

Q3

● ● ● ● QUARTERLEE

# OFFICE MARKET REPORT

## Overview

In the third quarter of 2023, the office space landscape in Greenville/Spartanburg experienced significant shifts. A negative net absorption of 142,376 square feet resulted in an increased vacancy rate of 13.6%. Average asking rents saw a marginal increase, reaching \$23.61 per square foot, compared to \$23.44 per square foot in Q2. Although office sales activity decreased by over 50% from 2022, prices have remained resilient, showing a modest decline of less than 7% over the same period. These trends highlight the evolving market conditions, emphasizing the need for strategic investment and development initiatives to meet the growing demands of Greenville's office space sector.



Q3 Existing Inventory  
**16,020,373**  
Q2 16,553,004 SF



Q3 Net Absorption  
**-142,376**  
Q2 -9,708 SF



Q3 Under Construction  
**157,300**  
Q2 57,300 SF



Q3 Vacancy  
**13.6%**  
Q2 12.4% SF



Q3 Avg. Asking Rent (per yr.)  
**\$23.61 PSF**  
Q2 \$23.44 PSF

## Absorption

In Q3, the net absorption rate reached -142,376 SF, contributing to a year-to-date total of -136,595 SF. Within submarkets, Greenville County reported the lowest absorption at -159,829 SF, contrasting with Spartanburg's positive absorption of 22,000 SF.

## Vacancy

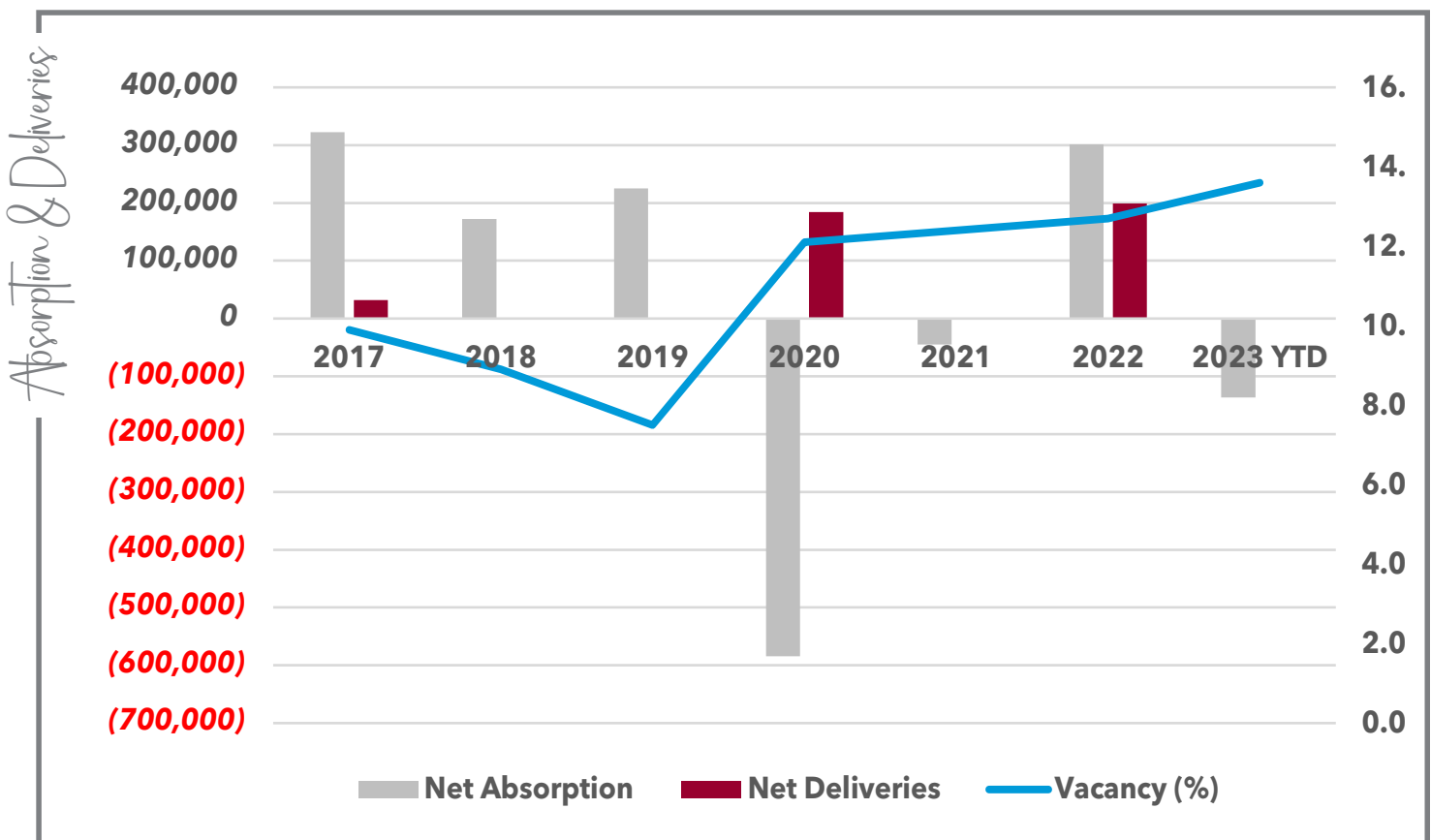
In the third quarter, overall vacancy rates experienced a notable increase, rising to 13.6%, reflecting a 1.2% uptick from the previous quarter. Within the market, Greenville recorded the highest vacancy rate at 16.5%, with CBD Greenville following closely behind at 14.8%.

