

16,380,596 SF

Q1 Existing Inventory ↑
Q4 16,372,346 SF

15,489 SF

Q1 Net Absorption ↑
Q4 -172,409 SF

12.5%

Q1 Vacancy ↓
Q4 12.7 %

54,532 SF

Q1 Under Construction ↓
Q4 201,795 SF

\$23.60 PSF

Q1 Avg. Asking Rent (per yr.) ↑
Q4 \$22.33 PSF

MARKET OVERVIEW

Office space performance remained steady in Greenville/Spartanburg, with a small gain in net absorption of 15,489 SF during the first quarter. Overall vacancy decreased by 20 basis points to 12.5%, down from 12.7% in Q4 of 2022. Tightening space availability is placing upward pressure on average asking rents, which rose by more than 5% quarter-over-quarter to \$23.60 PSF. Consequently, market conditions have spurred investor interest for quality office properties; and developers are seeking public and/or private partnerships to build space and capitalize on Greenville's growing need for office product. State and County level incentives remain available for development projects that meet certain thresholds, supporting further commercial real estate investment in the city.

ABSORPTION

Net absorption totaled 15,489 SF in Q1, a small but steady gain after posting more than 300,000 SF in 2022. At the submarket level, Greenville County gained 74,036 SF worth of net occupancy gains, followed by CBD Spartanburg which posted 8,807 SF of net absorption. CBD Greenville, Anderson County and Spartanburg County each recorded net occupancy losses in Q1.

VACANCY

Overall vacancy decreased in Q1 to 12.5%, a 20 basis point (bp) decrease from the prior quarter and 60 bps higher than the rate one year ago. The Greenville County submarket has the highest vacancy (14.4%) in the market, representing 1.3 MSF of space.

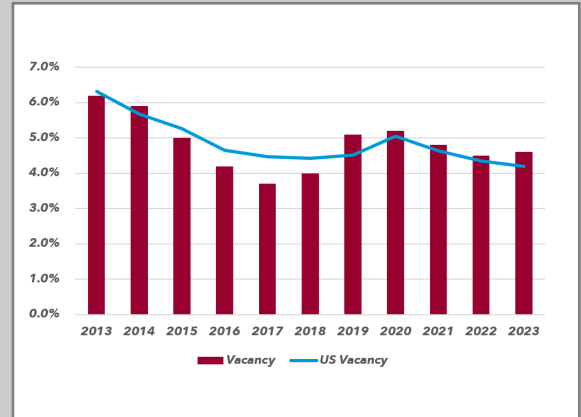
RENTAL RATES

Overall average asking rents rose to \$23.60 PSF in Q1, an increase of \$1.27 PSF from Q4 2022. The overall year-over-year average increased 6.5%. CBD Greenville showed significant asking rent growth, rising 3.2% quarter-over-quarter, with average rents currently standing at \$26.13 PSF.

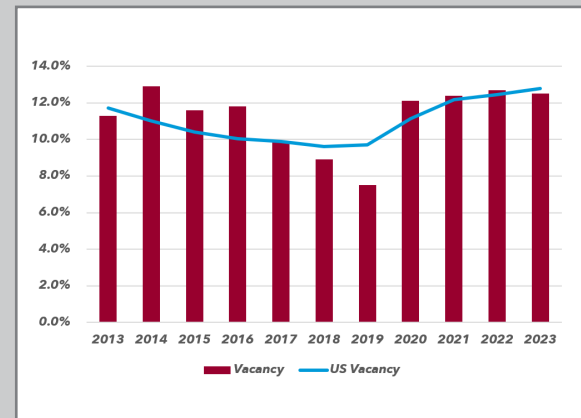
DEVELOPMENT

Development activity in Greenville-Spartanburg remains low, totaling 54,532 SF in one building. Developers continue to seek public and/or private partnerships to build space and capitalize on Greenville's growing need for office product.

