




Q4

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INDUSTRIAL MARKET REPORT


Overview


Major Southeastern population centers, such as Charlotte and Atlanta, have made the Greenville/Spartanburg industrial market popular for distribution center operations, as illustrated by Walgreens' 687,251 SF lease in Q4 2023. While growth in e-commerce and consumer spending boosted industrial real estate activity during COVID, cooling consumer spending led to slowing absorption in Q4, and vacancy rates are on the rise heading into early 2024. Approximately 15 million SF of industrial inventory has delivered in the past 12 months, and 8.9M SF is currently under construction. Like much of the nation, the pace of new construction has slowed recently as developers put groundbreakings on hold, which should alleviate supply pressures throughout 2024.

Q4 Existing Inventory
 **239,660,664 SF**
Q3 232,790,292 SF

Q4 Net Absorption
 **-752,460**
Q3 1,951,621 SF

Q4 Under Construction
 **8,962,537**
Q3 9,965,901 SF

Q4 Vacancy
 **8.3%**
Q3 6.7% SF

Q4 Avg. Asking Rent (per yr.)
 **\$4.91 PSF**
Q3 \$4.90 PSF

Absorption

Due to tenant downsizing and move-outs, the Greenville-Spartanburg experienced negative net absorption in Q4, ending the year total to nearly 7.1 MSF.

Vacancy

Vacancy increased 160 basis points to 8.3% at the end of 2023. Slowing consumer spending led to a decline in net absorption, but the long term outlook remains positive with strong investments focused on the automotive industry.