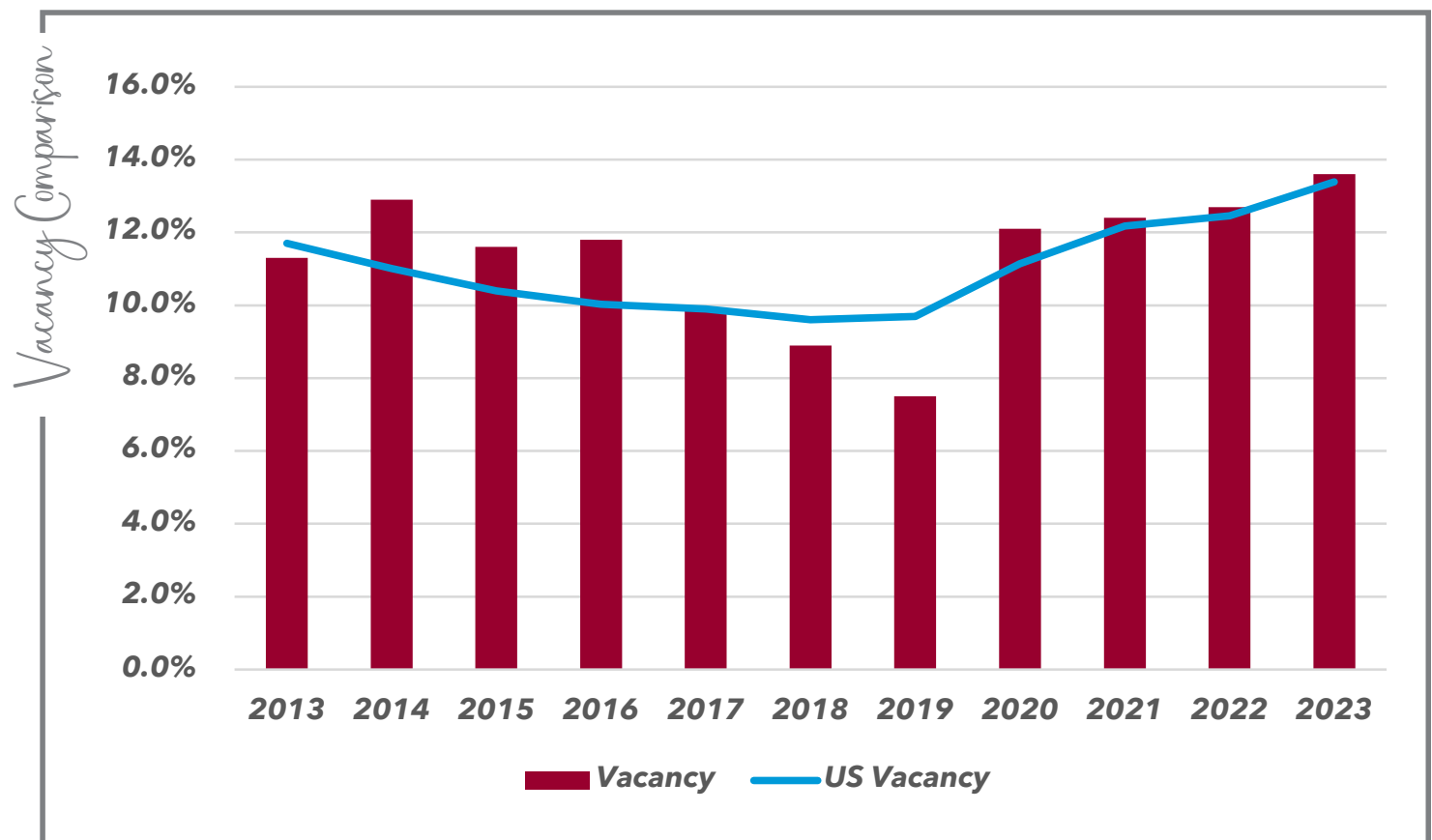
