

	YoY Chg	12-Mo. Forecast
<b>10.4%</b> Vacancy Rate	▲	▲
<b>253K</b> YTD Net Absorption, SF	▼	▬
<b>\$5.79</b> Asking Rent, PSF	▲	▬

*Overall, Net Asking Rent*

### ECONOMIC INDICATORS Q2 2024

	YoY Chg	12-Mo. Forecast
<b>642.9K</b> Greenville-Spartanburg Employment	▲	▲
<b>3.1%</b> Greenville-Spartanburg Unemployment Rate	▲	▲
<b>4.1%</b> U.S. Unemployment Rate	▲	▲

Source: BLS

### ECONOMY: Unemployment Climbs Despite Job Gains

Amid an uncertain economic climate, Greenville-Spartanburg notched another quarter of employment growth by adding 3,800 jobs; however, the unemployment rate also climbed by 20 basis points (bps) indicating that the civilian labor force growth rate surpassed the nonfarm job growth rate in Q2. Despite an increasing number of jobless claims, the Upstate's unemployment rate remained well below the national average of 4.1%. Manufacturing and trade, transportation, and utilities, two key industrial sectors, regained traction in Q2 by notching healthy year-over-year (YOY) employment growth of 1.2% and 1.0%, respectively.

### SUPPLY and DEMAND: Bulk Warehouse Additions Drive Vacancy Higher

Market supply expanded further in Q2 as vacant deliveries continued to mount and outpace occupier demand. The overall vacancy rate increased by 130 bps to 10.4%, largely due to the completion of two unoccupied speculative properties each measuring over 1.0 million square feet (msf). Of the 3.2 msf of new product added only one build-to-suit project, accounting for 18.5% of the space, was released at the time of completion. In addition to the large construction deliveries, occupancy losses of 1.2 msf via sublease space outweighed the direct occupancy gains of 838,000 square feet (sf) recorded in Q2, pushing the vacancy figure into the double digits for the first time since 2006. A single property accounted for a vast majority of the sublease space returned to the market as a significant occupier vacated a 1.0-msf distribution facility to consolidate operations. The supply of vacant space is expected to peak in the coming 12 to 15 months as the new development pipeline has nearly depleted with only 3.9 msf of speculative product currently under construction.

Leasing volume for industrial space in Q2 was below the average of recent quarters with 1.4 msf of new deals signed, pushing the year-to-date figure past the 3.0-msf mark. While the number of potential occupiers surveying the market has remained ample through the first half of 2024, the percentage of space requirements that are executed has reverted to pre-pandemic levels. With the recent softening of demand and increased competition, landlords have become more aggressive in their lease-up efforts.

### PRICING: Rents Hold Under Pressure

Asking rates held steady in Q2 as the overall market average decreased by a nominal \$0.02 per square foot (psf) from Q1 as space options remained robust. Direct asking rents rebounded by 0.6% in Q2 to an average of \$5.94 psf while sublease asking rents dropped by 2.8% to \$5.16 psf, marking a 14.1% decrease YOY. Rent growth for the overall market is expected to pause through the remainder of 2024, and likely abate for bulk warehouse/distribution (W/D) availabilities, until the excess supply is absorbed. Upward mobility for smaller W/D and flex space exists and is supported by sound demand.

