slight increase of just 1 basis point from last quarter. New construction starts have notably decelerated this quarter to below 50,000 SF. This cautious approach to new retail construction has contributed to maintaining near-record low vacancy levels. While rising interest rates and economic uncertainties have dampened investment activity, steady rent growth has enabled the retail sector to outshine other property types in the market. The average triple net (NNN) asking rate per square foot annually rose to \$14.69 in Q2 2024, up from \$14.24 in Q1 2024, reflecting the increased demand and rental rates for retail properties.

Q2 Existing Inventory  
**92,997,518**  
Q1 92,938,156 SF

Q2 Net Absorption  
**49,854**  
Q1 88,613 SF

Q2 Under Construction  
**71,758 SF**  
Q1 127,502 SF

Q2 Vacancy  
**3.23%**  
Q1 3.22% SF

Q2 Avg. Asking Rent (per yr.)  
**\$14.69 PSF**  
Q1 \$14.24 PSF

## Key Takeaways

- The Greenville-Spartanburg retail market shows stable demand with a low vacancy rate of 3.23% in Q2 2024, despite a slight increase.
- Average rental rates rose to \$14.69 per square foot in Q2 2024, indicating ongoing demand and consistent rent growth.
- New retail construction slowed to 71,758 square feet in Q2 2024, reflecting caution amidst economic uncertainties, yet diverse tenants continue to be attracted to the market.

## Absorption

- **Q2 2024 Net Absorption:** The Greenville-Spartanburg retail market experienced net absorption of 49,854 square feet in Q2 2024, down from 88,613 square feet in Q1 2024. This decline indicates a slowdown in tenant activity and occupancy gains.
- **Year-over-Year Comparison:** Over the past year, net absorption has fluctuated, with a notable peak at 401,033 square feet in Q3 2023, highlighting the variable nature of retail space demand in the region.

## Vacancy

- **Overall Vacancy Rate:** The vacancy rate in the retail market remained low at 3.23% in Q2 2024, a slight increase of just 1 basis point from the previous quarter. This stability suggests strong demand and limited available space.
- **Historical Trends:** The vacancy rate has remained relatively stable over the past year, with minor fluctuations, indicating a resilient retail market despite broader economic challenges.

## Rental Rates

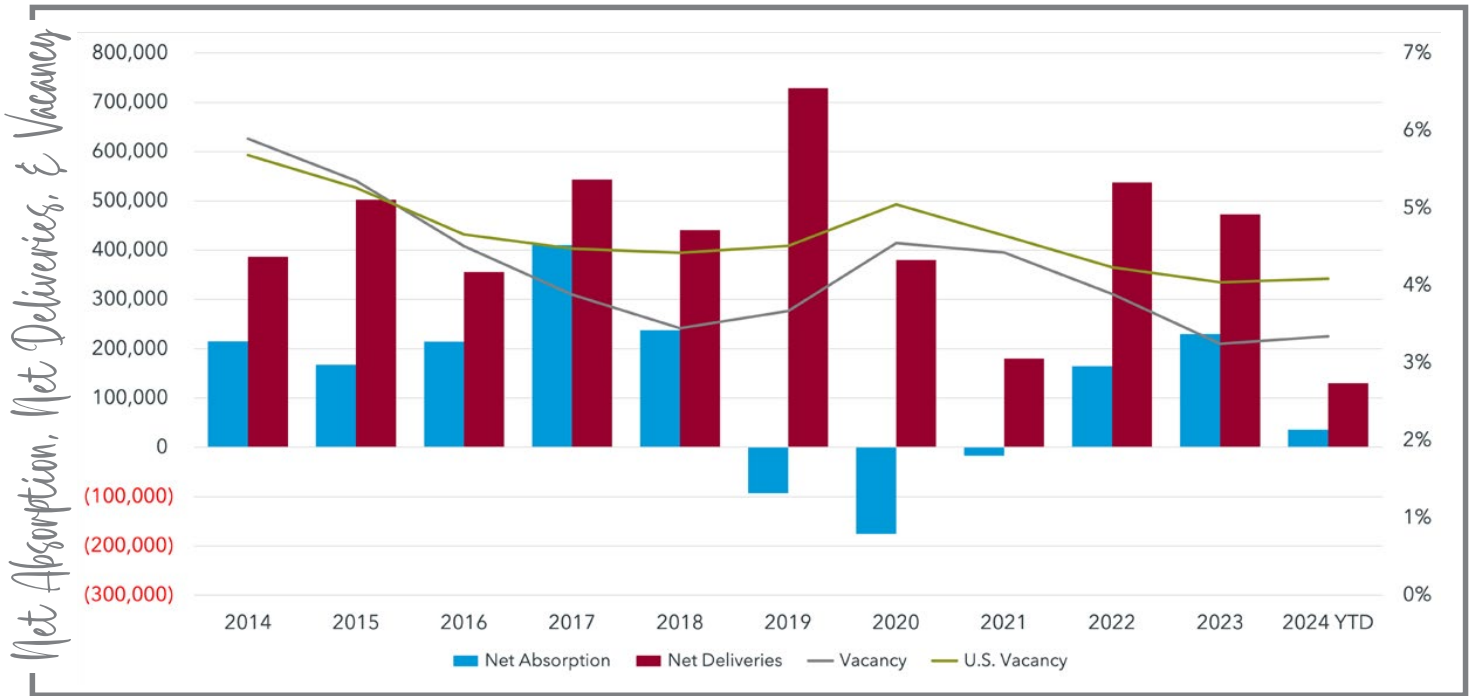
- **Average NNN Asking Rate:** The average triple net (NNN) asking rate rose to \$14.69 per square foot in Q2 2024, up from \$14.24 in Q1 2024. This increase reflects the continued demand for retail space and the market's ability to command higher rents.
- **Year-over-Year Growth:** Compared to the same period last year, the asking rate has increased from \$14.15 per square foot, demonstrating consistent rent growth in the retail sector.