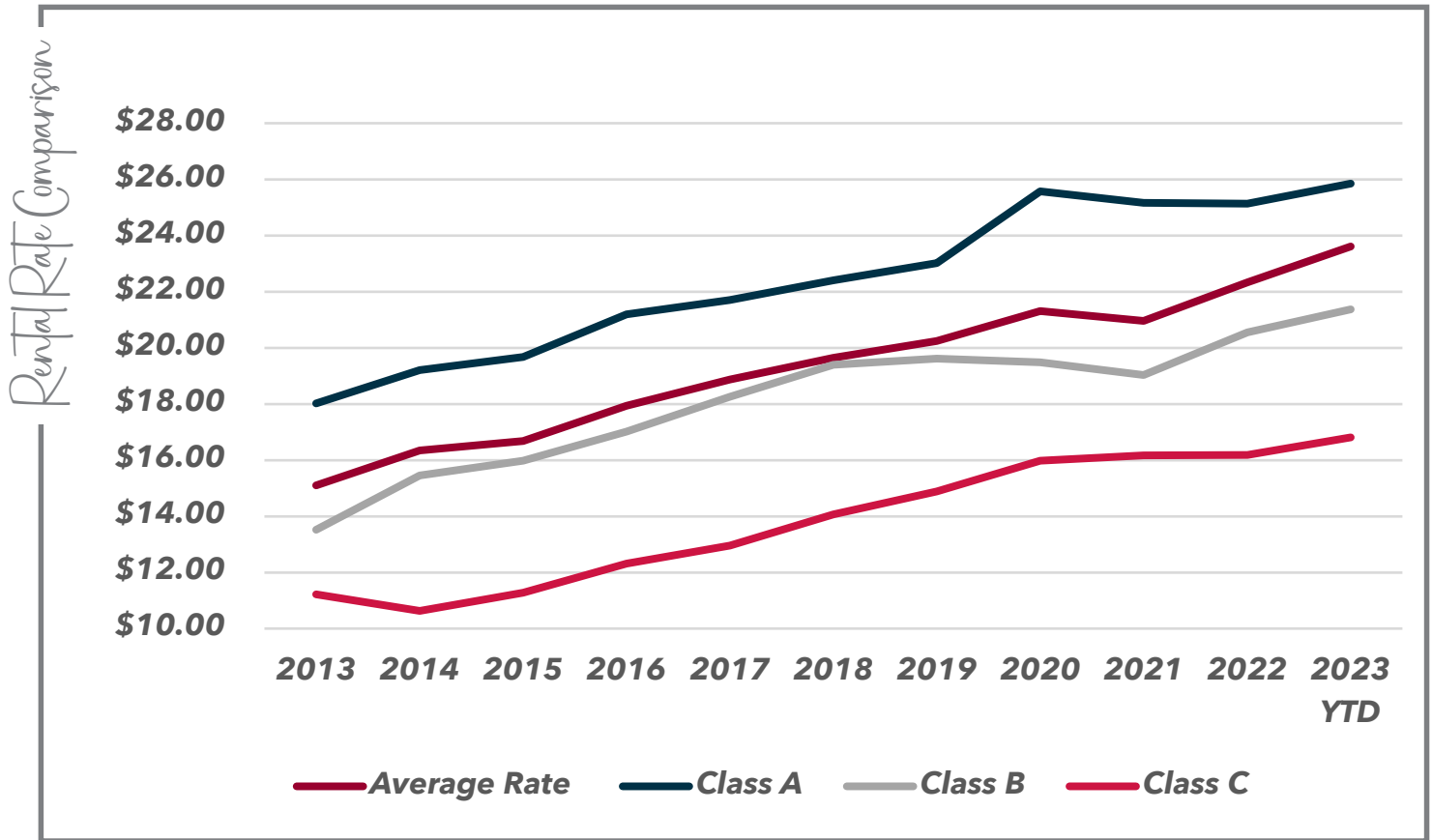
## Rental Rates