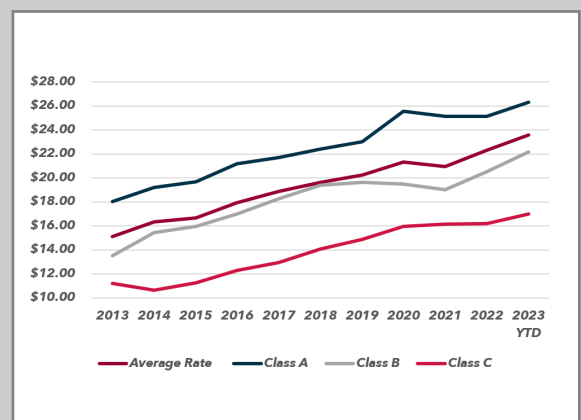
ABSORPTION & DELIVERIES



YEARLY VACANCY COMPARISON

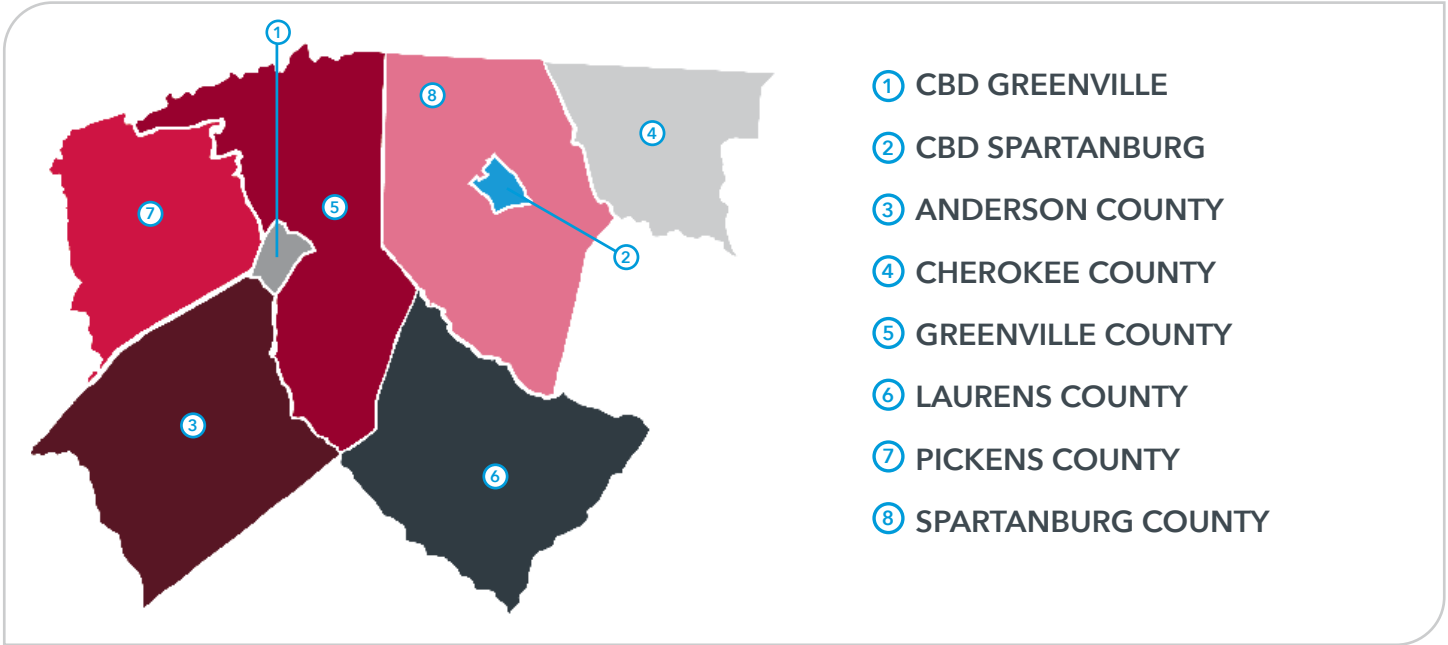


RENTAL RATES



The information and details contained herein have been obtained from third-party sources believed to be reliable, however, Lee & Associates has not independently verified its accuracy. Lee & Associates makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to, the implied warranty of suitability and fitness for a particular purpose. Interested parties should perform their own due diligence regarding the accuracy of the information. The information provided herein of properties 10,000 SF+, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. Third-party data sources: CoStar Group, Inc. and Lee Proprietary Data. © Copyright 2023 Lee & Associates all rights reserved.

