



MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
10.9% Vacancy Rate	▲	▲
663.2K YTD Net Absorption, SF	▼	▲
\$5.85 Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▼	—

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
645.8K Greenville Employment	▲	▲
3.9% Greenville Unemployment Rate	▲	▼
4.1% United States Unemployment Rate	▲	▼

Source: BLS

ECONOMY: Interest Rate Cut Signals Inflection Point

Greenville displayed signs of slowing economic growth in Q3 as the unemployment rate climbed 70 basis points (bps) to 3.9%, while job growth decelerated. A change in monetary policy filled national headlines in September with a 50-bp rate cut enacted by the Federal Reserve, signaling a perceived inflection point in the health of the U.S. The Upstate remains well-positioned to resume stable economic growth with forecasts predicting a decrease in the unemployment rate for the market over the next 12 months.

SUPPLY and DEMAND: Vacancy Approaches an Apex

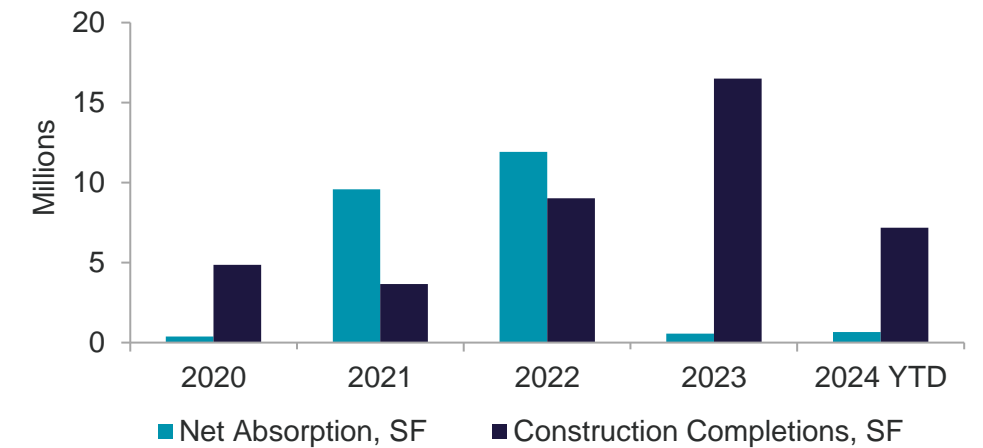
The Upstate's supply of existing space options expanded further in Q3 as 1.5 million square feet (msf) of new product was added to the market. Preleasing activity for the eight new properties delivered was recorded at 20.2%, marking a modest uptick relative to prior quarters. Despite a 40-bp climb in the vacancy rate, the upward trend continued to taper off in Q3 from the record-setting increases of 2023. Vacancy is forecasted to peak over the next three quarters with only 4.9 msf of product currently under construction, 37.6% of which is being developed on a build-to-suit basis.

Leasing activity for industrial space in Q3 was on par with the recent quarterly average with 1.8 msf of new deals inked, pushing the year-to-date figure past the 5.2-msf mark. Demand for Class A product accounted for the majority of the space leased at 76.7% or 1.4 msf.