## Development

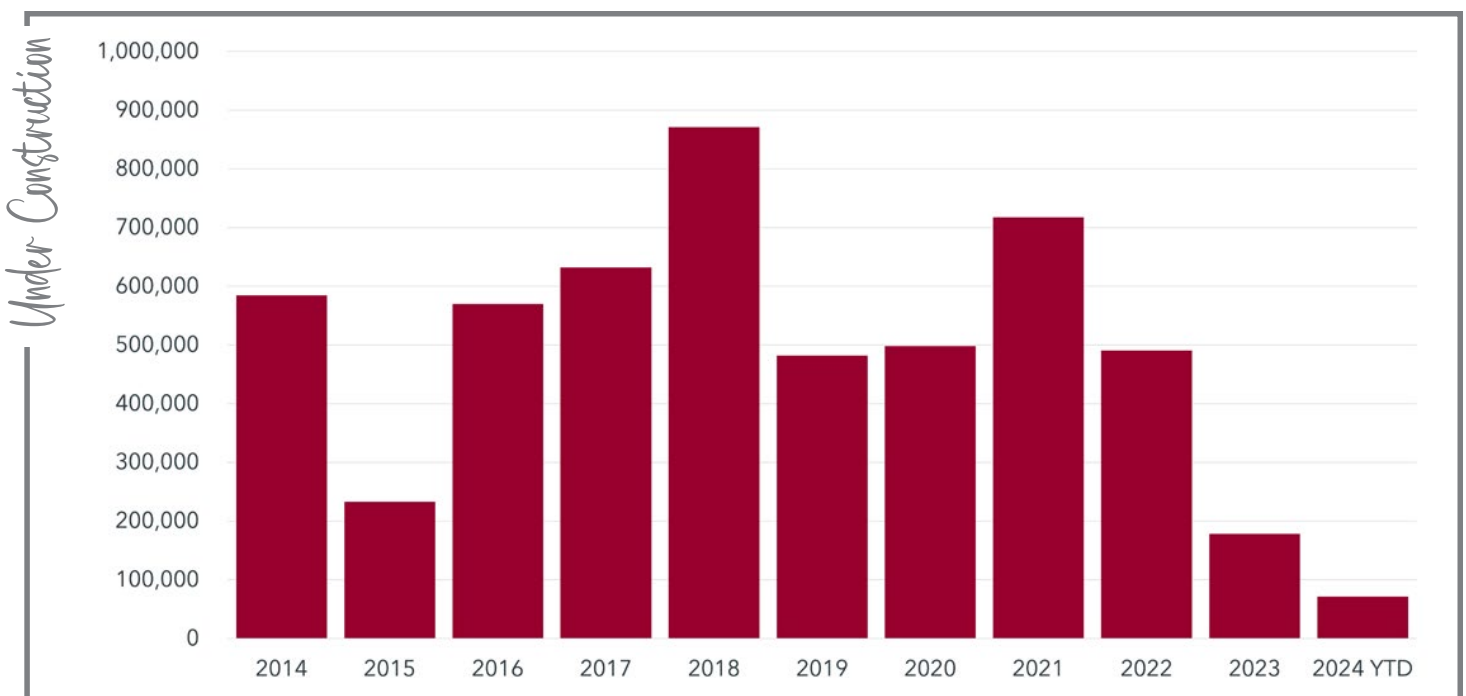
- **Under Construction:** Retail space under construction decreased to 71,758 square feet in Q2 2024, down from 127,502 square feet in Q1 2024. This decline indicates a cautious approach to new development amidst economic uncertainties.
- **Inventory Trends:** The total retail inventory reached 92,997,518 square feet, showing a gradual increase as new spaces are completed and added to the market.
- **Notable Projects:** Key lease transactions in Q2 2024 included Gator Investments leasing 40,094 square feet in Spartanburg and La Unica Super Market leasing 32,260 square feet in Boiling Springs, reflecting diverse tenant demand across different retail segments.