### SPACE DEMAND / DELIVERIES



### OVERALL VACANCY & ASKING RENT



### MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CONSTRUCTION (SF)	YTD CONSTRUCTION COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)*	OVERALL WEIGHTED AVG NET RENT (FX)*	OVERALL WEIGHTED AVG NET RENT (W/D)*
Anderson County	31,007,611	1,938,439	6.3%	192,086	1,442,514	80,000	968,240	\$4.40	\$5.00	\$5.81
Cherokee County	12,251,540	2,973,621	24.3%	-1,152,645	-1,202,148	555,520	1,189,440	\$2.95	-	\$5.14
Greenville Downtown	3,211,179	32,478	1.0%	6,635	-865	0	0	-	\$11.44	-
East Greenville	10,946,356	378,510	3.5%	228	14,808	305,500	0	\$4.95	\$11.73	\$7.53
North Greenville	20,493,173	1,006,662	4.9%	-34,278	-308,033	0	0	\$5.42	\$9.00	\$6.96
South Greenville	41,541,304	4,221,948	10.2%	561,118	257,116	749,438	1,169,869	\$3.50	\$18.00	\$6.14
Greer/Hwy 101 Corridor	32,888,864	4,730,262	14.4%	-35,038	911	184,140	1,002,440	-	\$9.74	\$6.36
Hwy 290 Corridor	19,322,003	4,668,030	24.2%	239,604	228,104	0	0	-	\$9.93	\$5.64
Laurens County	14,263,133	917,484	6.4%	0	0	621,468	0	-	-	\$4.89
North Spartanburg	48,727,664	5,015,263	10.3%	-151,710	-199,427	2,214,542	1,334,595	\$4.30	\$10.29	\$6.04
South Spartanburg	9,206,540	95,000	1.0%	0	0	0	0	\$5.25	-	\$4.25
Pickens County	6,828,052	130,747	1.9%	27,583	19,583	267,000	0	\$3.22	-	\$6.50
<b>MARKET TOTALS</b>	<b>250,687,419</b>	<b>26,108,444</b>	<b>10.4%</b>	<b>-346,417</b>	<b>252,563</b>	<b>4,977,608</b>	<b>5,664,584</b>	<b>\$4.46</b>	<b>\$11.21</b>	<b>\$5.87</b>

\*Rental rates reflect weighted net asking \$psf/year

FX = Flex MF = Manufacturing W/D = Warehouse/Distribution

### KEY LEASE TRANSACTIONS Q2 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
GP Speedway Industrial Park	Pickens County	Carolina Handling	267,000	Build-to-Suit
GP Speedway Industrial Park	Pickens County	ElringKlinger	226,000	Build-to-Suit
GSP Industrial	Greer/Hwy 101 Corridor	Lear	109,295	New Lease
Victor Hill Distribution Center	Greer/Hwy 101 Corridor	JAS	86,058	Expansion
AXIAL Crosspoint – Building 2	South Greenville	Gindre Copper	73,271	New Lease

### KEY SALES TRANSACTIONS Q2 2024

PROPERTY	SUBMARKET	SELLER   BUYER	SF	PRICE   \$ PSF
Park 290 at I-26 – Building 1 & The Exchange Logistics Park at I-85 – Building 2	Hwy 290 Corridor & Anderson County	VanTrust   CBRE Investment Management	964,285	\$85.3 M   \$88.41
Southchase Expansion – Building B	South Greenville	Altus Equity   EQT Exeter	69,770	\$7.9 M   \$112.51