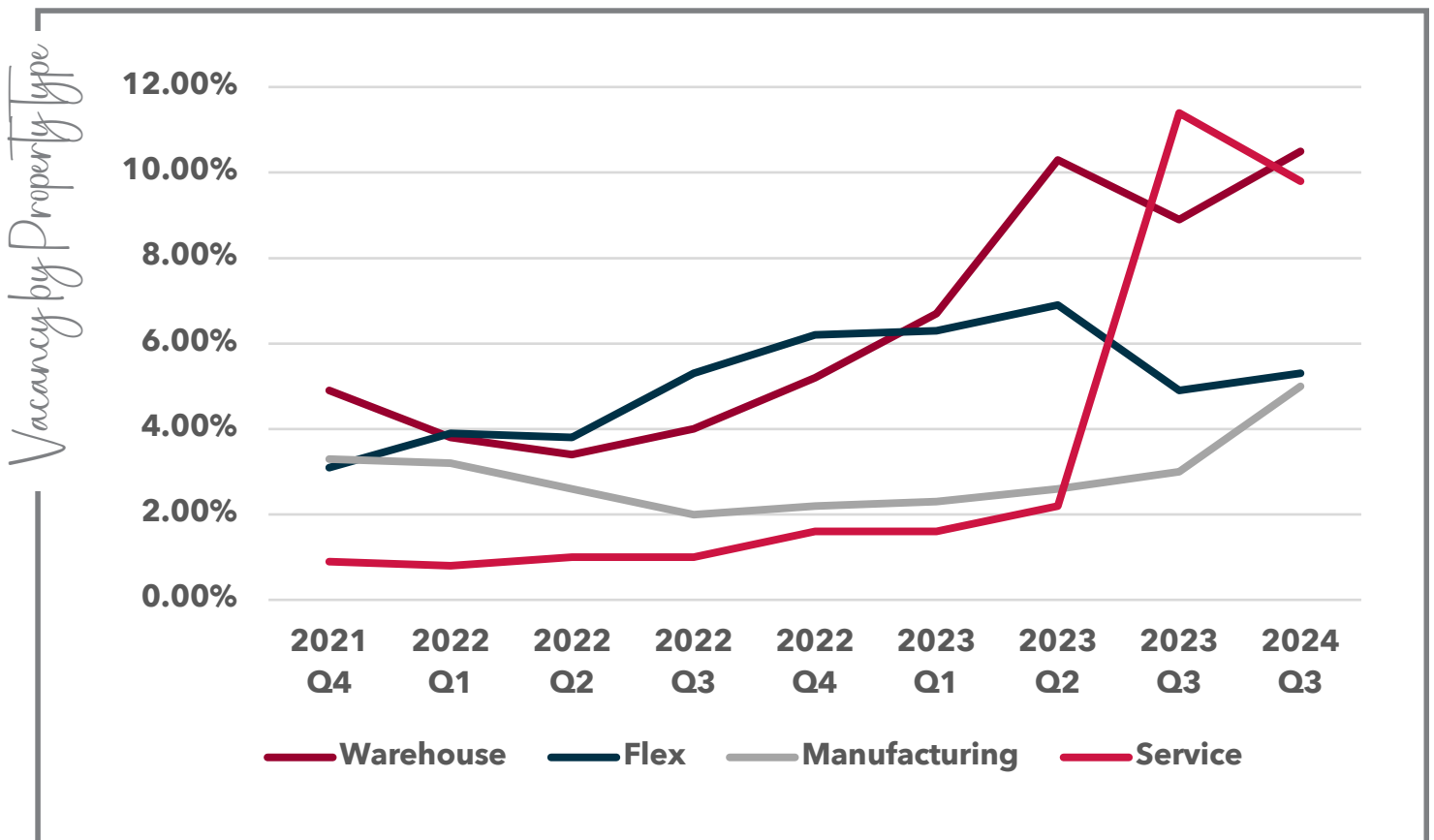
Rental Rates

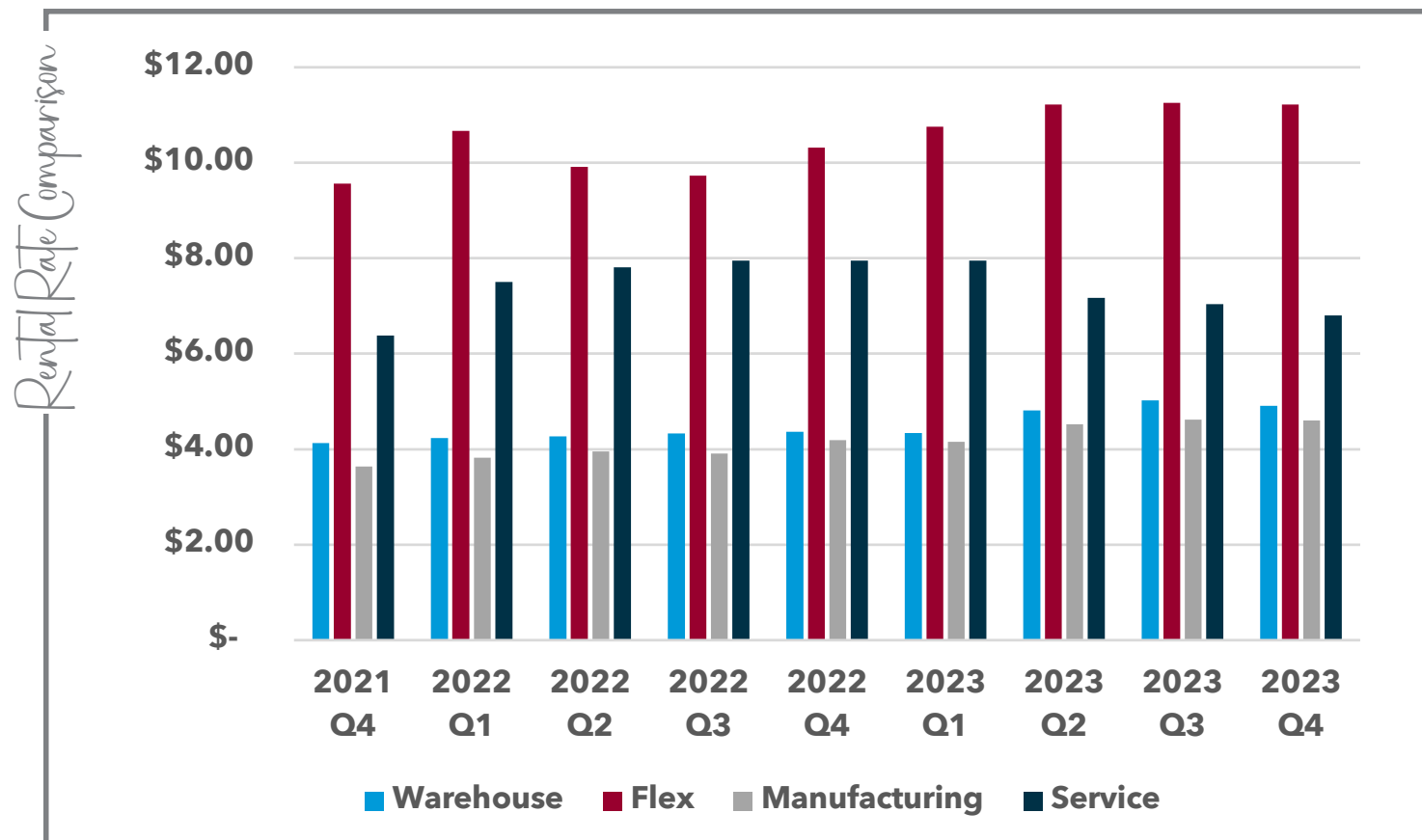