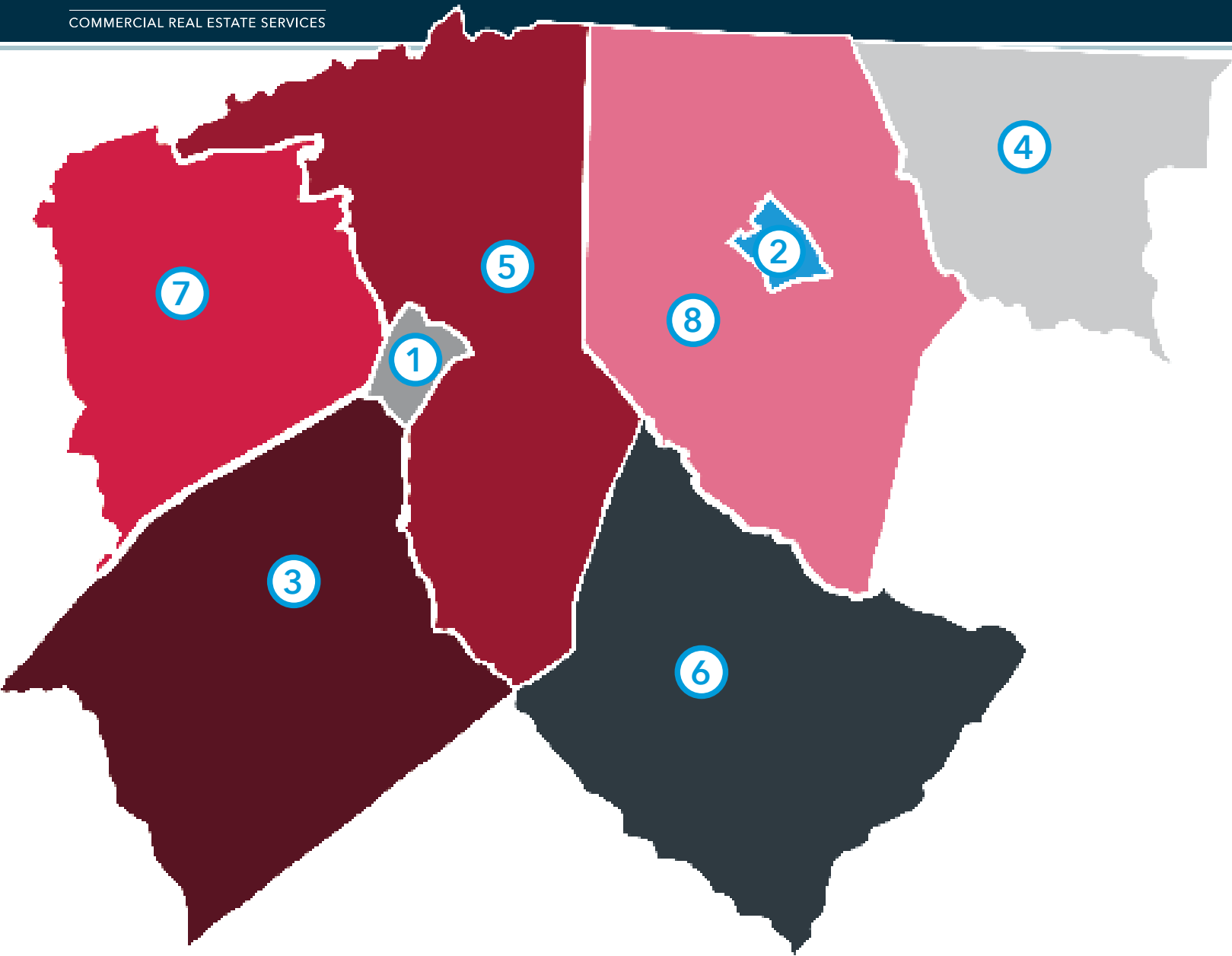
In Q3, the overall average asking rents experienced a marginal decline, settling at \$23.61 per square foot (PSF), marking a modest increase of \$1.56 PSF since the close of 2022. Notably, CBD Greenville boasted the highest average asking rents, standing at \$26.18 PSF.