## Overall

- **The Greenville-Spartanburg retail market remains robust,** with stable vacancy rates and rising rental rates. Despite a slowdown in new construction, the market continues to attract a variety of tenants, supporting ongoing growth and development in the region.



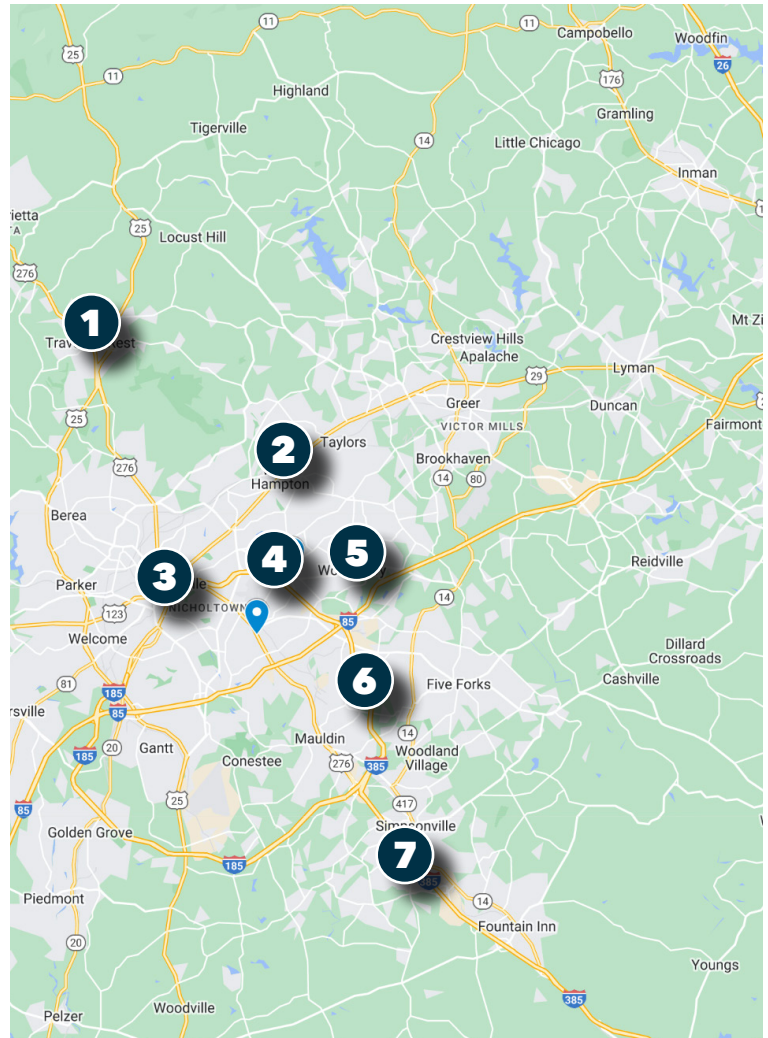
*The average triple net (NNN) asking rate rose to \$14.69 per square foot in Q2 2024, up from \$14.24 in Q1 2024. This increase reflects the continued demand for retail space and the market's ability to command higher rents.*



OFFICE SUBMARKET	EXISTING INVENTORY Total RBA	VACANCY		Q3 2023 NET ABSORPTION	UNDER CONSTRUCTION SF	QUOTED RATES
		Total SF	Vacancy %			
E Butler Road	3,055,915	85,702	3%	27,409	0	\$25.70
Fairview Road	3,034,798	75,331	2%	7,479	0	\$21.40
Greenville CBD	1,003,407	106,477	8%	-36,851	0	\$27.83
Haywood Road	2,601,154	25,055	1%	26,528	3,000	\$21.28
Laurens Road	2,672,178	138,267	4%	4,406	0	\$16.10
Pelham I-85	1,000,082	23,072	2%	77,323	6,000	\$25.24
Travelers Rest	1,946,150	51,777	2%	57,016	19,960	\$14.92
Wade Hampton	5,842,021	117,206	2%	104,700	9,500	\$18.23