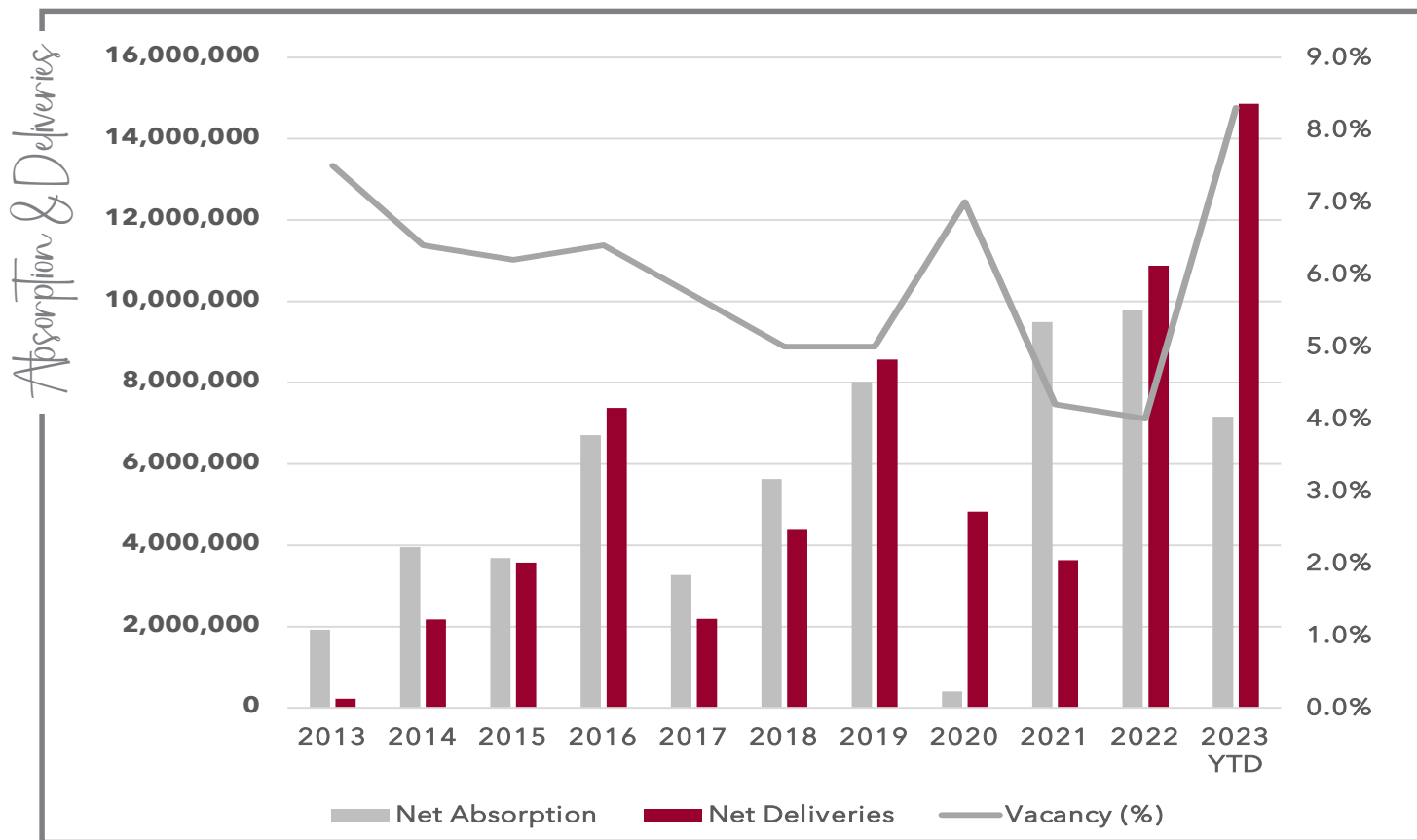
Asking rents have remained relatively stable throughout 2023, ending the year at \$4.91 PSF.