## Development

In Greenville-Spartanburg, development activity ended Q3 with a total of 157,300 square feet currently under construction. Developers are actively pursuing public and private partnerships to cater to Greenville's rising demand for office spaces. This strategic approach underscores the region's commitment to fostering growth and meeting the evolving needs of its business community.







## UPSTATE SUBMARKET

- |                    |                    |
|--------------------|--------------------|
| 1. CBD Greenville  | 5. Greenville Co.  |
| 2. CBD Spartanburg | 6. Laurens Co.     |
| 3. Anderson Co.    | 7. Pickens Co.     |
| 4. Cherokee Co.    | 8. Spartanburg Co. |

| OFFICE<br>SUBMARKET | EXISTING INVENTORY | VACANCY   |           | Q3 2023 NET<br>ABSORPTION | UNDER<br>CONSTRUCTION SF | QUOTED RATES |
|---------------------|--------------------|-----------|-----------|---------------------------|--------------------------|--------------|
|                     | Total RBA          | Total SF  | Vacancy % |                           |                          |              |
| CBD Greenville      | 4,259,610          | 630,668   | 14.8%     | (17,809)                  | 50,000                   | \$26.18      |
| CBD Spartanburg     | 1,172,117          | 72,792    | 6.2%      | 8,234                     |                          | \$18.27      |
| Anderson Co.        | 772,009            | 18,636    | 2.4%      | 1,950                     |                          | \$20.00      |
| Cherokee Co.        | 28,738             | -         | 0.0%      | -                         |                          | \$-          |
| Greenville Co.      | 8,555,955          | 1,408,363 | 16.5%     | (159,829)                 | 107,300                  | \$22.27      |
| Laurens Co.         | 57,540             | -         | 0.0%      | -                         |                          | \$-          |
| Pickens Co.         | 307,656            | 16,984    | 5.5%      | 3,078                     |                          | \$17.00      |
| Spartanburg Co.     | 866,748            | 31,231    | 3.6%      | 22,000                    |                          | \$18.00      |
| TOTAL               | 16,020,373         | 2,178,674 | 13.6%     | (142,376)                 | 157,300                  | \$23.61      |