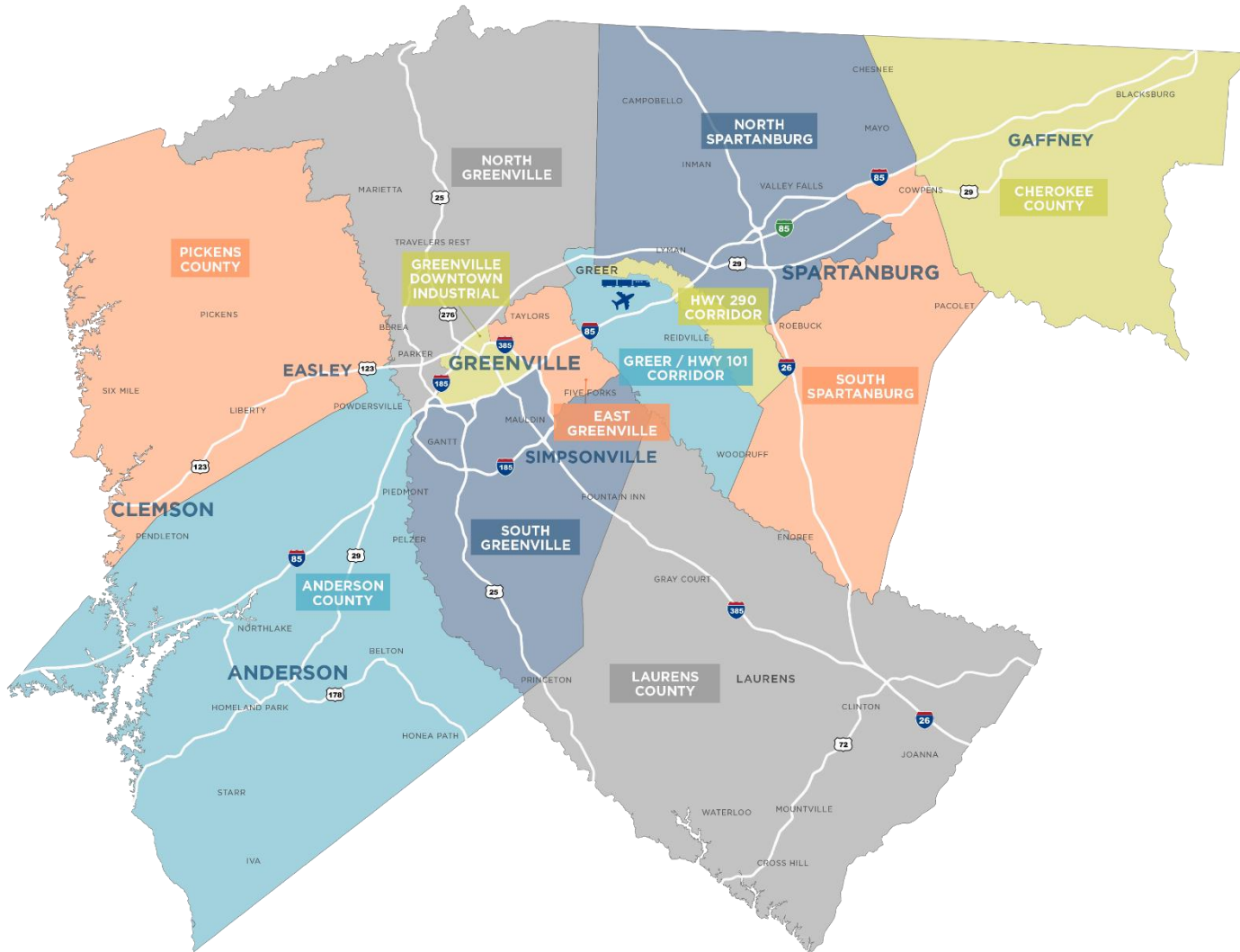
### KEY CONSTRUCTION COMPLETIONS Q2 2024

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER   DEVELOPER
Upstate Corporate Park – Building 1	Cherokee County	N/A	1,189,440	NAI Appian Investment Services   TPA Group
Spartan Enterprise Park – Building 1	North Spartanburg	N/A	1,009,962	BentallGreenOak   NorthPoint Development
Augusta Grove Logistics Park – Building 1	South Greenville	GE Appliances	584,820	Provident Realty Advisors   TPA Group

# GREENVILLE, SC

Industrial Q2 2024

## INDUSTRIAL SUBMARKETS



### Drew Walters

Senior Research Analyst

+1 864 704 1345 / [andrew.walters@cushwake.com](mailto:andrew.walters@cushwake.com)

### JP Price

Research Manager

+1 704 335 4433 / [jp.price@cushwake.com](mailto:jp.price@cushwake.com)

[cushmanwakefield.com](http://cushmanwakefield.com)

### A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in approximately 400 offices and 60 countries. In 2023, the firm reported revenue of \$9.5 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), sustainability and more. For additional information, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com).

©2024 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.