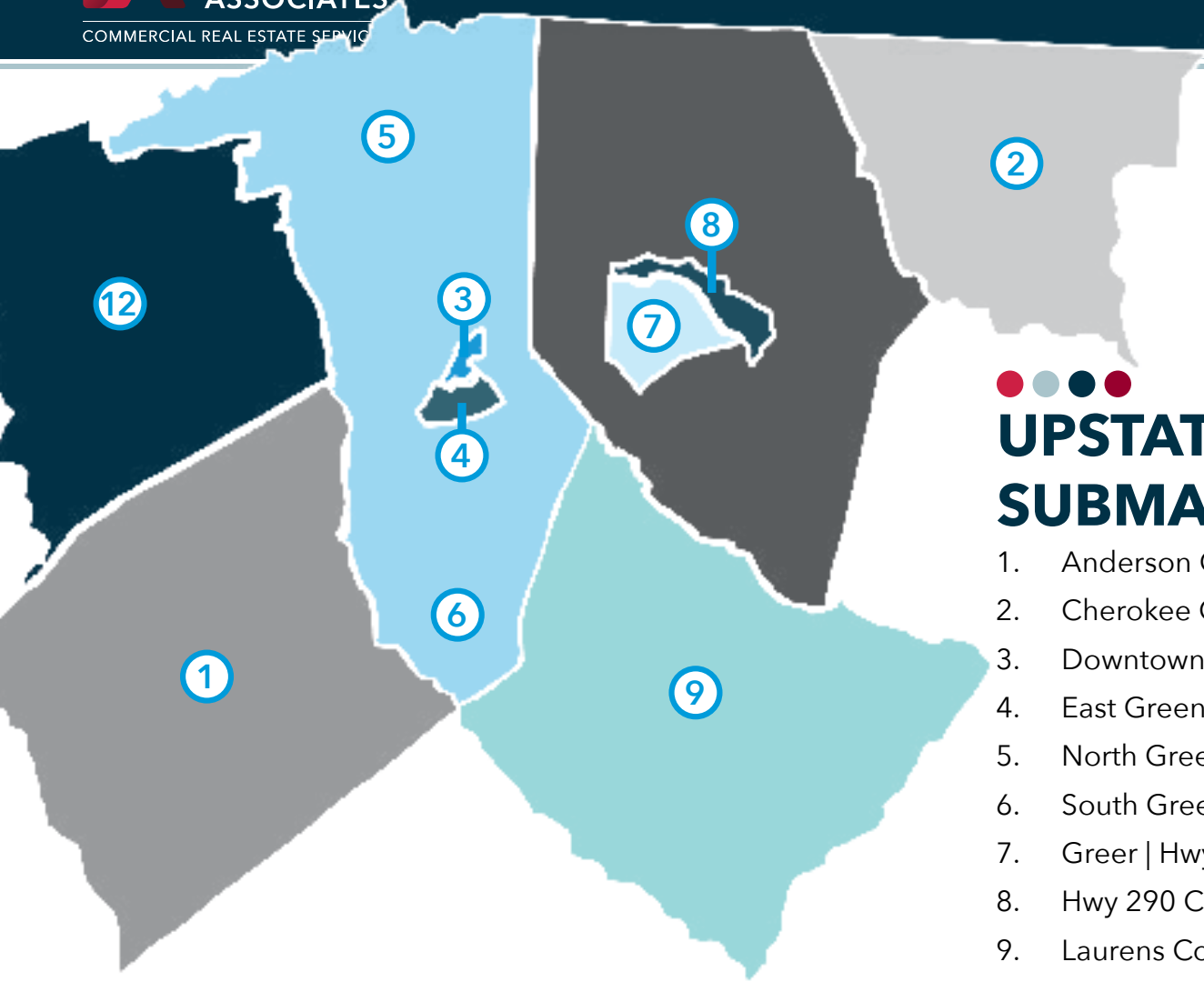
Development

Like most of the nation, groundbreakings of new development have dropped off. There was nearly 15 MSF of new industrial product to hit the market throughout 2023.

Approximately 15 million SF of industrial inventory has delivered in the past 12 months, and 8.9M SF is currently under construction.