SUBMARKET MAP



SUBMARKET BREAKDOWN

SUBMARKET	EXISTING INVENTORY	VACANCY		YTD NET ABSORPTION	UNDER CONSTRUCTION SF	QUOTED RATES
	Total RBA	Total SF	Vac %			
CBD Greenville	4,256,907	585,048	13.7%	(56,322)	-	\$26.13
CBD Spartanburg	1,180,733	78,877	6.7%	8,807	-	\$18.12
Anderson Co.	776,089	18,213	2.3%	(9,602)	-	\$18.00
Cherokee Co.	28,738	-	0.0%	-	-	-
Greenville Co.	8,903,001	1,279,069	14.4%	74,036	54,532	\$22.16
Laurens Co.	57,540	-	0.0%	-	-	-
Pickens Co.	314,531	35,345	11.2%	-	-	-
Spartanburg Co.	863,057	53,231	6.2%	(1,430)	-	-
TOTAL	16,380,596	2,049,783	12.5%	15,489	54,532	\$23.60

CLASS

CLASS	EXISTING INVENTORY	VACANCY		YTD NET ABSORPTION	UNDER CONSTRUCTION SF	QUOTED RATES
	Total RBA	Total SF	Vac %			
A	4,796,523	819,151	17.1%	(42,646)	-	\$26.30
B	9,770,742	1,188,204	12.2%	50,139	54,532	\$22.18
C	1,813,331	42,428	2.3%	7,996	-	\$17.02
TOTAL	16,380,596	2,049,783	12.5%	15,489	54,532	\$23.60

NOTABLE TRANSACTIONS



LEASED

1 RESEARCH DRIVE
GREENVILLE

TOTAL SF 20,000
TENANT SOTERIA BATTERY
INNOVATIONS GROUP
TYPE LEASE
LANDLORD CLEMSON UNIVERSITY



LEASED

3 INDEPENDENCE POINTE
GREENVILLE

TOTAL SF 12,921
TENANT PROSOURCE, LLC
TYPE SUBLEASE
LANDLORD TSO ICP LP.



LEASED

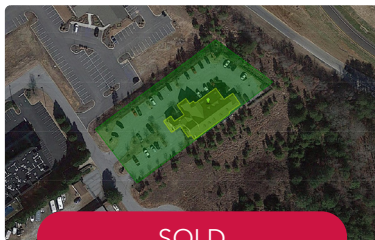
201 E NORTH STREET
GREENVILLE

TOTAL SF 7,020
TENANT RIVER FALLS SPA, LLC
TYPE LEASE
LANDLORD WILSON FARMS COMPANY
LLC

UNDER
CONSTRUCTION

701 EASLEY BRIDGE ROAD
SPARTANBURG

TOTAL SF 54,532
DEVELOPER THREE CORNERS DEVELOPMENT
DELIVERY DATE 2023



SOLD

15 SOUTHERN CENTER COURT
PICKENS

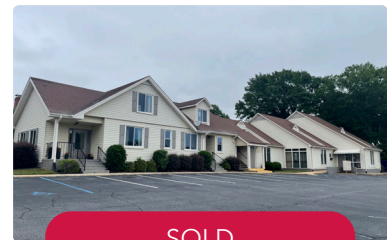
TOTAL SF 7,960
SALE PRICE \$2,786,188
RATE PER SF \$350.02
BUYER CLEMSON EYE
SELLER GREEN TREE METALS



SOLD

3453 PELHAM ROAD
GREENVILLE

TOTAL SF 15,000
SALE PRICE \$1,750,000
RATE PER SF \$116.67
BUYER JLB EMPIRE
SELLER REAGAN REALTY GROUP



SOLD

8 SYCAMORE DRIVE
GREENVILLE

TOTAL SF 8,030
SALE PRICE \$825,000
RATE PER SF \$102.74
BUYER KJ INVESTMENTS LLC
SELLER SYCAMORE DRIVE LLC