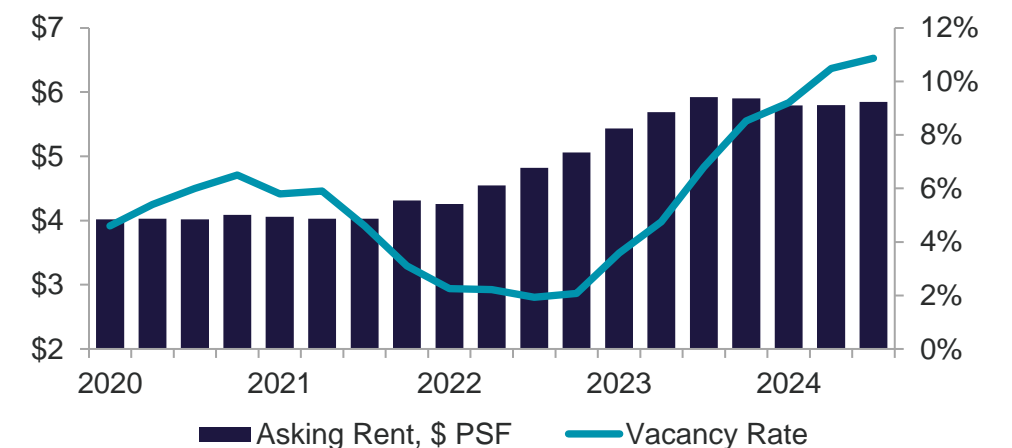
PRICING: Rents Continue to Recalibrate

Despite the abundant supply of available space, asking rents ticked up slightly in Q3, with the overall market average rising by 0.9% to \$5.85 per square foot. This increase was due to the rent growth within Class B space and manufacturing product. Direct asking rents grew by 1.1% in Q3; however, sublease asking rents have moved in the opposite direction during 2024, decreasing by 3.0% year-over-year as occupiers face ample competition for expense recovery. Asking rents for smaller warehouse/distribution spaces are expected to hold firm while bulk Class A asking rents will continue to experience downward pressure through 2024 and into 2025 until the excess supply is absorbed.

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)	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	1,989,502	6.4%	-51,063	1,391,451	80,000	968,240	\$4.56	\$5.00	\$5.71
Cherokee County	12,225,764	2,947,845	24.1%	0	-1,176,372	555,520	1,189,440	\$2.95	-	\$5.15
Greenville Downtown	3,241,179	40,978	1.3%	-8,500	-9,365	0	0	-	\$11.26	\$9.00
East Greenville	11,251,856	515,012	4.6%	178,348	187,756	0	305,500	\$5.48	\$11.90	\$6.94
North Greenville	20,503,673	997,494	4.9%	6,720	-298,865	0	0	\$5.43	\$6.76	\$6.92
South Greenville	41,665,504	4,617,243	11.1%	-121,091	136,025	987,638	1,294,069	\$3.50	\$12.52	\$6.08
Greer/Hwy 101 Corridor	33,073,324	5,036,725	15.2%	-88,956	-121,525	361,844	1,186,580	-	\$7.48	\$6.39
Hwy 290 Corridor	19,322,003	5,039,873	26.1%	-371,843	-143,739	0	0	-	\$8.60	\$5.57
Laurens County	14,884,601	854,137	5.7%	684,815	684,815	225,000	621,468	-	-	\$5.59
North Spartanburg	49,030,121	5,185,679	10.6%	135,056	-59,595	1,936,894	1,612,243	\$4.39	\$10.20	\$6.06
South Spartanburg	9,254,017	95,000	1.0%	0	0	0	0	\$5.25	-	\$4.25
Pickens County	6,828,052	77,747	1.1%	53,000	72,583	748,069	0	\$3.22	-	\$6.50
MARKET TOTALS	252,287,705	27,397,235	10.9%	416,486	663,169	4,894,965	7,177,540	\$4.54	\$10.78	\$5.87

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

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

KEY LEASE TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
1808 Easley Hwy	Anderson County	Vertiv	249,480	New Lease
Tyger River Industrial Park North – Building 500	Hwy 290 Corridor	Keurig Dr Pepper	219,174	New Lease
Augusta Grove Business Park – Building 11	South Greenville	Maytronics	162,000	New Lease
2008 Perimeter Rd	South Greenville	Confidential	161,000	Build-to-Suit
185 Littlejohn St	North Spartanburg	Vancouver Plastics	151,400	New Lease