UPSTATE SUBMARKET

1. Anderson County
2. Cherokee County
3. Downtown Greenville
4. East Greenville
5. North Greenville
6. South Greenville
7. Greer | Hwy 101 Corridor
8. Hwy 290 Corridor
9. Laurens County
10. North Spartanburg
11. South Spartanburg
12. Pickens County

Warehouse

PERIOD	EXISTING INVENTORY	VACANCY		YTD NET ABSORPTION	UNDER CONSTRUCTION SF
	Total RBA	Total SF	Vac %		
2023 Q4	142,195,745	14,922,663	10.5%	7,528,982	8,962,537
2023 Q3	137,900,431	12,278,488	8.9%	7,683,691	9,965,901
2023 Q2	141,662,249	14,609,028	10.3%	4,918,176	3,153,699
2023 Q1	135,723,826	9,076,034	6.7%	4,720,227	6,841,606

Flex

PERIOD	EXISTING INVENTORY	VACANCY		YTD NET ABSORPTION	UNDER CONSTRUCTION SF
	Total RBA	Total SF	Vac %		
2023 Q4	6,354,945	337,528	5.3%	98,409	0
2023 Q3	6,349,865	309,905	4.9%	37,859	0
2023 Q2	6,116,697	422,913	6.9%	-15,277	0
2023 Q1	6,792,662	427,273	1.6%	-7,015	0

SUBMARKET	EXISTING INVENTORY	VACANCY		YTD NET ABSORPTION	UNDER CONSTRUCTION SF
	Total RBA	Total SF	Vacancy %		
Anderson Co.	28,609,678	2,925,886	10.2%	578,634	533,000
Cherokee Co.	12,614,899	1,742,643	13.8%	(891,775)	0
Downtown Greenville	2,743,233	44,550	1.6%	55,145	0
E. Greenville	13,053,156	417,127	3.2%	465,130	305,500
N. Greenville	19,276,735	376,504	2.0%	40,139	0
S. Greenville	40,721,537	3,371,440	8.7%	2,290,071	0
Greer Hwy 101 Corridor	22,957,511	2,508,226	10.9%	1,238,482	265,387
Hwy 290 Corridor	13,088,514	2,113,498	16.1%	(138,111)	3,282,535
Laurens Co.	14,205,161	345,122	2.4%	(320,122)	0
N. Spartanburg	45,872,662	3,670,834	8.0%	1,398,974	4,098,755
S. Spartanburg	20,199,880	2,185,043	10.8%	2,628,163	477,360
Pickens Co.	6,317,698	255,945	4.1%	(182,254)	0
TOTAL	239,660,664	19,956,818	8.3%	7,162,476	8,962,537

Service

PERIOD	EXISTING INVENTORY	VACANCY		YTD NET ABSORPTION	UNDER CONSTRUCTION SF
	Total RBA	Total SF	Vac %		
2023 Q4	3,481,191	339,784	9.8%	-283,481	0
2023 Q3	3,460,887	393,784	11.4%	-337,481	0
2023 Q2	3,472,087	74,896	2.2%	-18,593	0
2023 Q1	3,472,287	56,303	1.6%	0	0

Manufacturing

PERIOD	EXISTING INVENTORY	VACANCY		YTD NET ABSORPTION	UNDER CONSTRUCTION SF
	Total RBA	Total SF	Vac %		
2023 Q4	87,628,783	4,356,843	5.0%	-181,434	0
2023 Q3	85,079,109	2,589,982	3.0%	530,867	0
2023 Q2	85,302,233	2,219,556	2.6%	1,079,009	1,505,840
2023 Q1	84,918,309	1,950,424	2.3%	470,407	1,505,840

TOP OVERALL MARKET PROPERTIES

TOP 3 INDUSTRIAL LEASES - QUARTER 4



LEASED

101 ALLIANCE PKY

AREA ANDERSON
TOTAL SF 687,251
TENANT WALGREENS
TYPE RENEWAL



LEASED

0 CASUAL DRIVE

AREA SPARTANBURG
TOTAL SF 233,280
TENANT UNDISCLOSED
TYPE NEW



LEASED

260 PARKWAY EAST

AREA SPARTANBURG
TOTAL SF 96,400
TENANT TEI CONSTRUCTION SERVICES,
TYPE NEW

TOP 3 INDUSTRIAL SALES - QUARTER 4



SOLD

255 BLACK HAWK ROAD

AREA GREENVILLE
TOTAL SF 404,000
PRICE \$17,855,000 / \$44.20 PSF
BUYER WOODHILL REAL ESTATE
SELLER SUNLAND LOGISTICS SOLUTIONS