| CLASS | EXISTING INVENTORY | VACANCY   |           | Q3 2023 NET<br>ABSORPTION | UNDER<br>CONSTRUC-<br>TION SF | QUOTED<br>RATES |
|-------|--------------------|-----------|-----------|---------------------------|-------------------------------|-----------------|
|       | Total RBA          | Total SF  | Vacancy % |                           |                               |                 |
| A     | 4,696,519          | 836,546   | 17.8%     | (33,575)                  | -                             | \$25.85         |
| B     | 9,279,624          | 1,271,986 | 13.7%     | (115,887)                 | 157,300                       | \$21.37         |
| C     | 2,044,230          | 70,142    | 3.4%      | 7,086                     | -                             | \$16.81         |
| TOTAL | 16,020,373         | 2,178,674 | 13.6%     | (142,376)                 | 157,300                       | \$23.61         |



# TOP OVERALL MARKET TRANSACTIONS

## TOP 3 OFFICE LEASES - QUARTER 3



**LEASED**

### 550 S MAIN STREET

AREA GREENVILLE  
TOTAL SF 12,928  
TENANT WOMBLE BOND DICKINSON LLP  
TYPE DIRECT



**LEASED**

### 777 LOWNDES HILL ROAD

AREA GREENVILLE  
TOTAL SF 9,030  
TENANT AERONIX INC  
TYPE DIRECT



**LEASED**

### 777 LOWNDES HILL ROAD

AREA GREENVILLE  
TOTAL SF 7,903  
TENANT SHEPHERD OUTSOURCING LLC  
TYPE DIRECT

## TOP 3 OFFICE SALES - QUARTER 3



**SOLD**

### 310 INGLESBY PARKWAY

AREA SPARTANBURG  
TOTAL SF 44,000  
PRICE \$4,350,000 / \$98.86  
BUYER THE SOUTHER BANK  
SELLER ONESPARTANBURG, INC.



**SOLD**

### 25 WOODS LAKE (BLDG 6)\*

AREA GREENVILLE  
TOTAL SF 14,723  
PRICE \$1,610,075 / \$109.36  
BUYER SADDLE BROOK PROPERTIES, LLC  
SELLER WINNEBAGO INDUSTRIES, INC.



**SOLD**

### 25 WOODS LAKE (BLDG 2)\*

AREA GREENVILLE  
TOTAL SF 13,256  
PRICE \$1,560,406 / \$117.71  
BUYER SADDLE BROOK PROPERTIES, LLC  
SELLER WINNEBAGO INDUSTRIES, INC.

## TOP 2 UNDER CONSTRUCTION - QUARTER 3



### 701 EASLEY BRIDGE ROAD

AREA NORTH SPARTANBURG  
TOTAL SF 57,300  
DEVELOPER THREE CORNERS DEVELOPMENT  
DELIVERY 2023



### 200 E CAMPERDOWN WAY

AREA GREENVILLE CBD  
TOTAL SF 50,000  
DEVELOPER UNITED COMMUNITY BANK (OWNER)  
DELIVERY 2023



## LEE FEATURED OFFICE PROPERTIES



### 1310 UNION STREET

AREA SPARTANBURG  
TOTAL SF  $\pm 30,000$  SF  
RATE \$3,400,000



### 12 MAPLE TREE COURT

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



### 3535 PELHAM ROAD, SUITE 101

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



### 101 W COURT STREET

AREA GREENVILLE  
TOTAL SF  $\pm 3,819$  SF  
RATE \$31.50 SF/YR (FULL SERVICE)



### 510 AIRPORT ROAD EXTENSION

AREA GREENVILLE  
TOTAL SF  $\pm 3,648$  SF  
RATE \$20.00 SF/YR (MG)



### 130 DILLON DRIVE

AREA SPARTANBURG  
TOTAL SF  $\pm 3,185$  SF  
RATE \$18.00 SF/YR (NNN)

# 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 Brokers 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 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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**VIEW OUR  
CURRENT  
LISTINGS**





## COMMERCIAL REAL ESTATE SERVICES

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.

864.704.1040 | [LeeGreenville.com](http://LeeGreenville.com)

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