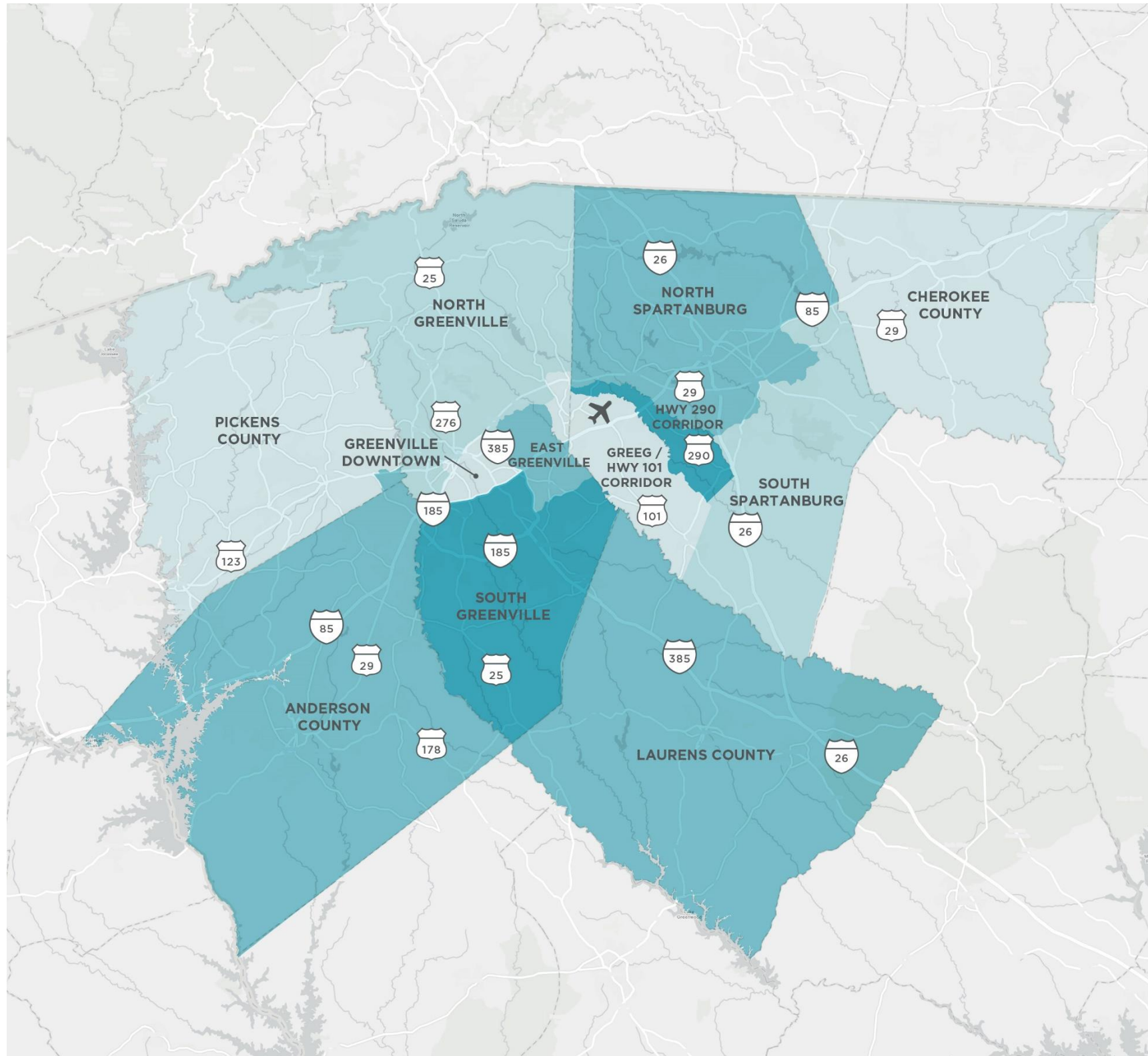
KEY SALES TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	SELLER BUYER	SF	PRICE \$ PSF
Augusta Grove Logistics Park – Building 1	South Greenville	Provident Realty Advisors & TPA Group MDH Partners	584,820	\$60.7M \$103.71
Clinton Logistics Center	Laurens County	Fields-Realty, LLC R.E. Michel Company	566,479	\$30.0M \$52.96
Garlington North - Building A	East Greenville	Regency Finance, LLC Brennan Investment Group	136,080	\$13.5M \$99.21

KEY CONSTRUCTION COMPLETIONS YTD 2024

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER DEVELOPER
Spartan Enterprise Park – Buildings 1 & 2	North Spartanburg	N/A	1,334,595	BentallGreenOak NorthPoint Development
Upstate Corporate Park – Building 1	Cherokee County	N/A	1,189,440	Appian Investments TPA Group
Tyger Ridge Logistics Center – Buildings 1, 3 & 4	Greer/Hwy 101 Corridor	N/A	1,002,440	Panattoni

INDUSTRIAL SUBMARKETS



DREW WALTERS
Senior Research Analyst
Tel: +1 864 704 1345
Andrew.Walters@cushwake.com

JP PRICE
Research Manager
Tel: +1 704 335 4433
JP.Price@cushwake.com

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