## UPSTATE SUBMARKET

1. Travelers Rest
2. Wade Hampton
3. Greenville CBD
4. Haywood Road
5. Pelham Road
6. E Butler Road, Mauldin
7. Fairview Road, Simpsonville



# TOP OVERALL MARKET PROPERTIES ●●●●

## Top 3 Retail Leases – Q2 2024



**2081 E MAIN STREET**

AREA SPARTANBURG  
 TOTAL SF 40,094 SF  
 TENANT UNDISCLOSED  
 INDUSTRY UNDISCLOSED



**3720 BOILING SPRINGS ROAD**

AREA BOILING SPRINGS  
 TOTAL SF 32,260  
 TENANT LA UNICA SUPER MARKET  
 INDUSTRY GROCERY



**315 OLD BOILING SPRINGS**

AREA GAFFNEY  
 TOTAL SF 27,694  
 TENANT THE GODDARD SCHOOL  
 INDUSTRY SCHOOLS & EDUCATION

## Top 3 Retail Sales – Q2 2024



**205 & 225 W BLACKSTOCK ROAD**

AREA SPARTANBURG  
 TOTAL SF 611,357 SF  
 SALE PRICE \$15,150,000  
 PRICE/SF \$24.78/SF  
 BUYER WESTGATE CAROLINA REALTY LLC  
 SELLER CBL & ASSOCIATES  
 TYPE M MULTI-TENANT



**203 RUTHERFORD ROAD**

AREA GREENVILLE  
 TOTAL SF 21,500 SF  
 SALE PRICE \$8,587,000  
 PRICE/SF \$399.40/SF  
 BUYER STANLEY MARTIN HOMES  
 SELLER PALMETTO ALLIANCE PROPERTY  
 TYPE SINGLE TENANT



**102 ELLIS FARRY AVENUE**

AREA GAFFNEY  
 TOTAL SF 20,250 SF  
 SALE PRICE \$2,875,000  
 PRICE/SF \$141.94/SF  
 BUYER AGREE REALTY CORPORATION  
 SELLER HENBELL GAFFNEY HFT LLC  
 TYPE SINGLE TENANT

# LEE FEATURED RETAIL PROPERTIES



**104 MAULDIN ROAD**

AREA GREENVILLE  
TOTAL SF ±26,828 SF  
RATE \$2,000,000 | \$4.00 - 12.50 SF/YR (NNN)



**4132 CLEMSON BOULEVARD**

AREA ANDERON, SC  
TOTAL SF ±1,500 SF  
RATE \$15.00 SF/YR (NNN)



**2318 TENNESSEE HIGHWAY 160**

AREA NEWPORT, TN  
TOTAL SF ±9,026 SF  
RATE \$1,279,111



**1249 E BUTLER ROAD**

AREA GREENVILLE  
TOTAL SF ±8,600 SF  
RATE CALL FOR PRICE



**6516 STATE PARK ROAD**

AREA TRAVELERS REST  
TOTAL SF ± 7,049 SF  
RATE CALL FOR PRICE



**7486 AUGUSTA ROAD**

AREA GREENVILLE  
TOTAL SF ±1,320 SF  
RATE \$16.00 SF/YR (NNN)

# meet our RETAIL EXPERTS

Andrew is a commercial real estate specialist focusing on sales and leasing of industrial, office, retail, and land product types throughout the Upstate of South Carolina. Andrew is an Upstate native; he graduated Magna Cum Laude from The Citadel in 2017 with a B.S. in Business Administration with a concentration in Finance. He played two seasons on The Citadel Varsity Football Team before deciding to focus heavily on his career following college, completing multiple internships before graduation.

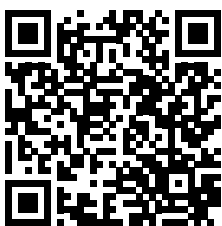


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Joey Schirripa is a driven, results-oriented sales professional with experience in pipeline generation, lead qualification, and targeted prospect outreach. He holds a Bachelor's degree in Communications as well as a minor in Brand Communications from Clemson University.



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## COMMERCIAL REAL ESTATE SERVICES 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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