SOLD

1515 ANTIOCH CHURCH ROAD - FRONT

AREA GREENVILLE
TOTAL SF 146,262
PRICE \$8,979,377 / \$61.39 PSF
BUYER IP CAPITAL PARTNERS, LLC
SELLER PERCEPTIVE CAPITAL



SOLD

1515 ANTIOCH CHURCH ROAD - BACK

AREA GREENVILLE
TOTAL SF 88,405
PRICE \$5,020,623 / \$56.79 PSF
BUYER IP CAPITAL PARTNERS, LLC
SELLER PERCEPTIVE CAPITAL

TOP 3 UNDER CONSTRUCTION - QUARTER 4



1120 EAST MOUNT OLIVE ROAD

AREA NORTH SPARTANBURG
TOTAL SF 1,189,440
DEVELOPER UCP BATTLEGROUND, LLC
DELIVERY Q1 2024



2536 CHESNEE HIGHWAY

AREA SPARTANBURG
TOTAL SF 1,019,200
DEVELOPER ROCKEFELLER GROUP
DELIVERY Q2 2024



510 LOGISTICS DRIVE - MID85 - II

AREA SPARTANBURG
TOTAL SF 917,694
DEVELOPER WS DISTRIBUTION, LLC
DELIVERY Q3 2024

LEE FEATURED INDUSTRIAL PROPERTIES



FOR LEASE: 12490 HWY 56 NORTH

AREA	CLINTON
TOTAL SF	±517,440 SF (±63,000 - 517,440 SF)
RATE	CALL FOR PRICING

NOTES:

- BUILD TO SUIT OPPORTUNITY: CLASS A INDUSTRIAL
- SITES FOR ±63,000 - 517,440 SF
- ±4,027' I-26 FRONTAGE, ±0.5 MILE FROM I-26
- SITE SITS AT I-26 / I-385 CONVERGENCE



FOR LEASE: 185 LITTLEJOHN STREET

AREA	SPARTANBURG
TOTAL SF	±247,341 SF
RATE	\$4.50 SF/YR (NNN)

NOTES:

- 4 MAJOR INTERSTATES IN A 5 MILE RADIUS
- 20 DOCK DOORS EQUIPPED WITH PIT LEVELERS
- ±112,000 TO 247,341 SF ON 24.05 ACRES
- CLEAR HEIGHT RANGING FROM 22' TO 26'6"



FOR SALE OR LEASE: ENKA COMMERCE PARK

AREA	CANDLER, NC
TOTAL SF	±136,080 - 226,640 (or BTS)
RATE	CALL FOR PRICING

NOTES:

- LOCATED AT THE INTERSECTION OF I-26 & I-40
- MINIMUM DIVISIBLE: ±27,730 SF
- ESTABLISHED INDUSTRIAL PARK
- ±3.5 MILES TO I-26; ±1.0 MILE TO I-40



FOR SALE: 6 SHELTER DRIVE

AREA	GREER, SC
TOTAL SF	±172,725 SF
RATE	CALL FOR PRICING

NOTES:

- 100% OCCUPIED WITH A TERM OF 96 MONTHS
- PRIME LOCATION RIGHT OFF I-85
- EXCEPTIONAL INTERSTATE ACCESS
- ACROSS THE INTERSTATE FROM BMW

meet our INDUSTRIAL EXPERTS

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Lee & Associates Greenville / Spartanburg is founded on a culture of collaborative synergy and forward-thinking ingenuity. Our firm specializes in delivering innovative and strategic solutions to a diverse set of clients including landlords, tenants, and developers across the Upstate of South Carolina and the Western region of North Carolina. Whether your needs entail owner or tenant representation, property marketing, research and demographics analysis, or asset and property management, our extensive expertise spanning over four decades stands ready to serve your needs.

Within our dual office locations situated in Greenville and Spartanburg, our team comprises a total of fourteen seasoned brokers complemented by a dedicated support staff of seven individuals. This collective expertise and personnel structure uniquely position us to adeptly manage a wide spectrum of industrial real estate endeavors, be it investments, developments, build-to-suit projects, or comprehensive property management.



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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.

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